

Tier 1



*Welcome to the*  
**Early to Mid-Career Seminar**  
**PUBLIC SAFETY**



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# Financial Fitness Now Leads to a Healthy Retirement

Make sure your financial house is in order to maximize your savings and effectively plan for retirement.

## 1. Set Up a Spending Plan

- » Project your current income and your expenses.
- » Track your earnings and spending.
- » Compare your actual with your projected income and expenses each month.
- » Make adjustments; don't spend more than you earn.

## 2. Build Up Savings

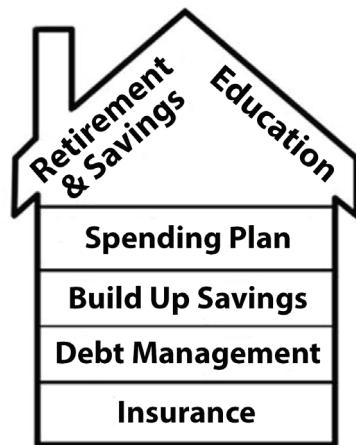
- » Pay yourself first.
- » Save for emergencies.
- » Save for large expenses, including a car, house, education, and retirement.

## 3. Manage Debt

- » Limit your debt; don't spend more than you earn.
  - › Good debt: home, education
  - › Bad debt: credit card, title loans
- » Consider using a debt reduction method like the snowball or avalanche method to eliminate your debts.

## 4. Be Properly Insured

- » Depending on your personal circumstances, individuals should consider life insurance to properly provide for your beneficiaries in case you unexpectedly pass away.



### Snowball Method

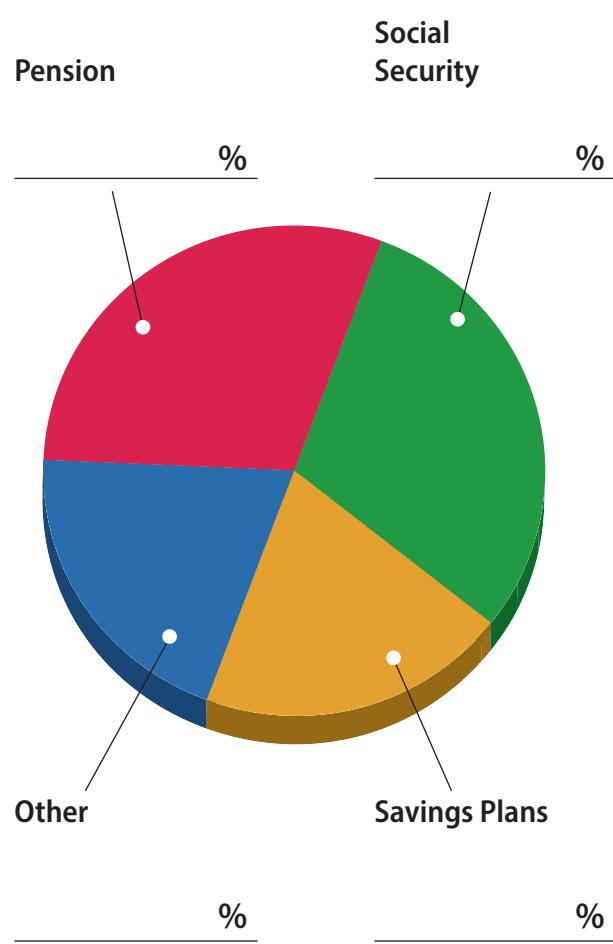
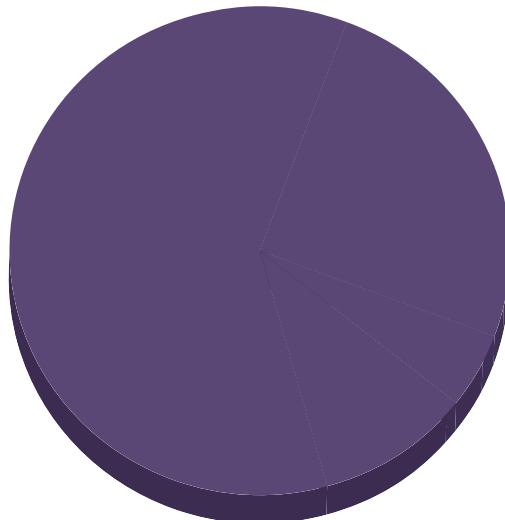
Pay off the smallest debts first. After the smallest debt is repaid, the money that was used to pay smaller debts is then applied toward the next larger debt, until all debts are paid off.

### Avalanche Method

Pay off the highest interest rate debt first. After the higher interest debt is repaid, the money that was used to pay higher interest debt is then applied to the next lower interest rate debt, until all debts are paid off.

# Retirement Income

## How is Your Pie Proportioned?



Current Income

Retirement Income

These charts are only examples.

Each individual must estimate what his or her retirement income will be.

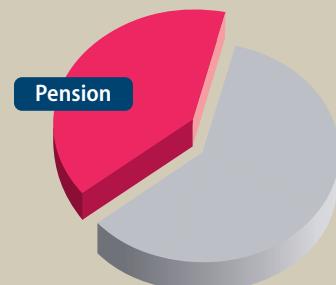
## Do You Need to Make Any Adjustments?

# Retirement Income

## Pension

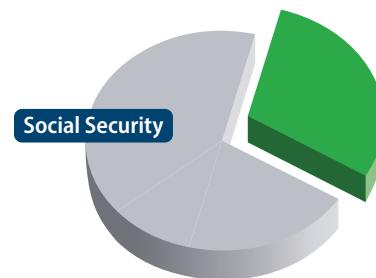
Fixed monthly income for the rest of your life.

- » Payment based on service and salary
- » Options to provide for beneficiaries
- » Cost-of-living increases



## Social Security

Federal program providing fixed monthly income for the rest of your life.



## Savings Plans – 401(k), 457, IRAs

Investment accounts that work for you before and after retirement.

- » You choose how much to save
- » You choose your savings plan(s)
- » You choose your investment options



## Other

- » Savings accounts?
- » Part-time job?
- » Rental property?
- » Other investments?
- » Additional employer benefits?



# Who is Eligible for the Pension?

## You qualify for membership if:

- » Your employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a recognized public safety department, as a
  - *law enforcement officer,*
  - *special function officer,*
  - *correctional officer, or*
  - *full-time member of the Board of Pardons and Parole,*
  - *dispatcher whose agency converted to the Public Safety System and is POST certified. (Limited to participating employers.)*

## AND

- » In the course of employment, your life or personal safety is at risk.

You have completed a certified training program, which is documented to URS, for anyone enrolled since January 1, 1984.

If you don't meet the eligibility requirements listed above, based on your employer's participation, you will be enrolled in either the Public Employees Noncontributory or Contributory Retirement system.

If you transfer from one participating public safety employer to another, you'll become a member of the system to which your new employer belongs.

## Employees who may exempt from retirement coverage by filing a URS exemption form with our office:

- » The commissioner of public safety.
- » The elected sheriff or the appointed chief of police of a public safety organization. An exemption form must be filed with our office *before the date of exemption.*



# When Can You Retire?

In the Public Safety System, the minimum age and service credit\* requirements are as follows:

- » 65 with at least **4** years of service.
- » 60 with at least **10** years of service.
- » Any age with at least **20** years of service.

*\* All years of service credit combined.*



# How Much Will My Pension Pay Me?



## Estimating Your Basic Benefit

Years of Service (*up to 20 years*) x 2.5% x \*Average 3 Highest Years' Salary  
+  
Years of Service (*after 20 years*) x 2% x \*Average 3 Highest Years' Salary  
=  
Basic Yearly Pension Benefit

**Example Estimating Your Basic Benefit** *Based on 25 years of service*

Public Safety		
<u>Years of service</u>		Fill in your own numbers
Up to 20 years x 2.5% → 50% (20 yrs x 2.5%)	+	_____
After 20 years x 2% → 10% (5 yrs x 2%)	+	_____
	= 60%	_____
x		_____
*Average salary → \$60,000		_____
(Average of 3 highest years)		_____
=		_____
Benefit → \$36,000/year		_____
		_____
	\$3,000/month**	_____
		_____

\*Average salary doesn't include allowances nor overtime pay.

\*\*If you have service credit before 1989 there may be an additional 3% benefit. In this example,  $\$3,000 \times 1.03 = \$3,090$  a month.

Member Age 62, Spouse 60

Basic Monthly Benefit

Payment to Spouse at Member's Death

Basic Monthly Benefit  
(\$36,000/yr.)

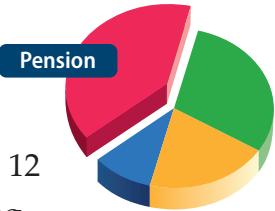
\$3,000 / month

\$1,950 / month  
(65% of Basic Monthly Benefit)

\$2,955 / month

\$2,216 / month

# Partial Lump-Sum Option (PLSO)



At retirement, you have the option to receive a lump-sum payment equal to 12 months or 24 months of your lifetime monthly retirement benefit. By electing to receive a lump-sum payment, you accept a permanently reduced lifetime monthly benefit.

The monthly benefit reduction due to a PLSO is permanent. You should carefully consider the reduced benefit you, and your spouse (if applicable), will receive after taking the lump-sum payment to be sure you can still meet future financial obligations. Any PLSO payment is fully taxable. In addition, if your payment is paid directly to you it may be subject to a 10% penalty under certain circumstances.

*If age 50 or older, PLSO amount is not subject to IRS early age withdrawal penalty.*

*Effective January 1, 2016, the 10% penalty for 401(k) early withdrawal is waived for Public Safety and Firefighter retirees age 50 and over.*

## Example

Based on:

- » \$60,000 final average salary
- » Member age 62
- » 25 years of service
- » Spouse age 60

Basic Monthly Benefit (\$36,000/yr.)	Basic Monthly Benefit	Payment to Spouse at Member's Death
	\$3,000 / month	\$1,950 / month (65% of Basic Monthly Benefit)
	\$2,955 / month	\$2,216 / month (75% of Basic Monthly Benefit)

## Partial Lump-Sum Options

12 month PLSO Amount: \$36,000	Adjusted Monthly Benefit	Payment to Spouse at Member's Death
	\$2,802 / month	\$1,821 / month (65% of Basic Monthly Benefit)
	\$2,760 / month	\$2,070 / month (75% of Basic Monthly Benefit)

24 month PLSO Amount: \$72,000	Adjusted Monthly Benefit	Payment to Spouse at Member's Death
	\$2,604 / month	\$1,692 / month (65% of Basic Monthly Benefit)
	\$2,564 / month	\$1,923 / month (75% of Basic Monthly Benefit)

Monetary figures in this example may be rounded up for simplicity.

# Purchasing Service Credit

You may increase the amount of service credit you have, thereby increasing your retirement benefit, by reinstating and/or purchasing eligible service credit. There are a few ways to do this.

## Reinstating Withdrawn Contributions (Redeposits)

If you have an existing record of eligible service credit, you and/or your employer may reinstate eligible service previously withdrawn.

## Service Purchase

Once vested (4 years of service credit), you and/or your employer may be able to purchase the following:

- » Active full-time U.S. military service
- » Forfeited U.S. federal employment
- » Forfeited private or Utah charter school employment
- » Forfeited public service.

## Steps to Purchasing Service Credit

- 1. After using the Service Purchase Estimate Calculator, contact URS at 801-366-7770 or 800-695-4877.**
- 2. Fill out the appropriate form:**
  - » Reinstatement
  - » Service Purchase
- 3. Pay for service in one of the following ways:**
  - » **Lump-sum payment** before your retirement date set with the Retirement Office.
  - » **Payroll deduction** (with employer's approval) to be completed before your retirement date and within 60 months of your first payment.
  - » **Direct rollover** from your 401(k) or other qualified plan, conduit IRA, or from an eligible employer plan, such as a 403(b) or 457 plan.

[www.urs.org](http://www.urs.org)

For more information on purchasing service credit and to use the **Service Purchase Estimate Calculator**, visit [www.urs.org](http://www.urs.org).

# Active Members' Death Benefits



## Division A (with Social Security Coverage)

Line-of-Duty	Not in Line-of Duty
<p><b>Your spouse gets</b> a payment equal to six months of your final average salary and a monthly benefit (30% of final average salary).</p> <p><b>20 years or more (considered retired):</b> <b>Your spouse gets</b> 65% of your retirement benefit.</p>	<p><b>Less than 10 years of service:</b> <b>Your beneficiary gets</b> \$1,000 lump sum or refund of contributions.</p> <p><b>10 years or more:</b> <b>Your spouse gets</b> \$500 lump sum and a monthly benefit (2% of final average salary for every year of service, up to 30%).</p> <p><b>20 years or more (considered retired):</b> <b>Your spouse gets</b> 65% of your retirement benefit.</p>

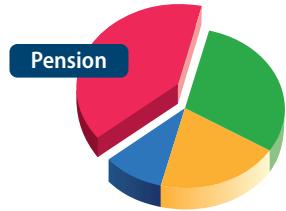
## Division B (without Social Security Coverage)

Line-of-Duty	Not in Line of Duty
<p><b>Your spouse gets</b> a payment equal to six months of your final average salary and a monthly benefit (37.5% of final average salary).</p> <p><b>Your dependent children</b> may qualify for a monthly benefit.</p> <p><b>20 years or more (considered retired):</b> <b>Your spouse gets</b> 65% of your retirement benefit.</p>	<p><b>Less than 2 years of service:</b> <b>Beneficiary receives</b> refund of contributions and 50% of last 12 months' salary.</p> <p><b>2 years or more:</b> <b>Your spouse gets</b> \$1,500 lump sum and a monthly benefit (37.5% of final average salary)</p> <p><b>Your dependent children</b> may qualify for a monthly benefit.</p> <p><b>20 years or more (considered retired):</b> <b>Your spouse gets</b> 65% of your retirement benefit or 37.5% of your final average salary, whichever is greater.</p>

For specific information about your death benefits, see the **Public Safety Highlights** brochure.

For surviving spouse benefits, you must have been married for at least six months prior to death.

