

Tier 1



*Welcome to the*  
**Pre-Retirement Seminar**  
PUBLIC SAFETY



2025



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