# Steps to Retirement – Pension



**Call URS at 801-366-7770 About Two to Three Years Before You Plan to Retire to**

- Request a pension benefit estimate

**Determine Your Retirement Date**

- 1<sup>st</sup> or  16<sup>th</sup> of any month *after* your last day of work

**Call URS two to three months prior to retiring to begin the application process**

- URS Pension Department- 801-366-7770

**Collect Materials Needed to Process Your Retirement Application**

- Birth certificate
- Spouse's birth certificate
- Marriage certificate
- Voided check

**Complete Required Forms**

- Retirement application
- W-4P tax withholding form
- Beneficiary form
- Direct deposit form
- Notice of Bona Fide  
Termination Requirements
- Notice of Post-Retirement  
Employment Restrictions



# Things to Consider



## 1 Pension Payment

- » Your pension check may take up to 90 days to arrive.
- » The first check is retroactive to your retirement date.
- » Your pension check is paid on the last business day of each month.

## 2 Cost-of-Living Adjustment (COLA)

- » You will receive an annual cost-of-living adjustment (COLA) on the anniversary of your retirement date, equal to the rate of inflation, based on the consumer price index. This increase is a simple COLA limited to an annual maximum of 4%.

## 3 Taxes

- » Your pension is subject to federal and state income taxes.
- » You can change your tax withholdings at any time with a W-4P form.
- » You will receive a 1099-R annually to file with your income taxes.

## 4 Post-Retirement Employment

- » If you return to any URS employer *within 60 days* from your retirement date:
  1. Your retirement check is canceled.
  2. You continue to earn service credit if eligibility requirements are met.  
(New service is vested after two years.)
- » If you return to any URS employer *after 60 days and within 12 months* of your retirement date:
  1. You continue to receive a retirement check.
  2. You must work in a non-benefited position, and
  3. Your earned income is limited to the lesser of \$20,893.12 or half of your final average salary.
- » **Effective July 1, 2025**, if you return to any URS employer *after 90 days and within 12 months* of your retirement date:
  1. Your retirement check continues at 85%.
  2. You can work in a benefited position, no salary restrictions.
  3. No pension COLAs during re-employment period.
- » If you return to any URS employer *after 12 months* from your retirement date, you must choose one of the following:
  1. You continue to receive a retirement check
    - you will gain no additional service credit.
  2. Your retirement check is canceled
    - you will earn additional service credit, if eligible
    - your new service is vested after two years.

# Things to Consider, Cont.

## 5 Public Safety Health Coverage

The Pension Protection Act of 2006 allows for Public Safety and Firefighter employees, who qualify for retirement, to pay for accident, health, or long-term care insurance premiums using their retirement income. Those who qualify may elect to use up to \$3,000 annually, tax-free, toward insurance premiums.

### How It Works

- » Your insurance company must be on our approved provider list. Call 800-695-4877 for additional information.
- » The payment will be deducted from your pension check each month, and sent directly to the insurance company to pay for your premiums.
- » Come tax time, you will indicate the amount you used, up to \$3,000 for insurance purposes, and your taxable income decreases by \$3,000.



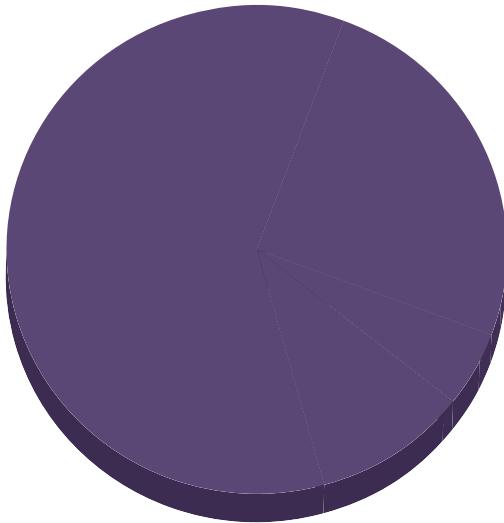
# How is Your Pie Proportioned?



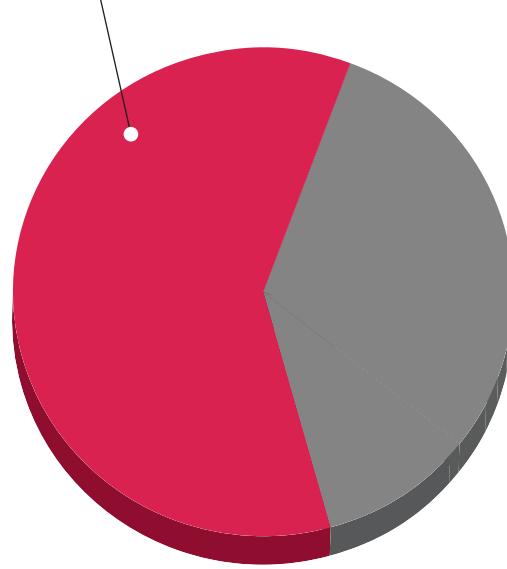
## Example

Based on:

- » \$60,000 final average salary
- » 25 years of service
- » Member age 62
- » Spouse age 60



Current Income



Retirement Income

These charts are only examples.

Each individual must estimate what his or her retirement income will be.

## Do You Need to Make Any Adjustments?

## Notes

# Educational Savings Plan



- » [my529](#)
- » [529 Plan FAQs](#)

# Save for education with my529

*my529, Utah's educational savings plan, is part of the Utah System of Higher Education. We have been helping families invest for more than 25 years.*

## Why my529

- Accounts are free to open and do not require ongoing contributions.
- Earnings are tax-free when spent on qualified education expenses.
- Utah state tax credit available for Utah taxpayers.
- Easy to schedule contributions.

*Investing for future education early gives your money more potential for growth.*

**Receive a special offer.  
Scan the QR Code for more information.**



**my529®**

UTAH EDUCATIONAL SAVINGS PLAN

**my529.org | 800.418.2551 | info@my529.org**



### Important Legal Notice

*Investing is an important decision. The investments in your account may vary with market conditions and could lose value. Carefully read the Program Description in its entirety for more information and consider all investment objectives, risks, charges and expenses before investing. For a copy of the Program Description, call 800.418.2551 or visit my529.org. Investments in my529 are not insured or guaranteed by my529, the Utah Board of Higher Education, Utah Education Savings Board of Trustees, any other state or federal agency, or any third party. However, Federal Deposit Insurance Corporation (FDIC) insurance is provided for the FDIC-Insured investment option. In addition, my529 offers investment options that are partially insured for the portion of the respective investment option that includes FDIC-insured accounts as an underlying investment. The state in which you or your beneficiary pay taxes or live may offer a 529 plan that provides state tax or other benefits, such as financial aid, scholarship funds and protection from creditors, not otherwise available to you by investing in my529. You should consider such benefits, if any, before investing in my529. my529 does not provide legal, financial, investment or tax advice. You should consult your own tax or legal advisor to determine the effect of federal and state tax laws on your particular situation.*



UTAH EDUCATIONAL SAVINGS PLAN

PO Box 145100  
Salt Lake City, UT 84114-5100  
Phone: 800.418.2551  
Fax: 800.214.2956  
my529.org

## Frequently Asked Questions about my529, an Educational Savings Plan

### 1. What is a 529 plan?

A 529 plan is a tax-advantaged vehicle designed to encourage individuals to invest for future qualified higher education expenses. 529 funds can also be used to pay up to \$10,000 of annual K-12 tuition expenses. These plans are authorized by Section 529 of the Internal Revenue Code.

### 2. What is my529?

my529 is the official 529 plan established and sponsored by the State of Utah. It is a direct-sold plan, which means you can set up an account and make contributions by dealing directly with my529.

### 3. Is there any cost to open or maintain a my529 account?

- No. Opening an account is free—no startup fees.
- There are no initial or ongoing contribution requirements.

### 4. What are the tax benefits?

- Earnings grow tax-deferred from federal and Utah state taxes.
- Withdrawals are tax-free when used for qualified education expenses.
- Utah taxpayers may qualify for a Utah state income tax benefit on contributions.

### 5. Who can own an account?

An account owner can be an individual, a corporation or even a trust. An individual can be an account owner regardless of the relationship to the beneficiary but must be at least 18 years old and a U.S. citizen with a valid Social Security or Taxpayer Identification Number. The individual account owner also must have a physical address in the United States.

### 6. Who can be a beneficiary?

Anyone can be a beneficiary of an account regardless of his or her relationship to the account owner. The beneficiary must be a U.S. citizen with a valid U.S. Social Security or Taxpayer Identification Number.

### 7. Can I change the beneficiary?

An account owner may change the beneficiary of the account to a member of the family of the current beneficiary. "Member of the family" is broadly defined and includes but is not limited to siblings, first cousins, parents, children, and grandchildren.

### 8. How can 529 plan funds be used?

Funds saved through my529 may be used for a beneficiary's qualified education expenses, including tuition and fees; required books, supplies, and equipment; computers, software, and internet access; and certain room and board costs. 529 funds can also be used to pay up to \$10,000 of annual K-12 tuition expenses. Qualified education expenses also include payments on qualified education loans (up to a lifetime total of \$10,000 from all 529 accounts) and costs of registered apprenticeship programs. Rollovers to a Roth IRA can be made under certain conditions.

### 9. Where can 529 plan funds be used for higher education?

Funds may be used at any eligible educational institution that is qualified to participate in federal financial aid programs for students in the United States and abroad. You can find a complete list of eligible educational institutions at the U.S. Department of Education's federal aid website, [www.studentaid.gov](http://www.studentaid.gov).

### 10. How can 529 plan funds be used for K-12 expenses?

Federal law allows that 529 plan funds may be used for K-12 tuition expenses at public, private, or religious schools from kindergarten through 12th grade. Withdrawals cannot exceed a total of \$10,000 per year per beneficiary from all 529 accounts (regardless of who owns the account).

### 11. Who can contribute to an account?

Anyone can contribute to a my529 account, but only the account owner can (1) control how assets are invested and used, and (2) claim tax benefits related to the account, regardless of who contributed to the account.

## **12. How can you make contributions to a my529 account?**

- Online.
- Check.
- One-time or recurring electronic contributions from a checking or savings account.
- Rolling in funds from another 529 plan.
- my529 Gift Program.
- Special occasion contributions on birthdays, holidays, or other special events.
- Payroll direct deposit if authorized by employer.

## **13. What are my529's investment options?**

my529 offers a variety of investment options: One Target Enrollment Date option with 12 portfolios, 10 Static, and two Customized. Underlying investments include Vanguard and Dimensional mutual funds, a PIMCO stable value fund, and FDIC-insured accounts.

## **14. Can I make an investment option change?**

The IRS allows an account owner two investment option changes per calendar year for the same beneficiary. An account owner may also change investment options in connection with a change of beneficiary.

## **15. What if I make a nonqualified withdrawal?**

The earnings portion of funds withdrawn from a my529 account that is not used for qualified higher education expenses or up to \$10,000 of K-12 tuition expenses will be subject to federal and state income taxes and a 10% federal tax penalty. In addition, the Utah account owner must add back the amount of a nonqualified withdrawal (to the extent it was deducted or used in calculating the Utah my529 credit on their current or a previously filed Utah tax return) as income on his or her Utah state income tax form for the taxable year the nonqualified withdrawal was made.

## **16. How will a change in circumstances impact my529 accounts?**

Unforeseen circumstances occur, and the law accommodates certain situations. You may request a nonqualified withdrawal without penalty in the following circumstances:

- If the beneficiary dies or becomes disabled.
- If the beneficiary receives a scholarship (up to the amount of the scholarship).
- If the beneficiary attends a U.S. service academy.
- If 529 funds are used to claim certain federal education benefits.

In those circumstances, the earnings portion of a nonqualified withdrawal will be subject to federal and state income taxes but will be exempt from the additional 10% federal tax penalty.

## **17. What happens if I end up with more in the account than the beneficiary needs for higher education?**

- Keep the funds in the account to pay for graduate school or future qualified higher education expenses.
- Transfer the funds to a member of the beneficiary's family.
- Rollover to a Roth IRA under certain conditions.
- Make a nonqualified withdrawal.

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### **Important Legal Notice**

*Investing is an important decision. The investments in your account may vary with market conditions and could lose value. Carefully read the Program Description in its entirety for more information and consider all investment objectives, risks, charges and expenses before investing. For a copy of the Program Description, call 800.418.2551 or visit my529.org.*

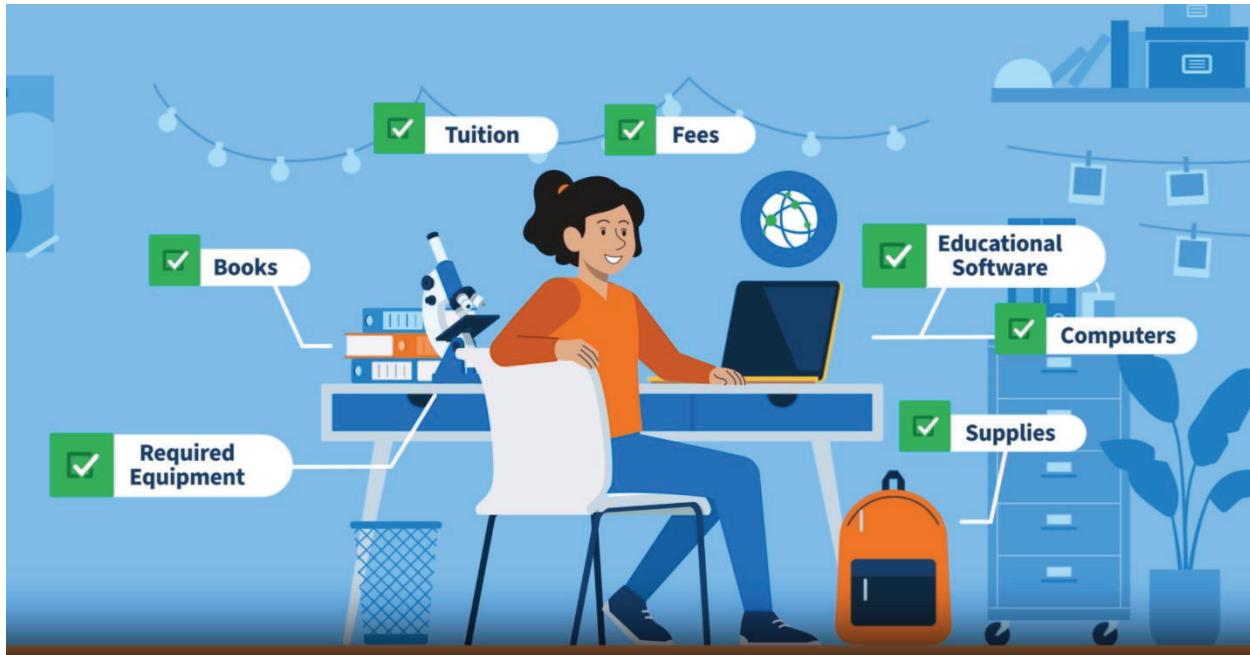
*Investments in my529 are not insured or guaranteed by my529, the Utah Board of Higher Education, the Utah Education Savings Board of Trustees, any other state or federal agency, or any third party. However, Federal Deposit Insurance Corporation (FDIC) insurance is provided for the FDIC-Insured investment option. In addition, my529 offers investment options that are partially insured for the portion of the respective investment option that includes FDIC-insured accounts as an underlying investment.*

*The state in which you or your beneficiary pay taxes or live may offer a 529 plan that provides state tax or other benefits, such as financial aid, scholarship funds and protection from creditors, not otherwise available to you by investing in my529. You should consider such benefits, if any, before investing in my529.*

*my529 does not provide legal, financial, investment or tax advice. You should consult your own tax or legal advisor to determine the effect of federal and state tax laws on your particular situation.*

**Have you seen the my529 video library featuring helpful answers to all your 529 questions?**

The my529 [video library](#) covers topics including what a my529 plan is; common misconceptions about 529 plans; how to make a contribution and later use your funds; as well as the potential tax advantages of a 529. After you check them out, feel free to email us what you would like explained in our next video at [marketing@my529.org](mailto:marketing@my529.org)!



**Important Legal Notice**

*Investing is an important decision. The investments in your account may vary with market conditions and could lose value. Carefully read the Program Description in its entirety for more information and consider all investment objectives, risks, charges and expenses before investing. For a copy of the Program Description, call 800.418.2551 or visit my529.org.*

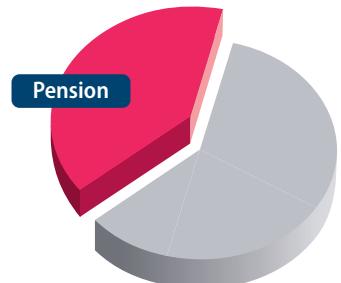
## Notes

# Retirement Income

## Pension

Fixed monthly income for the rest of your life.

- » payment based on service and salary
- » options to provide for beneficiaries
- » cost-of-living increases



## Social Security

Federal program providing fixed monthly income for the rest of your life.



## Savings Plans – 401(k), 457, IRAs

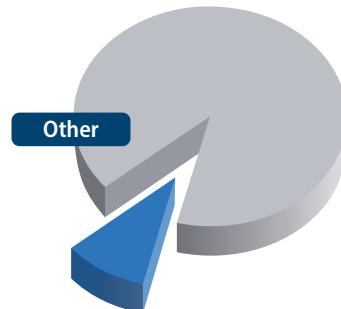
Investment accounts that work for you before and after retirement.

- » you choose how much to save
- » you choose your savings plan(s)
- » you choose your investment options
- » you choose your deposits



## Other

- » Savings accounts?
- » Part-time job?
- » Rental property?
- » Other investments?
- » Additional employer benefits?



# Social Security

Visit [www.ssa.gov](http://www.ssa.gov) to get answers to some of the most common questions, such as:

- 1 When can you retire?
- 2 How much will you receive?
- 3 How do you apply for Social Security?



Social Security offers an online retirement application that you can complete in as little as 15 minutes. It's so easy. Better yet, you can apply from the comfort of your home or office at a time most convenient for you. There's no need to drive to a local Social Security office or wait for an appointment with a Social Security representative. More...

**Related Information**

- Publications
- Use our Retirement Planner
- Estimate your Social Security retirement benefits
- Estimate other potential benefits
- Find your full retirement age
- Benefits for your spouse
- Benefits for you as a spouse

Need information about benefits for same-sex couples?

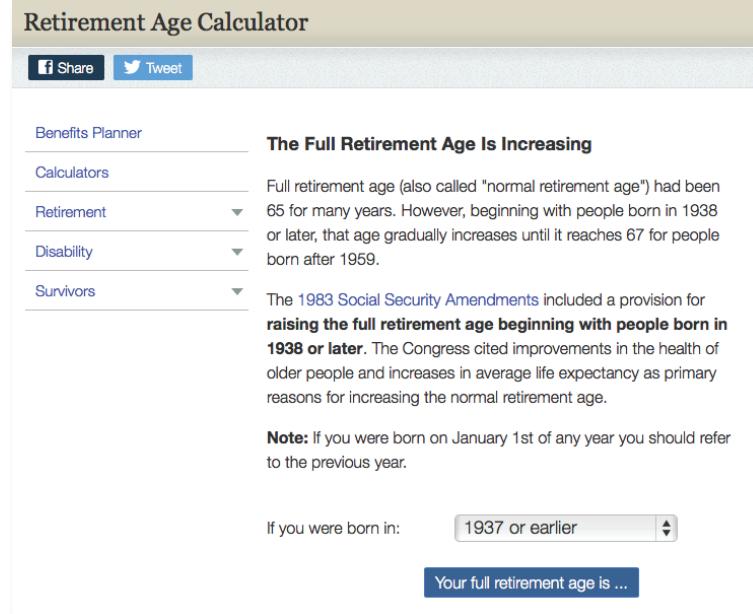
**my Social Security**

Sign in

Create an Account

## 1 When Can You Retire?

» Click on "Find your full retirement age."



**The Full Retirement Age Is Increasing**

Full retirement age (also called "normal retirement age") had been 65 for many years. However, beginning with people born in 1938 or later, that age gradually increases until it reaches 67 for people born after 1959.

The 1983 Social Security Amendments included a provision for **raising the full retirement age beginning with people born in 1938 or later**. The Congress cited improvements in the health of older people and increases in average life expectancy as primary reasons for increasing the normal retirement age.

**Note:** If you were born on January 1st of any year you should refer to the previous year.

If you were born in:

Your full retirement age is ...

## Determining Retirement Age

Year of Birth	Full Retirement Age
1937	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 & later	67



## Deciding When to Start Social Security

### » As early as age 62

Benefits will be permanently reduced

### » At Full Retirement Age (FRA)

No benefit reduction – 100%

### » Delayed Retirement

Benefit increased up to 8% per year between FRA and age 70

## 2 How Much Will You Receive?

### » Use the Retirement Estimator.

The Retirement Estimator gives estimates based on your actual Social Security earnings record. Please keep in mind that these are **just estimates**. We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates provided because:**

- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they will be adjusted for cost-of-living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change because, by 2033, the payroll taxes collected will be enough to pay only about 77 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.

**Who Can Use the Retirement Estimator**

You can use the Retirement Estimator if:

- You have enough Social Security credits at this time to qualify for benefits **and**
- You are **not**:
  - Currently receiving benefits on your own Social Security record;
  - Waiting for a decision about your application for benefits or Medicare;
  - Age 62 or older and receiving benefits on another Social Security record; **or**
  - Eligible for a Pension Based on Work Not Covered By Social Security.

## 3 How Do You Apply for Social Security?

### » Apply online.

**Apply for Benefits**

**Apply Online for Retirement/Medicare Benefits**

**Getting Ready**

Before you start your application, we recommend that you take a moment to prepare yourself by reviewing a few items:

- Make sure you meet the requirements to apply online for Retirement/Medicare;
- Gather all of the information you need to complete the application process.

**Apply & Complete**

Applying for Retirement/Medicare may take between **10 to 30 minutes** to complete depending on your situation. You can save your application as you go, so you can take a break at any time.

**More Information**

- When to Start Receiving Retirement Benefits
- Other Ways To Apply for Benefits
- Your Rights to Representation

**Your privacy is important.**

For details about our use of your information, we encourage you to read our [Privacy Act Statement](#).

# How to create a *my* Social Security account



Securing today  
and tomorrow

To create an account, you must:



Be at least 18  
years of age



Have a Social  
Security number



Have a valid U.S.  
mailing address



Have an email  
address

1



Visit [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount),  
select the “Create an Account” button.

2



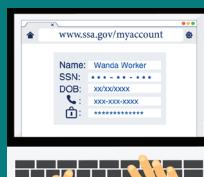
Create a credential with one of our two credential partners,  
Login.gov or ID.me. If you have a Login.gov or ID.me account,  
you can select the appropriate button to access your personal  
*my* Social Security account.

3



If you don't have a Login.gov or ID.me account, select the  
“Create an Account” link to create a Login.gov credential to  
access your personal *my* Social Security account.

4



If you create a new Login.gov credential, you will still need to  
provide us some personal information to verify your identity. You  
will also receive an activation code to complete the process.

5



Read and agree to the *my* Social Security  
Terms of Service prior to accessing your account.

6



Now that you have successfully created your personal  
*my* Social Security account, choose email or text under Message  
Center Preferences to receive courtesy notifications for notices  
and messages from us.

**Note:** If you have previously verified your identity with our credential partners Login.gov or ID.me,  
you do not need to verify your identity again with us.

For more information, read *How to Create an Online Account* at [www.ssa.gov/pubs/EN-05-10540.pdf](http://www.ssa.gov/pubs/EN-05-10540.pdf).

**Create Your Account Today!**

# Your Retirement Guide



Securing today  
and tomorrow

What's the best age to retire? It depends! Consider some of these important factors below to help you decide when to start your Social Security benefits.



## Step 1: Review Your Earnings History

Your monthly benefit amount is based on your highest 35 years of earnings. Find your earnings history by reading your *Social Security Statement* at [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount)



## Step 2: Find Your Full Retirement Age



Full Retirement Age (FRA) is the age you need to be to have no reduction in your monthly benefit amount. FRA is based on the year you were born.

Find your FRA at:  
[www.ssa.gov/planners/retire/ageincrease.html](http://www.ssa.gov/planners/retire/ageincrease.html)

## Step 3: Know Your Options



If eligible, you can start your benefit anywhere from age 62 – 70.  
The longer you wait, the more you will get.



If you're eligible for both your own benefits and spouses benefits, you must apply for both. You'll get a combination of benefits equaling the higher benefit.



If you're eligible for widow(er) benefits, you can select to start your own benefit, or file from your deceased spouses' account if eligible.



Once you start your benefit, you are locked in to that benefit amount.

Get your retirement estimates at:  
[www.ssa.gov/onlineservices](http://www.ssa.gov/onlineservices)

## Step 4: Consider Other Things That Could Affect Your Monthly Benefit Amount



Benefits may be temporarily reduced if you are working and receiving benefits before FRA.



In some cases, you may have to pay taxes on your Social Security benefit amount.



If you worked for a job not covered by Social Security, your monthly benefit amount may be reduced.



You should sign up for Medicare three months before age 65, even if you don't plan to retire.  
For more information, visit:  
[https://www.ssa.gov/benefits/medicare/](http://www.ssa.gov/benefits/medicare/)



Take into account your longevity and health.  
Today, 1-in-3 65-year-olds live to age 90.

Find the average life expectancy for someone your age at:  
[www.ssa.gov/planners/lifeexpectancy.html](http://www.ssa.gov/planners/lifeexpectancy.html)

## Step 5: File for Your Benefits



You can apply up to four months before the date you want your benefits to start.  
Visit [www.ssa.gov/retire](http://www.ssa.gov/retire) to apply.



For more information on how you qualify for benefits and material mentioned in this infographic, visit Your Retirement Checklist at <https://www.ssa.gov/pubs/EN-05-10377.pdf>

# SSA.gov

Social Security Administration | Publication No. 05-10099 | June 2020 | Produced at U.S. taxpayer expense



[www.irs.org](http://www.irs.org)

# Social Security Retirement Benefits



Securing today  
and tomorrow

If you work and pay taxes, you may be entitled to  
Social Security retirement benefits.

**To receive retirement benefits, you'll need to work  
for at least 10 years or earn 40 credits of coverage**



In 2019  
**\$1,360 = 1 credit**



You can earn a  
maximum of  
**4** credits  
a year

**40** credits  
are necessary for  
retirement and  
Medicare benefits

You can apply for benefits beginning at age 62. The longer you wait, the bigger your monthly benefit will be. There will be no increases to your benefit after you reach age 70.

## When's the best time for you to retire?

### Early Retirement



close to  
**75%**  
of your full  
benefit  
amount

### Full Retirement



**100%**  
of your full  
benefit  
amount

### Delayed Retirement



close to  
**130%**  
of your full  
benefit  
amount

The amount of your retirement benefit is based on how much you earned during your working career. There may be other factors that affect the amount you receive.

**Estimate your retirement benefits based on your reported earnings at**

**SocialSecurity.gov**

Social Security Administration | Publication No. 05-10394 | April 2019 | Produced at U.S. taxpayer expense



# Life Insurance and Your Money

**An Important Part of Your Financial Plan »** Even the most well-thought-out plan could fall through if something were to happen to you, leaving your family without the income they need.

## How Much Life Insurance Should I Consider?

First, consider having enough for your family to cover such things as outstanding expenses, e.g., mortgage, debt, credit cards, and funeral expenses. Second, figure how much income replacement they would need. One common rule of thumb says your life insurance coverage should equal seven to 10 times your annual salary, but every situation is different. Many online calculators can help you figure out how much you need.

## Life Events

It's particularly important to review your life insurance coverage when you get married, have a child, or experience some other significant life event, like buying a new home.



## What Does My Employer Offer?

Employers generally offer term life insurance. In many cases, your employer provides a certain amount of coverage for you with the option to buy more for yourself, your spouse, and dependent children, either with or without medical underwriting, depending on when and how much coverage you request. Unlike other types of insurance, you can typically request more coverage at anytime and not just during open enrollment. This coverage lasts only as long as your employment, during which time your health status can change along with your ability to qualify for a new policy.

## URS Death Benefit

As a URS member, you may be entitled to a death benefit. The amount this benefit pays your beneficiaries varies among retirement systems. For more information, go to [www.urs.org](http://www.urs.org).

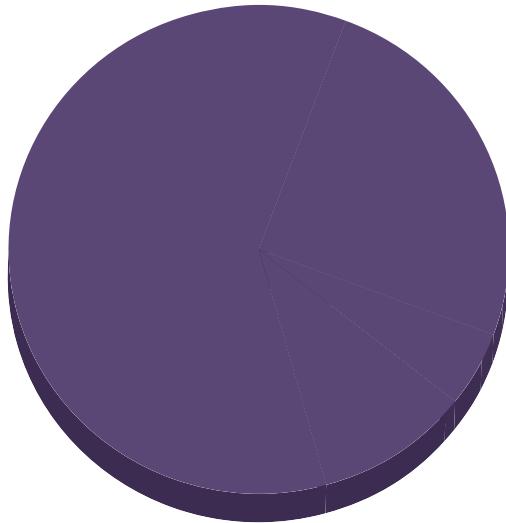
**If your employer offers PEHP Life,** you can apply to increase your coverages at any time, not just during open enrollment. Go to [www.pehp.org](http://www.pehp.org) or call 801-366-7495.

# How is Your Pie Proportioned?

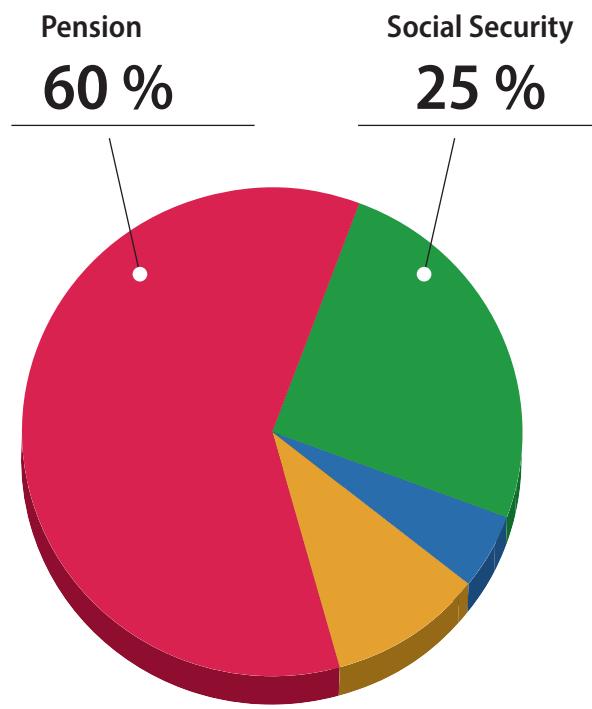
## Example

Based on:

- » \$60,000 final average salary
- » 25 years of service
- » Member age 62
- » Spouse age 60



Current Income



Retirement Income

These charts are only examples.

Each individual must estimate what his or her retirement income will be.

# Do You Need to Make Any Adjustments?

# Retirement Income

## Pension

Fixed monthly income for the rest of your life.

- » payment based on service and salary
- » options to provide for beneficiaries
- » cost-of-living increases



## Social Security

Federal program providing fixed monthly income for the rest of your life.



## Savings Plans – 401(k), 457, IRAs

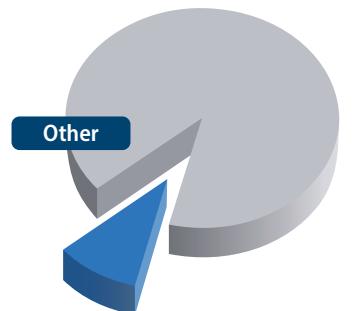
Investment accounts that work for you before and after retirement.

- » you choose how much to save
- » you choose your savings plan(s)
- » you choose your investment options



## Other

- » Savings accounts?
- » Part-time job?
- » Rental property?
- » Other investments?
- » Additional employer benefits?



# Savings Plans at a Glance

## 401(k)

Tax deferred

Pay income tax when withdrawn

## 457(b)

Tax deferred

Pay income tax when withdrawn

<b>Deposits</b>		
Payroll deduction (if allowed by employer)	✓	✓
<b>Rollovers*</b>	✓	✓
<b>Transfers</b>	✓	✓
<b>Personal deposits</b>		
<b>Withdrawals</b> (Vested balances only)	<ul style="list-style-type: none"> <li>» Retirement</li> <li>» Termination</li> <li>» Age 59½ if still employed</li> <li>» Hardship (Personal contribution only)</li> </ul>	<ul style="list-style-type: none"> <li>» Retirement</li> <li>» Termination</li> <li>» Age 59½ if still employed</li> <li>» Unforeseeable emergency</li> </ul>
<b>Early Withdrawal Penalty Tax</b>	<p>Yes – 10% early withdrawal penalty tax if withdrawn before age 59½.</p> <p><b>Exceptions:</b></p> <ul style="list-style-type: none"> <li>» you work into the calendar year you turn age 55</li> <li>» payout based on life expectancy</li> <li>» disability</li> </ul>	No penalty tax
<b>Loan Provision</b>	Yes**	Yes
<b>Annual Contribution Limits</b>	2025 \$23,500	\$23,500***
<b>With Age 50+ Catch-Up Provision****</b>	2025 \$31,000	\$31,000

\*\*Limitations apply to Tier 2 employer contributions.

\*\*\*The three years prior to the year you qualify to retire, your limit on 457 contributions is double the standard limit (depending on past contributions). This is called the Special Catch-Up.

**Note:** You cannot use the 457 Age 50+ Catch-Up in the same period as the Special Catch-Up.

\*\*\*\*Individuals age 60-63 can contribute an additional \$5,250 in 2025 to the age 50+ catch-up amount.



## Traditional IRA

May be tax-deductible†

Pay income tax when withdrawn

## Roth IRA

After-tax deposits

Tax-free withdrawals

✓	✓
✓	✓
✓	✓
✓	✓
» Anytime	» Anytime
Yes – if withdrawn before age 59½. <b>Exceptions:</b> » first home » higher education » payout based on life expectancy » disability	<b>Contributions: No</b> <b>Earnings: Yes</b> – if withdrawn before age 59½. <b>Exceptions:</b> » first home » higher education » payout based on life expectancy » disability (For additional exceptions see IRS Publication 590.)
No	No
\$7,000	\$7,000
\$8,000	\$8,000
<p>†Note: Your contributions are generally tax deductible; see the table at right. If you are an active participant in an employer sponsored plan (e.g., 401(k), 457, pension, etc.) the tax deductibility of your contributions are subject to income limits. See IRS publication 590 for more details.</p> <p>††Note: Eligibility to contribute is subject to income limits. See IRS publication 590 for more details. See the table at right.</p>	

### Traditional IRA†

Tax deductibility of contributions (based on modified AGI):

Fully deductible up to	<b>Single</b>	<b>Married</b>
<\$79,000	<\$79,000	<\$126,000

Partially deductible up to:	<b>Single</b>	<b>Married</b>
\$89,000	\$89,000	\$146,000

### Roth IRA††

Contribution eligibility (based on modified AGI):

To qualify for full contribution:	<b>Single</b>	<b>Married</b>
\$1-\$150,000	\$1-\$150,000	\$1-\$236,000

To qualify for partial contribution:	<b>Single</b>	<b>Married</b>
\$150,000-\$165,000	\$150,000-\$165,000	\$236,000-\$246,000

Does not qualify for contributions:	<b>Single</b>	<b>Married</b>
\$165,000+	\$165,000+	\$246,000+

# How Tax-Deferred Saving Works

Investing with before-tax dollars today lowers your adjusted gross income and therefore lowers the amount you pay in taxes.

## Example

*If you make \$40,000 and contribute as little as \$100 a month, you can save \$204 on your annual taxes.*

Paycheck	No Deposit	Tax-Deferred Deposit	
Gross Income	\$3,333	\$3,333	
401(k) Deposit	—	100	
Taxable Income	3,333	3,233	
Federal Income Tax	400	388	
State Income Tax	167	162	
Net Paycheck	\$2,766	\$2,683	difference = \$83

*It only “cost” \$83 to save \$100 in a tax-deferred program!*

Year	No Deposit	Tax-Deferred Deposit	
Gross Income	\$40,000	\$40,000	
401(k) Deposit	—	1,200	
Taxable Income	40,000	38,800	
Total Income Tax	6,800	6,596	
Net Paycheck	\$33,200	\$32,204	difference = \$996

**Total tax savings of \$204!**

*This example is based upon a federal tax rate of 12%, and a state tax rate of 5%.*

# Savers' Tax Credit



- » Tax credit of up to 50% on first \$2,000 (\$4,000 if married filing jointly) saved
- » Applied to federal taxes
- » Based on AGI (Adjusted Gross Income)

Credit Rate %	Married Filing Jointly	Head of Household	Single, Married Filing Separately or Qualifying Widow(er)
50%	Up to \$47,500	Up to \$35,625	Up to \$23,750
20%	\$47,501–\$51,000	\$35,626–\$38,250	\$23,751–\$25,500
10%	\$51,001–\$79,000	\$38,251–\$59,250	\$25,501–\$39,500
No Credit	Over \$79,000	Over \$59,250	Over \$39,500

## Tax Credit Example

Sue and Bob are married filing jointly

Gross income of ..... \$62,000

Sue's 401(k) deposit ..... \$2,000

Bob's traditional IRA deposit ..... \$2,000

Adjusted gross income ..... \$58,000

Sue and Bob are each entitled to a 10% tax credit.

### Sue's tax credit

$\$2,000 \times 10\% = \$200$

### Bob's tax credit

$\$2,000 \times 10\% = \$200$

**Their total tax credit is \$400.**



# Basic Investments

## 1 Cash Equivalents —

Readily available money that is set aside in savings accounts, money market funds, certificates of deposit, etc.

## 2 Bond —

An interest-bearing security where the issuer agrees to pay the bond-holder a specified sum of money, usually interest at specific intervals, and to repay the principal amount at maturity.

## 3 Stock —

A security representing an ownership share in a corporation. It represents a claim on the corporation's assets and profits.



## 4 Real Estate —

Ownership in real property, such as land and buildings.

## 5 Commodities —

Bulk goods and raw materials, such as grains, metals, livestock, oil, cotton, coffee, sugar, and cocoa; goods used to produce consumer products.

## 6 Mutual Fund —

Allows investors to pool money to invest in stocks, bonds, and other securities. Rather than buying individual stocks or bonds, investors buy "units" of the fund itself. Diversification and professional investment management are among a mutual fund's strengths.

# Investment Principles

## Risk Tolerance

What is your comfort level? Do you have time to ride out volatility? Assess your risk tolerance with our online questionnaire.



**Access our  
risk tolerance  
questionnaire  
at myURS**

- 1)** Go to [www.urs.org](http://www.urs.org). Click "LOGIN" at the top-right corner, then click "MEMBER".
- 2)** Enter your credentials or create an account.
- 3)** From the myURS homepage, click "Education" in the top-right corner.
- 4)** From the Education menu on the left, click "Investor Profile".

## Dollar Cost Averaging

Buy more shares when the price is lower, fewer shares when the price is higher.

## Diversification

Don't put all your eggs in one basket.

## Rebalancing

Maintain your investment mix.



# URS Individual Investment Options

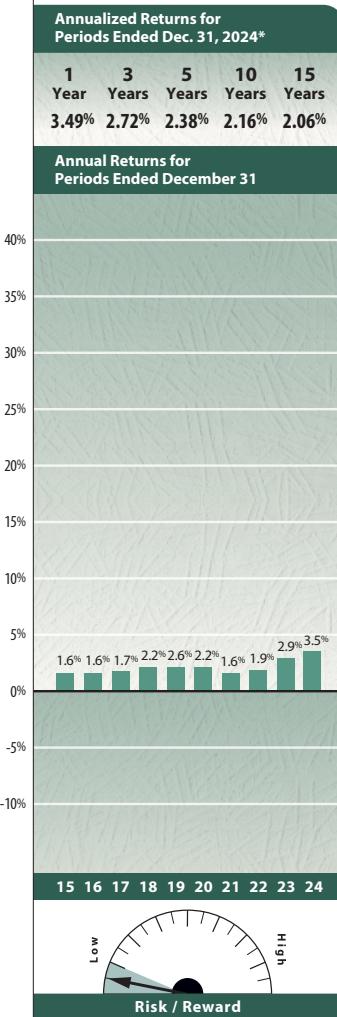
If you prefer to design your own portfolio, you can use the eight individual URS investment options.

## Income Fund

A stable value option and the most conservative investment choice. About 95% of its assets are invested in investment grade bonds that are "wrapped" with book value contracts. The contracts are financial agreements from creditworthy banks and insurance companies, protecting against changes in interest rates and smoothing returns over the duration of the portfolio.

**Investment Manager:**  
T. Rowe Price

**Sample of Portfolio**  
Book Value Contracts  
Government Bonds  
Short-Term Investments

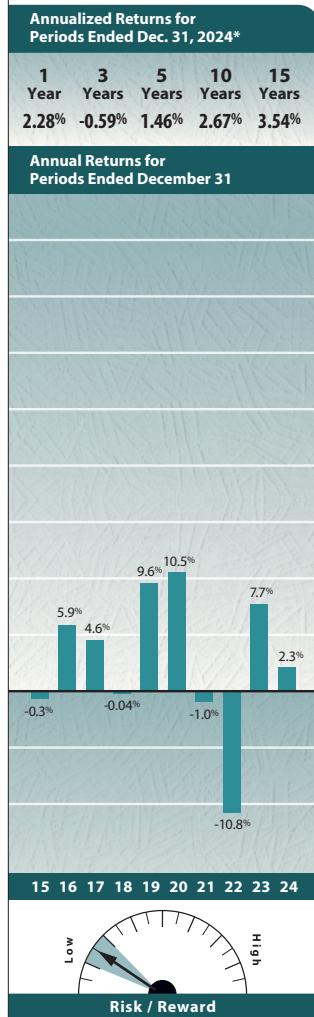


## Bond Fund

Generally contains investment grade and government bonds issued in the United States and denominated in U.S. dollars.

**Investment Manager:**  
Dodge & Cox

**Sample of Portfolio**  
Asset-Backed Securities  
Corporate Bonds  
U.S. Treasury and Gov't. Related

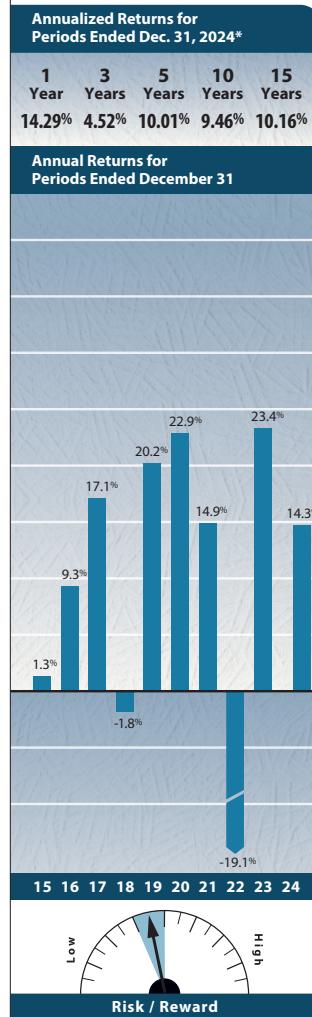


## Balanced Fund

Invests in a portfolio of about 60% stocks and 40% bonds. This fund is considered less risky than most stock investments, but has higher risk than most fixed income investments.

### Portfolio Structure

40% Bond Fund  
30% Large Cap Growth Fund  
30% Large Cap Value Fund



## Large Cap Stock Value Fund

Invests in a diversified portfolio of common stocks that appear undervalued by the stock market, but have a favorable outlook for long-term growth.

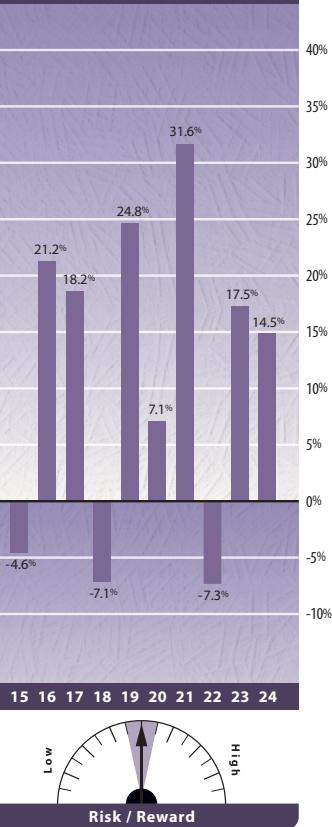
**Investment Manager:**  
Dodge & Cox

**Sample of Portfolio Securities**  
Alphabet, Inc.  
The Charles Schwab Corp.  
Fiserv, Inc.  
RTX Corp.  
Wells Fargo & Co.

### Annualized Returns for Periods Ended Dec. 31, 2024\*

	1 Year	3 Years	5 Years	10 Years	15 Years
Annual Returns for Periods Ended December 31	14.51%	7.64%	11.95%	10.79%	12.32%

### Annual Returns for Periods Ended December 31



\* For up-to-date rates of return, see Rates of Return and Annual Fees at [www.urs.org](http://www.urs.org).



## Large Cap Stock Index Fund

Invests in stocks included in the Russell 1000 Index\*\*. The Russell 1000 Index is constructed as a broad and impartial measure of the large cap stock sector.

**Investment Manager:**  
Utah Retirement Systems

**Sample of Portfolio Securities**  
Apple, Inc.  
Microsoft Corp.  
NVIDIA Corp.  
Alphabet, Inc.  
Amazon.com, Inc.

**Annualized Returns for Periods Ended Dec. 31, 2024\***

1 Year	3 Years	5 Years	10 Years	15 Years
24.31%	8.27%	14.13%	12.69%	13.48%

**Annual Returns for Periods Ended December 31**



## Large Cap Stock Growth Fund

Emphasizes capital appreciation and seeks to identify companies with future relative earnings strength at a reasonable valuation. The portfolio is actively managed to react quickly to changing company fundamentals and prevailing market forces.

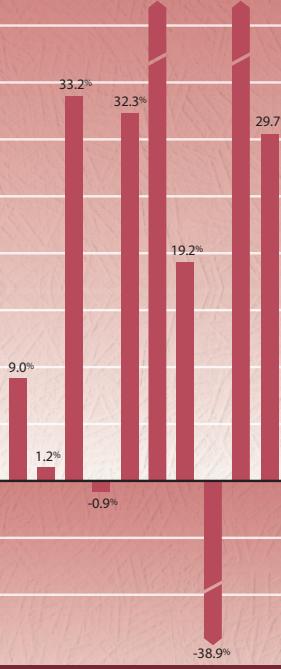
**Investment Manager:**  
Jennison Associates, LLC

**Sample of Portfolio Securities**  
NVIDIA Corp.  
Amazon.com, Inc.  
Apple, Inc.  
Microsoft Corp.  
Meta Platforms, Inc.

**Annualized Returns for Periods Ended Dec. 31, 2024\***

1 Year	3 Years	5 Years	10 Years	15 Years
29.67%	6.42%	16.88%	15.42%	15.29%

**Annual Returns for Periods Ended December 31**



## International Fund

Tracks the performance of the MSCI All Country World Index – ex. U.S. – Investable Market Index (ACWI ex. U.S. IMI) as closely as possible. The index is designed as a measure of the global stock market performance of developed and emerging markets that excludes the United States.

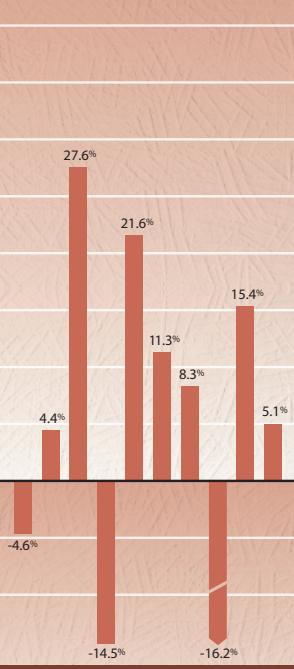
**Investment Manager:**  
Northern Trust Global Investments

**Sample of Portfolio Securities**  
Taiwan Semiconductor (China)  
Novo Nordisk A/S (Denmark)  
Tencent Holdings Ltd. (China)  
ASML Holding N.V. (Netherlands)  
Nestle S.A. (Switzerland)

**Annualized Returns for Periods Ended Dec. 31, 2024\***

1 Year	3 Years	5 Years	10 Years	15 Years
5.12%	0.52%	4.14%	4.93%	4.64%

**Annual Returns for Periods Ended December 31**



## Small Cap Stock Fund

Invests in a broad cross-section of U.S. small companies whose size (market capitalization) falls within the smallest 10% of companies listed on the New York Stock Exchange and NASDAQ National Market System.

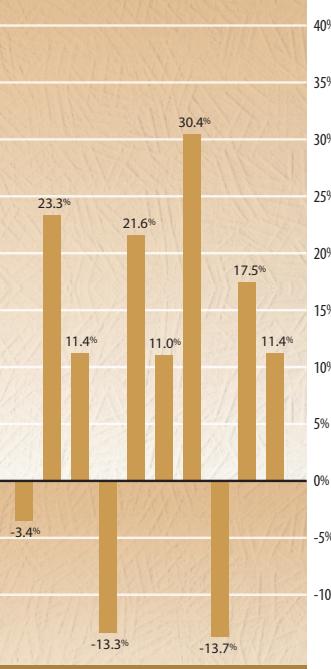
**Investment Manager:**  
Dimensional Fund Advisors

**Sample of Portfolio Securities**  
Sprouts Farmers Market, Inc.  
Comfort Systems USA, Inc.  
Carpenter Technology Corp.  
Taylor Morrison Home Corp.  
Simpson Manufacturing Co., Inc.

**Annualized Returns for Periods Ended Dec. 31, 2024\***

1 Year	3 Years	5 Years	10 Years	15 Years
11.38%	4.15%	10.34%	8.62%	11.38%

**Annual Returns for Periods Ended December 31**



\*\*Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

# URS Target Date Funds

## Diversified Portfolio

URS Target Date Funds provide a diversified retirement portfolio through a single investment option. These funds gradually adjust throughout your career and into retirement. The investment mix — which includes stocks, bonds, and real assets — gradually and automatically shifts toward more conservative investments as you age and enter retirement.

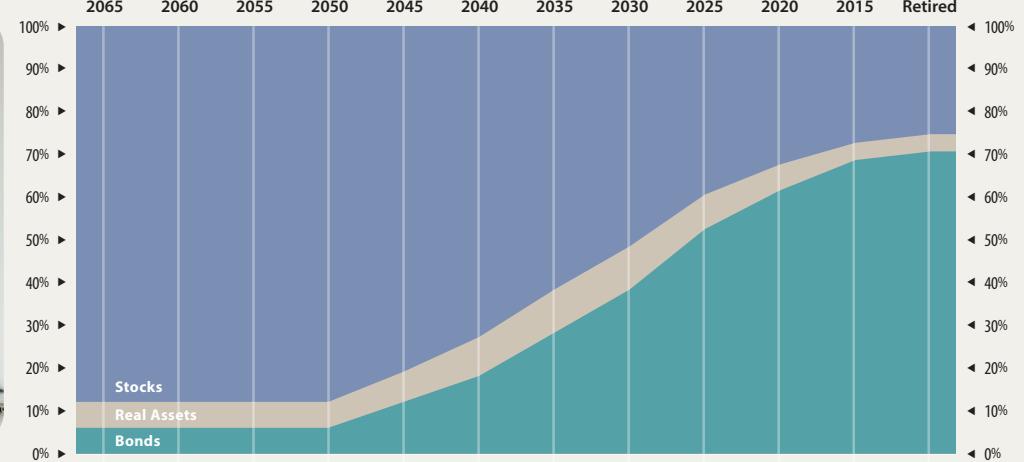
Consider the Target Date Fund with the date closest to when you will start withdrawing funds for retirement. For example: If you're a younger employee and plan to leave the workforce and begin withdrawals around the year 2055, consider the Target Date 2055 Fund. If you're further along in your career and will begin utilizing your account close to the year 2030, consider the Target Date 2030 Fund.

## Target Date Funds Asset Allocation

The asset allocation chart below shows the current breakdown of each Target Date Fund. Some of the asset classes are made up of the URS individual investment options (URS Income Fund, URS Bond Fund, URS Large Cap Stock Index Fund, URS International Fund, URS Small Cap Stock Fund) while others are exclusive to Target Date Funds (International Bonds, Global Inflation-Linked Bonds, Private Real Estate).

### Target Date Funds Asset Allocation

Asset Classes		Target Date 2065	Target Date 2060	Target Date 2055	Target Date 2050	Target Date 2045	Target Date 2040	Target Date 2035	Target Date 2030	Target Date 2025	Target Date 2020	Target Date 2015	Target Date Retired
Stocks	URS Large Cap Stock Index	42.0%	42.0%	42.0%	42.0%	39.0%	36.0%	34.0%	31.0%	26.0%	24.0%	21.0%	20.0%
	URS International	35.0%	35.0%	35.0%	35.0%	33.0%	29.0%	22.0%	16.0%	11.0%	7.0%	6.0%	6.0%
	URS Small Cap Stock	11.0%	11.0%	11.0%	11.0%	9.0%	8.0%	6.0%	5.0%	3.0%	2.0%	1.0%	1.0%
Real Assets	Private Real Estate	6.0%	6.0%	6.0%	6.0%	7.0%	9.0%	10.0%	10.0%	8.0%	6.0%	4.0%	4.0%
Bonds	URS Income	—	—	—	—	—	—	—	4.0%	8.0%	10.0%	11.0%	11.0%
	URS Bond	4.0%	4.0%	4.0%	4.0%	7.0%	11.0%	16.0%	19.0%	24.0%	28.0%	31.0%	31.0%
	International Bonds	2.0%	2.0%	2.0%	2.0%	5.0%	7.0%	10.0%	11.0%	13.0%	14.0%	15.0%	16.0%
	Global Inflation-Linked Bonds	—	—	—	—	—	—	2.0%	4.0%	7.0%	9.0%	11.0%	11.0%
		2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	Retired



Target Date:	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	Retired
1-Year Annualized	13.80%	13.80%	13.80%	13.80%	12.75%	11.94%	10.94%	10.38%	9.30%	8.76%	8.12%	7.78%
3-Year Annualized	4.36%	4.36%	4.37%	4.36%	3.91%	3.58%	3.23%	3.16%	2.98%	2.79%	2.70%	2.49%
5-Year Annualized	N/A*	9.41%	9.41%	9.41%	9.05%	8.51%	7.62%	7.36%	6.30%	5.54%	5.07%	4.63%
10-Year Annualized	N/A*	8.80%	8.80%	8.80%	8.62%	8.32%	7.75%	7.39%	6.53%	5.80%	5.15%	4.54%

\*Fund inception: Jan. 1, 2021. Additional returns will be added as they become available.



## Stocks:

- **URS Large Cap Stock Index Fund**
- **URS International Fund**
- **URS Small Cap Stock**

## Real Assets:

■ **Private Real Estate** is a fund of funds that allows investors to gain exposure to portfolios of direct real estate investments. The fund will invest primarily in existing private real estate funds, publicly traded real estate securities, and other real estate related investments. These portfolios are comprised of institutional quality commercial real estate across a broad range of real estate asset types.

**Investment Manager:** Prudential Real Estate Investors

## Bonds:

- **URS Income Fund**
- **URS Bond Fund**

■ **International Bonds** are used to diversify the bond investments within the Target Date Funds. An international bond is a bond issued outside of the United States by a government or non-U.S. corporation.

**Investment Manager:** Insight North America LLC

**Sample of Portfolio:** International Asset-Backed Securities  
International Corporate Bonds  
International Government Bonds

■ **Global Inflation-Linked Bonds** are debt instruments, primarily issued by governments of developed market countries, created to protect investors from the effects of inflation. An example of inflation-linked bonds are TIPS (Treasury Inflation-Protected Securities), which are issued by the U.S. Government and are designed to reduce the risk of inflation by indexing the principal of the bond to an inflation rate.

**Investment Manager:** BlackRock Financial Management, Inc.

**Sample of Portfolio:** TIPS (Treasury Inflation-Protected Securities)  
Index-Linked Government Bonds — UK  
Index-Linked Government Bonds — Germany

## Low Annual Fees

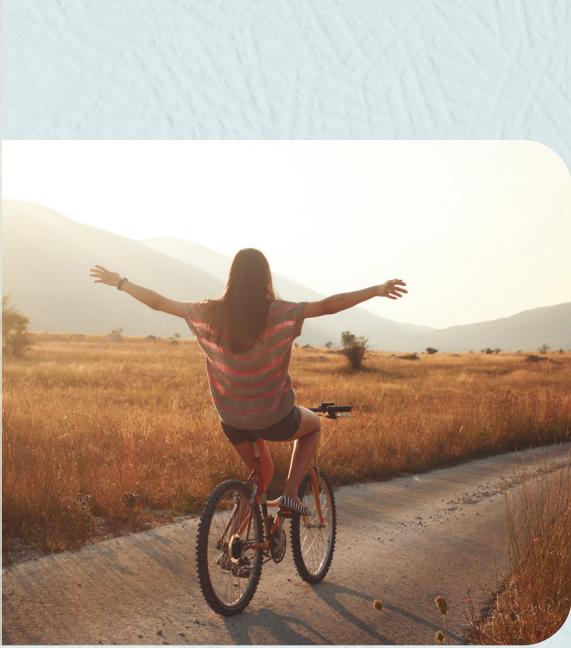
These fees are deducted from earnings prior to posting and do not appear as separate items on your statement. Thoroughly investigate all fees before you invest in any program.

Fund	Annual Investment Fees*	Annual Administrative Fees*	Total Annual Fees*
Income Fund	0.20%	0.05%	0.25%
Bond Fund	0.10%	0.05%	0.15%
Balanced Fund	0.24%	0.05%	0.29%
Large Cap Value Fund	0.41%	0.05%	0.46%
Large Cap Index Fund	0.02%	0.05%	0.07%
Large Cap Growth Fund	0.24%	0.05%	0.29%
International Fund	0.05%	0.05%	0.10%
Small Cap Stock Fund	0.27%	0.05%	0.32%
Target Date 2065	0.10%	0.05%	0.15%
Target Date 2060	0.10%	0.05%	0.15%
Target Date 2055	0.10%	0.05%	0.15%
Target Date 2050	0.10%	0.05%	0.15%
Target Date 2045	0.11%	0.05%	0.16%
Target Date 2040	0.12%	0.05%	0.17%
Target Date 2035	0.13%	0.05%	0.18%
Target Date 2030	0.14%	0.05%	0.19%
Target Date 2025	0.14%	0.05%	0.19%
Target Date 2020	0.13%	0.05%	0.18%
Target Date 2015	0.12%	0.05%	0.17%
Target Date Retired	0.12%	0.05%	0.17%
Tier 2 Nonvested	0.13%	0.05%	0.18%

\*For up-to-date investment and administrative fees, see *Rates of Return and Fees* at [www.urs.org](http://www.urs.org).

Note: Information regarding these and other special service fees can be found in the *Summary Plan Descriptions*.





## charles SCHWAB PCRA Self-Directed Brokerage Account

**The Schwab Personal Choice Retirement Account® (PCRA) is a self-directed brokerage account available through URS.**

If you're an experienced investor looking for specific investments, this brokerage account with Charles Schwab & Co. offers access to thousands of different types of investments. This option is generally not advised for new accounts as it has minimum account balance requirements and additional risks.

### Invest in:

- » More than 8,700 no-load mutual funds, including over 3,800 with no-transaction fees.
- » Stocks listed on the major U.S. exchanges, including over-the-counter stocks, and foreign securities
- » Bonds and other fixed income investments
- » Money market and brokered CDs
- » Exchange traded funds (ETFs)

**For more information about PCRA enrollment, requirements, and costs, see the *Charles Schwab PCRA Self-Directed Brokerage Account* brochure at [www.urs.org](http://www.urs.org) in the *Publications* section. Or contact the Savings Plans Department for a copy.**

### Maintain Your Account

Periodically review your account to make sure it is still in line with your goals. Here are a few questions to ask yourself when reviewing your account:

- » Has my timeline to retirement changed?
- » Are my investments still appropriate for my age and risk tolerance?
- » Have I had a major life event (marriage, divorce, career change, change in income)?
- » Can I afford to contribute more to my retirement?

Make changes to your investments or personal contributions at myURS at [www.urs.org](http://www.urs.org) or by submitting a Contribution and Investment Change Agreement.

### Trading Policy

You may submit one transfer request (whether electronically, by fax, mail, or hand delivered) for your vested core fund balances every seven days. This applies separately — the 401(k), 457(b), Roth IRA, and Traditional IRA each constitutes a separate plan. If you transfer any or all of your current accounts more often than once every 30 days, you will be charged a 2% fee on amounts transferred. Each transfer, after being processed, will start a new 30-day period. The fees generated by this policy are used to reduce the administrative expenses for all plan participants.

Changes to the investment allocation of future deposits and future contribution amounts are allowed as often as daily.

### Transfer Policy

Investment changes received at URS before the close of the New York Stock Exchange (NYSE), generally 2 p.m. Mountain Time, are transferred using that evening's closing market values. Requests received after the close of the NYSE are transferred using the next business day's closing market values. On days of unusually heavy transfer activity, computer system failure or other unforeseen circumstances, URS reserves the right to process transfers using the next available business day's closing market values. Changing your future investment allocation or your contribution amounts are allowed as often as daily. Transfers to or from a PCRA are allowed once every seven calendar days. PCRA transfers must be requested at [www.urs.org](http://www.urs.org).

### Points to Remember

*This publication is intended to provide general information and does not constitute legal, tax, financial or investment advice and should not be construed as such or relied upon for those purposes. Nothing herein should be construed to establish, amend, enlarge, reduce, or otherwise affect any benefits, rights, responsibilities, or privileges. If there is a conflict between any applicable law, rule, regulation, plan provision, or contract and the contents of this publication, the law, rule, regulation, plan provision, or contract shall prevail. URS investment funds are not FDIC insured, not deposits or obligations of, or guaranteed by, any financial institution; and are not guaranteed by URS or any government agency. Past performance of the funds does not guarantee future results. URS regularly evaluates the funds and may change investment managers and Target Date Fund allocations as needed. The funds may utilize transactions involving securities lending in order to generate additional income. Although risk of loss from securities lending is low, securities lending is not without risk.*



#### Savings Plans Department

PO Box 1590, Salt Lake City, UT 84110-1590

#### Salt Lake City Office

560 East 200 South, Suite 200  
Salt Lake City, UT 84102-2021  
801-366-7720 • 800-688-401k

#### Southern Utah Branch Office

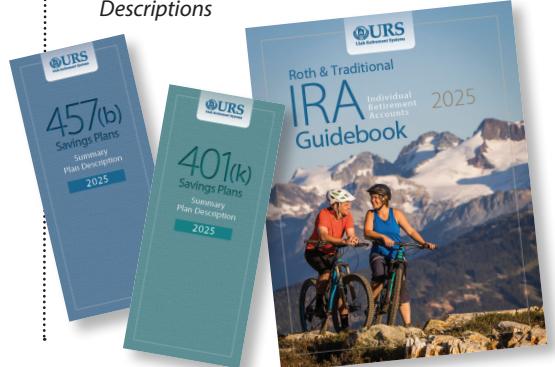
20 North Main Street, Suite 206  
St. George, UT 84770  
435-673-6300 • 800-950-4877

[www.urs.org](http://www.urs.org)

### To Learn More

Find these publications at [www.urs.org](http://www.urs.org).

*401(k) and 457(b)  
Summary Plan Description*      *Roth & Traditional  
IRA Guidebook*



# The Advantage of Investing Early

**When** you start investing is every bit as important as **how** you invest. Indeed, the power of time gives you an advantage.

## When Do I Start?

### Early Saver

Saving \$100 a month  
from age **25 to 35**

**\$130,207**

at age 65

Contributed \$12,000  
at 7% Growth

### Late Saver

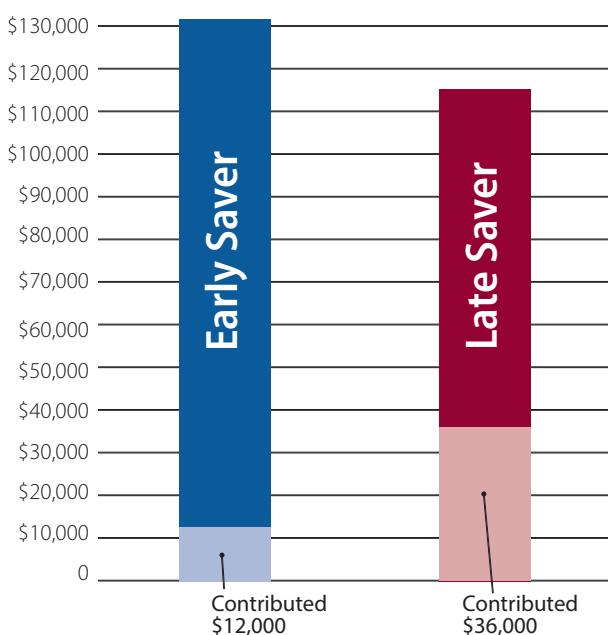
Saving \$100 a month  
from age **35 to 65**

**\$116,945**

at age 65

Contributed \$36,000  
at 7% Growth

**The Earlier the Better!**



# How Will Inflation Affect Your Retirement?

## Inflation Over the Next 25 Years

Calculated at 3% a year

	Present	Future	
Loaf of Bread	\$3.25	\$6.80	



	Present	Future	
Gallon of Milk	\$4.29	\$8.98	

	Present	Future	
Movie Tickets	\$11.00	\$23.03	

	Present	Future	
New Car	\$47,500	\$99,454	



# Manage Your Accounts (Your 'To-Do' List)



## 1. Access Your Statement

- a. Your current and past URS statements are available at myURS. Log in to myURS and find "Document Center" at the bottom of the screen. Choose which statement you wish to view.

## 2. Check the Progress of Your Investments Periodically (Quarterly or Annually)

- a. Make adjustments to your investment choices, as needed.

## 3. Increase Contributions Each Time You Get a Pay Increase

- a. Saving that additional fraction of your paycheck puts only a tiny dent in your current lifestyle, but it makes a big difference at retirement.

## 4. Roll Over Old Accounts

- a. Have a 401(k), 457, or IRA from a previous employer? Consider simplifying your life by consolidating retirement accounts.

→  
See next page

## 5. Update Profile and Name Beneficiaries

- a. Make sure your beneficiaries' names are correct and updated. Outdated information could delay your wishes or leave your loved ones without any money.
- b. Review your beneficiaries annually.

## 6. Meet with a URS Retirement Planning Advisor

- a. URS offers retirement planning and customized advice to help you plan for a better future. Individual Retirement Planning sessions are available virtually and at various locations throughout the state.

# Rollover Chart

When completing a rollover, your account will take on the characteristics of the new retirement account.



		Roll Over To					
		Roth IRA	IRA (traditional)	457(b) (governmental)	401(k) or Qualified Plan <sup>3</sup> (pre-tax)	403(b) (pre-tax)	Designated Roth Account (401(k) or 403(b))
R o l l o v e r F r o m	Roth IRA	YES	NO	NO	NO	NO	NO
	IRA (traditional)	YES <sup>1</sup>	YES	YES	YES	YES	NO
	SIMPLE IRA	YES <sup>1</sup> , after 2 years	YES, after 2 years	YES <sup>2</sup> , after 2 years	YES, after 2 years	YES, after 2 years	NO
	SEP-IRA	YES <sup>1</sup>	YES	YES <sup>2</sup>	YES	YES	NO
	457(b) (governmental)	YES <sup>1</sup>	YES	YES	YES	YES	NO
	401(k) or Qualified Plan <sup>3</sup> (pre-tax)	YES <sup>1</sup>	YES	YES <sup>2</sup>	YES	YES	NO
	403(b) (pre-tax)	YES <sup>1</sup>	YES	YES <sup>2</sup>	YES	YES	NO
	Designated Roth Account (401(k) or 403(b))	YES	NO	NO	NO	NO	Yes, if a direct trustee to trustee transfer

<sup>1</sup>Must include in income for tax purposes

<sup>2</sup>Must have separate accounts

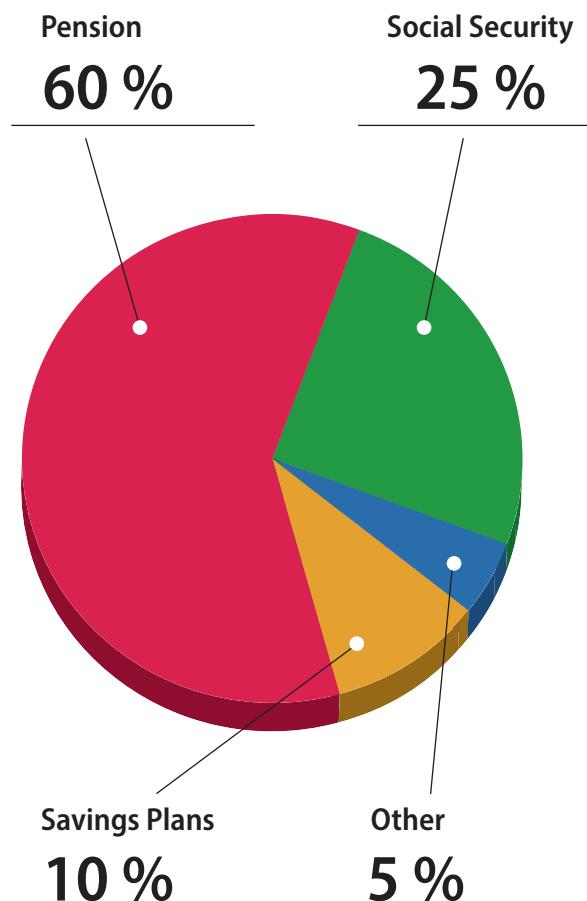
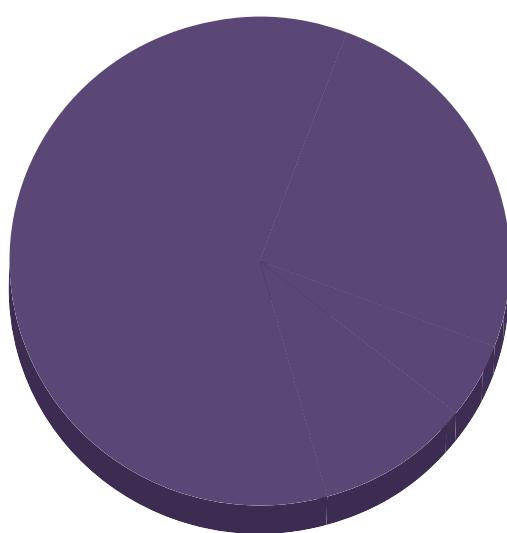
<sup>3</sup>Qualified plans include, for example: profit-sharing, 401(k), money purchase, defined benefits plans.

# How is Your Pie Proportioned?

## Example

Based on:

- » \$60,000 final average salary
- » 25 years of service
- » Member age 62
- » Spouse age 60



Current Income

Retirement Income

These charts are only examples.

Each individual must estimate what his or her retirement income will be.

## Do You Need to Make Any Adjustments?



Utah  
Department  
of Commerce  
Division of Securities

## The Utah Division of Securities



has resources  
for YOU



- Research investment opportunities
- Provide education about investments
- Check background of Financial Professionals
- Organize seminars for your group

Get to know the  
**Division of Securities**  
and its resources

**<https://securities.utah.gov>**



**The Utah Division of Securities regulates the securities industry and enforces Utah's securities laws.**



**The Division provides research tools and resources to evaluate investment opportunities.**



**The Division ensures minimum standards of competence and training by issuing licenses to industry professionals doing business in the state.**



**Additionally, the Division's mission includes a mandate to help educate and protect Utah's investors.**



**For assistance, contact:**

**Utah Division of Securities  
Heber M. Wells Building  
160 E. 300 S. 2nd Floor  
Salt Lake City, UT 84111  
801-530-6600  
securities@utah.gov**



**If a salesperson is trying to sell you an investment,  
check them out by following these steps.**

## **Step 1: Ask "Are you licensed to sell me this investment?"**

Legitimate investment professionals—including brokers, investment advisers and insurance agents—must be licensed with the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission (SEC) or your state securities or insurance regulator before they can sell you anything. If they say they **aren't** licensed, say good bye—and don't buy.

## **Step 2: Check.**

If they say they **are** licensed, check them out at [FINRA BrokerCheck](#), found at [finra.org](#) or call FINRA at (800) 289-9999. Also contact the State of Utah securities regulator, the Utah Division of Securities, 801-530-6600.

## **Step #3: Check Out the Investment: Is It Registered with the SEC?**

Keep in mind that registration with the SEC does not guarantee that an investment will be a good one or immune to fraud. Likewise, lack of registration does not mean the investment lacks legitimacy. The critical difference is the extreme level of risk you assume when you invest in a company about which little or no information is publicly available. SEC registration carries a number of advantages for investors, including disclosure of financial and other information that can help investors assess whether to invest in a company's securities.



Utah  
Department  
of Commerce  
Division of Securities



# When an Investment Professional Chooses You

Sometimes investment professionals actively seek out clients. For instance, they will host free seminars that promise to educate people about investing strategies or managing money in retirement—often with an expensive meal provided at no cost.

**In many cases, free-meal investment seminars are not solely about education. The investment professionals' ultimate goals are to recruit new clients and sell products.**

---

## Be Careful Who You Trust

You may be tempted to invest your money in a particular investment if you hear that your friends, family or someone from a group with which you are affiliated are also investing. Psychologists call this “social consensus.” Our brains tell us that when people around us are all doing something, it must be okay.

Criminals who commit “affinity fraud” exploit social consensus by targeting groups that look or act like them. So be careful who you trust, including someone who may (or may claim to) share your beliefs, heritage or interests. Don’t allow this shared background to give you a false sense of trust.

## Know the Warning Signs of Fraud

Financial fraudsters set their sights on people who have money. Often, you can avoid fraud by asking questions and researching any investment professionals you are considering.

Know the warning signs of fraud—including promises of quick profits, “guaranteed” returns or pressure to send money immediately.

Also, an investment professional should never ask to borrow money from you or encourage you to name them as a beneficiary or executor of your estate.



Utah  
Department  
of Commerce  
Division of Securities

# Estate Planning



- » Wills Versus Trusts
- » Personal Property Letter

# Wills Versus Trusts

Wills	Trusts
» Public	» Private
» All wills MUST be probated	» Does not need to be probated
» No Minor's Trust	» Built-in Minor's Trust
» Used to distribute assets	» Used to distribute assets
» Receive a "Step-up" in Basis	» Receive a "Step-up" in Basis
» May be used to nominate minor's guardian	» Nominate minor's guardian » Can reduce estate taxes » Very easy to amend

## Your Complete Estate Plan

### » Power of Attorney

- Allows you to name someone to handle your financial affairs in the event you become unable to do so.

### » Utah Advanced Healthcare Directive

- Allows you to name another person to make healthcare decisions for you when you cannot.
- Allows you to address decisions regarding artificial life support when there is no chance of recovery.
- Relieves your family of the burden of this decision.

### » Pour-Over Will

- Safety net for property that is not in your trust.



## Personal Property Letter

The following items of personal property are to be transferred upon my death as indicated below. It is my desire any distribution from or by this Personal Property Letter is not to be considered a portion of the beneficiaries' distributive shares of my estate or trust.

Item	Beneficiary
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
11. _____	_____
12. _____	_____
13. _____	_____
14. _____	_____
15. _____	_____
16. _____	_____

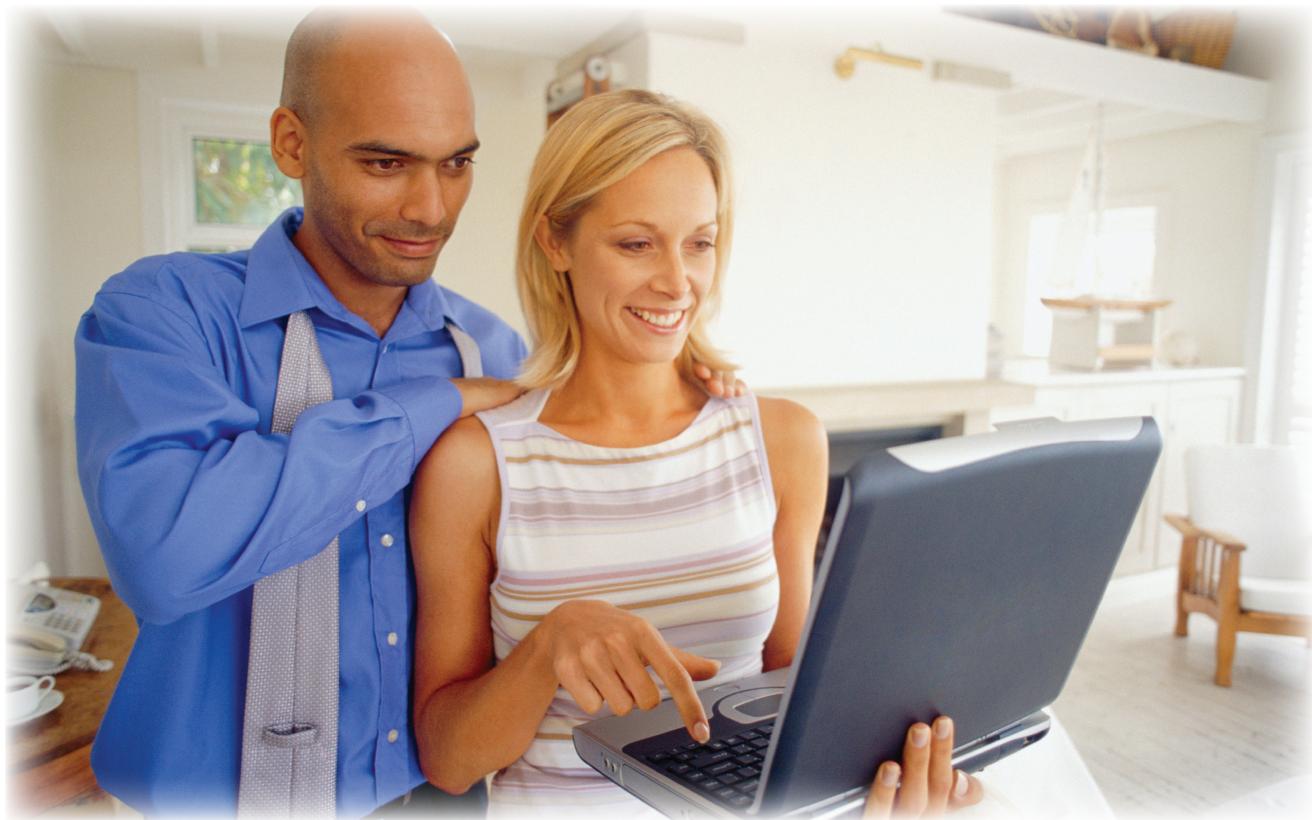
Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Signed \_\_\_\_\_

*One common but **dangerous** practice is to add other individuals' names to deeds, titles, and accounts. Doing so exposes your property to the creditors of every person on the title, risking loss of that asset and may result in significantly higher **capital gains taxes**.*

## Notes

# URS Website



- » Calculators
- » Publications
- » Educational Resources
- » Manage Your Account

# What Can You Find at [www.urs.org](http://www.urs.org)?

## [www.urs.org](http://www.urs.org)

Our website is user-friendly and full of helpful information.

- » Use myURS to manage your accounts
- » Retirement benefit estimate calculator
- » Investment fund fact sheets
- » Forms and brochures
- » Retirement planning and seminar schedules
- » Daily unit values
- » Webinars
- » "How Do I?" Videos



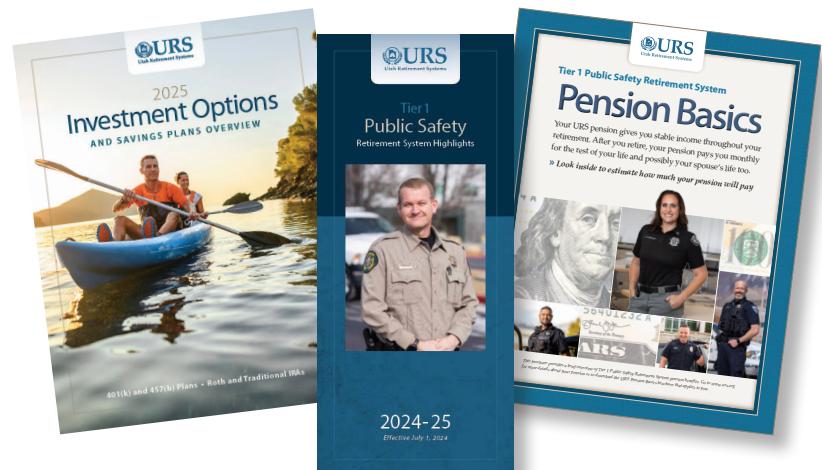
URS Home Page



Calculators

County	Location	Date	Availability
Utah	UDOT Region 3 Offices 658 North 1500 West Construction Conference Room Orem, UT 84057	Wednesday, January 24, 2018	View
Salt Lake	URS Salt Lake Office 540 E 200 S Enter by Fountain Salt Lake City, UT 84102	Wednesday, January 24, 2018	Full
Utah	Utah County Admin Building 100 East Center Street 1st Floor, STE 1500 Provo, UT 84601	Wednesday, January 24, 2018	Full
Salt Lake	URS Salt Lake Office 540 E 200 S Park on west side of 540 bldg Salt Lake City, UT 84102	Wednesday, January 24, 2018	Full
Salt Lake	Midvale DWS 7292 S State Street Midvale, UT 84047	Wednesday, January 24, 2018	Full
Summit	Park City DWS 1910 Prospector Ave #100 Park City, UT 84060	Thursday, January 25, 2018	View

Brochures



# Manage Your Retirement Account Online



## Here's How:

### 1. Set up your myURS Account

(if you don't already have one, it only takes about three minutes to set up)

### 2. Go to [www.urs.org](http://www.urs.org) and click "LOGIN" in the upper-right corner

### 3. Click "Create myURS Account"

### 4. Information you'll need to enter here:

a. Social Security number

b. Your date of birth

c. URS member number

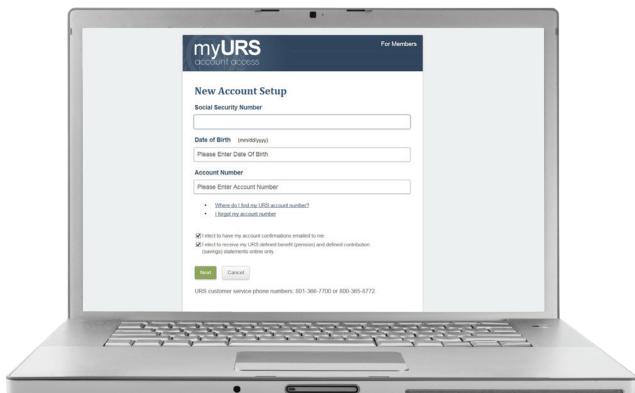
(Found on your URS statements, upper right corner, starts with the letter W)

d. A new password, User ID, and security question and answer

### 5. After clicking "Submit," use your User ID, password, and answer the security question to log in

### 6. Complete your member profile and name beneficiaries

### 7. When retiring or separating from service, please update your phone number and personal email address.



# FREE URS INDIVIDUAL RETIREMENT PLANNING

## Let us help you plan for a better future with a one-on-one session.

After reviewing your potential retirement income sources, we develop a snapshot of your overall retirement situation and recommend what adjustments you can make to reach your retirement goals.



### Please Bring...

- » Your estimated annual income
- » Retirement account statements (including non-URS)
- » Social Security Statement (get yours at [www.ssa.gov](http://www.ssa.gov))



### Get started

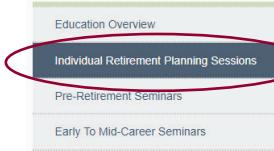
#### **Log in to myURS**

Click "LOGIN" in the top-right corner of [www.urs.org](http://www.urs.org).

#### **Click "Education"**

It's in the top-right corner of the myURS homepage. Next, choose "Individual Retirement Planning Sessions" from the left menu.

#### **Education**



### Find a Session

Visit the URS office in Salt Lake City or make an appointment in your area or sign-up for a virtual appointment over the phone or via teleconferencing software. New sessions added weekly.



## Financial Wellness Counseling

# Let URS Help Improve Your Financial Wellness

**These free sessions cover a variety of financial topics.**

A URS advisor will assess your overall financial situation, address your areas of concern, and help you set and reach your financial goals.



## Many Ways We Can Help

Visit [www.urs.org/us/finwell](http://www.urs.org/us/finwell) to see URS resources to help you improve your finances, including individual counseling, publications, videos, and calculators.

### Topics Include:

- » Financial wellness basics
- » Personal spending
- » How to get financially organized
- » Should I pay off my mortgage or save for retirement?
- » Should I save for an emergency?
- » Should I close my credit card?
- » Lifestyle creep
- » Managing debt
- » And many more

**Learn more at [www.urs.org/us/finwell](http://www.urs.org/us/finwell) or call 801-366-7470.**

## Notes

# General Information



- » Things to Consider
- » Glossary of Financial Terms
- » URS Telephone Numbers

# Things to Consider

## Regarding Your Pension

- Purchase Service
- Redeposit Withdrawn Contributions

## Regarding Your Saving Plans

- Open a New Account
- Increase Your Contribution Amounts
- Update Your Investment Options
- Complete Online Investor Profile Questionnaire at [www.urs.org](http://www.urs.org)
- Evaluate Portfolio Performance and Fees for All Retirement Accounts

## General

- Schedule an Individual Retirement Planning Session
- Update Your Name, Address, Phone Number or Marital Status
- Update Your Beneficiaries
- Create a Social Security Online Account ([www.ssa.gov](http://www.ssa.gov))
- Consider a Trust or a Will

# Glossary of Investment and Financial Terms

## 5-Year Holding Rule

A requirement in which the Roth IRA must have no withdrawals for five years after the initial tax year in which a Roth IRA was opened. If this rule is not satisfied, there may be a tax penalty on withdrawals of untaxed earnings.

## 401(k) Plan

A retirement savings plan in which employees may elect to contribute pre-tax dollars and in which earnings grow tax deferred.

## 403(b) Plan

A retirement savings plan in which employees may elect to contribute pre-tax dollars and in which earnings grow tax deferred.

## 457(b) Plan

A savings plan whereby governmental employees may elect to contribute pre-tax dollars to a tax-advantaged deferred compensation plan. (The URS 457 Plan is a governmental 457(b) deferred compensation plan regulated by Section 457 of the Internal Revenue Code, and authorized under Title 49 of the Utah Code.)

## 1099-R Tax Form

An IRS tax form that reports the amount of any distribution to the owner of an IRA or eligible savings plan.

## 5498 Tax Form

An IRS tax form that reports any IRA contributions, rollovers, conversions, and recharacterizations made by an IRA owner. The fair market value of the IRA is also reported on this form.

## Adjusted Gross Income (AGI)

Adjusted gross income is determined by adding all sources of income, such as wages and interest income and subtracting certain deductions and adjustments to the income.

## Asset

Anything having commercial or exchange value owned by an institution or individual. Investment assets can include stocks, bonds, cash, commodities, currencies, fixed income contracts, mutual funds, precious metals, real estate, and many others.

## Asset Allocation

Investment funds among different asset types such as: cash or cash equivalents, bonds, stocks, real estate, etc.

## Beneficiary

A person or entity who/that receives the proceeds of an eligible savings plan or IRA when the owner of the plan dies.

## Bond

An interest-bearing security where the issuer agrees to pay the bondholder a specified sum of money, usually at specific intervals, and to repay the principal amount at maturity. This is a form of an IOU.

## "Cap"

Large cap, mid cap, and small cap refer to the market value (capitalization) of the companies included in the investment.

## Capital Appreciation

The increase in an asset's value. Gains before sale of an asset are often called "paper profits." An increase (or loss) is realized only when the asset is sold.

## Cash Equivalent

Investments of such high liquidity and safety they are similar to cash.

## COLA

Utah Retirement Systems determines the annual cost-of-living adjustment (COLA) based on the Federal government's consumer price index (CPI) for all urban consumers, U.S. city average.

## Compounding

When interest earned on an investment remains in the account, further interest can be earned on both the initial investment and upon the added interest. This also applies to dividends from stocks or mutual funds that are reinvested.

## Conversion

Funds withdrawn from a traditional IRA and deposited into a Roth IRA. A conversion is a taxable event.

## Deductible Contribution

Contributions to a traditional IRA may be fully or partially deductible from your income when filing your federal income taxes. Contributions to a Roth IRA are NOT tax-deductible.

## Deemed IRA

A traditional or Roth IRA maintained under an eligible employer plan that accepts voluntary employee contributions.



## Defined Benefit Plan

### (e.g., URS Pension Plan)

A retirement plan organized to receive contributions, and pay a lifetime monthly benefit when the participant retires. The amount of this benefit is defined by a formula of service and salary and will not end or be reduced as long as the participant lives.

## Defined Contribution Plan

### (e.g., URS 401(k)/457 Plans)

A retirement plan organized to receive contributions in amounts defined by the participant who also decides how they are invested. Upon withdrawal, the participant decides the amount and frequency of payout. It's possible for funds to run out while the participant is still living.

## Direct Rollover

A direct rollover occurs when moving a distribution from an eligible plan into another eligible plan, avoiding federal tax withholding and early withdrawal penalties because the distribution is made directly to the other institution.

## Direct Transfer

A direct transfer is a transfer of funds between similar plans (e.g., 401(k) to 401(k), or Roth IRA to Roth IRA).

## Disability

A taxpayer is considered disabled when he or she is no longer able to engage in any substantial, gainful activity and the disability's duration is expected to be indefinite and/or result in death.

## Disclosure Statement

A disclosure statement explains the rules that govern an IRA.

## Distributions

Any withdrawal from an eligible savings plan or IRA.

## Diversification

A spreading of risk by putting assets in several categories of investments – stocks, bonds, cash, precious metals, etc.

## Dividend

Payout, usually quarterly, of some of a corporation's earnings to owners of its stock. Some stocks are more desirable for their high dividends than for capital appreciation. Mutual funds may pay out dividends or reinvest them into the portfolio.

## Dollar Cost Averaging

A strategy for building assets by investing a predetermined sum at regular intervals. A dollar thus buys more shares/units when the price is low and fewer when the price is high.

## Equity

The term used to express ownership interest in a company. (See *Stock*.)

## Equity-Indexed Annuities

An investment contract with an insurance company that combines a minimum guaranteed return rate with another return rate to a market index. Reduced access to investor money without penalties, higher fees, and complexity of contracts are concerns. All guarantees are subject to the insurance company's ability to pay.

## Excess Accumulation

An insufficient withdrawal from a 401(k), 403(b), 457 or traditional IRA for an individual who is subject to the required minimum distribution (RMD) rules. A 50% excise tax may be imposed by the IRS.

## Excess Contribution

The amount of an IRA contribution that exceeds the allowable limits. If an excess contribution is not corrected, a 6% IRS penalty applies until the excess contribution is corrected.

## Fair Market Value

The value of an IRA as of a certain date. The December 31 fair market value must be provided on IRS Form 5498 each year.

## First-Time Homebuyer

### Tax Penalty Exception

Someone who has not had an ownership interest in a home for the past two years. There is a \$10,000 lifetime maximum for first-time home purchase.

## Fixed Income

A security that pays a fixed rate of return over a set term. Usually refers to bonds, guaranteed investment contracts, and certificates of deposit.

## Guaranteed Investment

### Contract (GIC)

A contract between an insurance company and an investor that includes a specific rate of return on the investment over the life of the contract. GICs are a conservative investment with stable returns.

## Health Insurance Premiums for the Unemployed

A taxpayer who has been receiving unemployment compensation for 12 consecutive weeks is eligible to take a distribution to pay for health insurance premiums for the IRA owner, owner's spouse, and any dependents. This exception will result in no 10% early withdrawal penalty tax.

# Glossary of Investment and Financial Terms *(continued)*

## Index

A benchmark to measure how well an investment is performing. The Dow Jones Industrial Average and Standard & Poor's 500 Index are two widely used stock indexes.

## Indirect (60-Day) Rollover

A withdrawal from a retirement account that is rolled over to an eligible plan or traditional IRA within 60 days. An indirect rollover differs from a direct rollover or direct transfer in that the money is sent to the participant and not directly to the new plan.

## Inflation

Prices rise when too much money in the economy tries to buy too few goods. Higher prices mean that a dollar buys less each year.

## Interest

Money paid by a borrower as compensation for the use of borrowed money. This amount is generally expressed as an annual percentage of the principal or invested amount.

## Investment Grade

Bonds rated AAA to Baa by Moody's Investors Service, Inc., or BBB and higher by Standard & Poor's Corp. are deemed to be "investment grade."

## Investment Objective

The stated purpose of an investment. Capital growth, current income, tax-deferment, risk reduction, etc. are typical. Personal objectives may be college savings, retirement, or other goals.

## Investment Strategy

A plan to fulfill an objective by selecting investments that produce appropriate returns at acceptable risk, and identifying alternative investments in anticipation of market changes.

## Maturity Date

The date on which the principal amount of a security (such as a bond) becomes due and payable to the holder.

## Life Expectancy

The number of years an individual is expected to live based on his or her current age.

## Liquidity

Ease with which an asset can be converted to cash. Real estate is less liquid than a bank account.

## Mandatory Tax Withholding

An IRS mandated tax withheld from the gross proceeds of a withdrawal from an eligible savings plan. The withholding rate varies according to the participant and the type of distribution.

## Modified Adjusted Gross Income (MAGI)

For most taxpayers, MAGI is the same as their AGI. MAGI is a person's AGI, with adjustments for the following: required minimum distributions (RMD), income from U.S. Savings Bonds used for higher education expenses, foreign earned income exclusions, foreign housing exclusions, IRA deductions, and employer-reimbursed adoption expenses.

## Mutual Fund

Allows investors to pool money to invest in stocks, bonds, and other securities. Rather than buying individual stocks or bonds, investors buy "units" of the fund itself. Diversification and professional investment management are among a mutual fund's strengths. Each fund will vary according to its holdings, objectives, and performance.

## Nondeductible Contribution

A contribution made to a traditional IRA that cannot be deducted from an individual's federal income taxes. If a nondeductible contribution is made, the taxpayer must file IRS Form 8606.

## Ordering Rules

The order in which Roth IRA assets are deemed to be withdrawn. The first assets withdrawn will be considered to be a return of contributions made. After contributions are withdrawn, further withdrawals will be amounts that have been converted from a traditional IRA. Finally, the earnings will be considered withdrawn.

## Penalty-Free Withdrawal

A withdrawal exempt from the 10% early withdrawal penalty tax. Exceptions include: purchase of a first home, qualified education expenses, qualifying medical expenses, health insurance premiums when unemployed, payments paid over the owner's life expectancy, disability, or payments to a beneficiary.

## Pension Plan

A retirement plan organized to receive contributions and pay a lifetime monthly benefit when the participant retires.

## Portfolio

The total investment holdings of an individual or the total investment holdings of a mutual fund.



## Premature Distribution

Distributions taken from a traditional or Roth IRA before the account owner is age 59½. Premature distributions are usually subject to a 10% early withdrawal penalty tax, unless an exception applies.

## Principal

The amount originally invested.

## Prior-Year Contribution

A contribution made to a Roth or traditional IRA between January 1 and April 15 for the prior tax year.

## Qualified Roth Distribution

A distribution from a Roth IRA that meets the 5-year holding period requirement and the taxpayer is over age 59½.

## Qualified Higher Education Expenses

Expenses such as tuition, fees, books, and supplies at an eligible higher education institution. These expenses include those of the IRA owner, spouse, children, or grandchildren. These expenses are exempt from the 10% early withdrawal penalty tax.

## Qualified Retirement Plan

A qualified retirement plan is one that has been approved by the IRS and generally gets preferential tax treatment.

## Qualifying Medical Expenses

Unreimbursed medical expenses, in excess of 7.5% of adjusted gross income distributed from an IRA, are exempt from the 10% early withdrawal penalty tax.

## Rebalancing

The process of restoring a portfolio to its target mix by periodically buying or selling some of each investment option. The Balanced Fund and the Target Date Funds are automatically rebalanced quarterly, when target ranges are exceeded.

## Recharacterization

A choice to treat a contribution made to one type of IRA as having been made to a different type of IRA (e.g., from a traditional IRA to a Roth IRA or vice versa).

## Required Minimum Distribution

After a Traditional IRA holder reaches 73 or a 401(k), 403(b), 457 plan participant reaches age 73 and terminates employment, a minimum amount must be withdrawn every year.

## Rollover IRA

A traditional IRA that receives assets from an eligible plan withdrawal.

## Roth IRA

A tax-deferred retirement account that allows annual nondeductible contributions. Qualified distributions from a Roth IRA may be tax-free.

## Security

An asset (usually intangible) such as a share of stock or mutual fund.

## Short-Term

Investments usually held for under five years, although long-term and short-term have no firm boundaries. May include treasury notes, CDs, money market accounts, etc.

## Stock

A security that represents an ownership share in a corporation. Stockholders participate in the company's financial direction for better or worse; also known as equities.

## Tax Deferral

Postponing payment of income taxes on retirement contributions and any subsequent earnings until the money is withdrawn.

## Traditional IRA

A tax-deferred retirement account that allows voluntary contributions that may be deductible on an individual's income taxes. Withdrawals from a traditional IRA will be partially or fully taxable when withdrawn.

## Variable Annuities

An investment contract with an insurance company where the rate of return varies based on the performance of selected securities. Reduced access to investor money without penalties, higher fees, and complexity of contracts are concerns to consider.

## Volatility

The height and depth between which an investment's value may fluctuate and how frequently. Volatility is a chief element of risk. Investments with greater potential returns are usually more volatile and therefore more risky.

## Yield

The annualized rate at which an investment earns income. Usually refers to fixed income. Not the same as total return. A bond may continue to yield 8% even as its value drops.

# URS Telephone Numbers

Department	Local Phone	Toll Free	Fax
<b>Pension</b>	<b>801-366-7770</b>	<b>800-695-4877</b>	<b>801-328-7434</b>
Redeposit of Funds Refunds Retirement Tax Inquiries Death Benefits Service Purchases Retirement Counselors			
<b>Savings Plans</b>	<b>801-366-7720</b>	<b>800-688-4015</b>	<b>801-366-7445</b>
401(k), 457, IRAs Loan Applications			
<b>Retirement Planning Department</b>	<b>801-366-7470</b>	<b>800-753-7808</b>	<b>801-328-7414</b>
<b>Finance Division</b>	<b>801-366-7361</b>	<b>800-753-7361</b>	<b>801-366-7729</b>
General Finance Information Duplicate Tax Forms Lost or Missing Checks			
<b>PEHP</b>	<b>801-366-7500</b>	<b>800-365-8772</b>	<b>801-245-7504</b>
<b>Southern Utah Office</b>	<b>435-673-6300</b>	<b>800-950-4877</b>	<b>435-634-0654</b>
<b>For Numbers Not Listed Above</b>	<b>801-366-7700</b>	<b>800-365-8772</b>	

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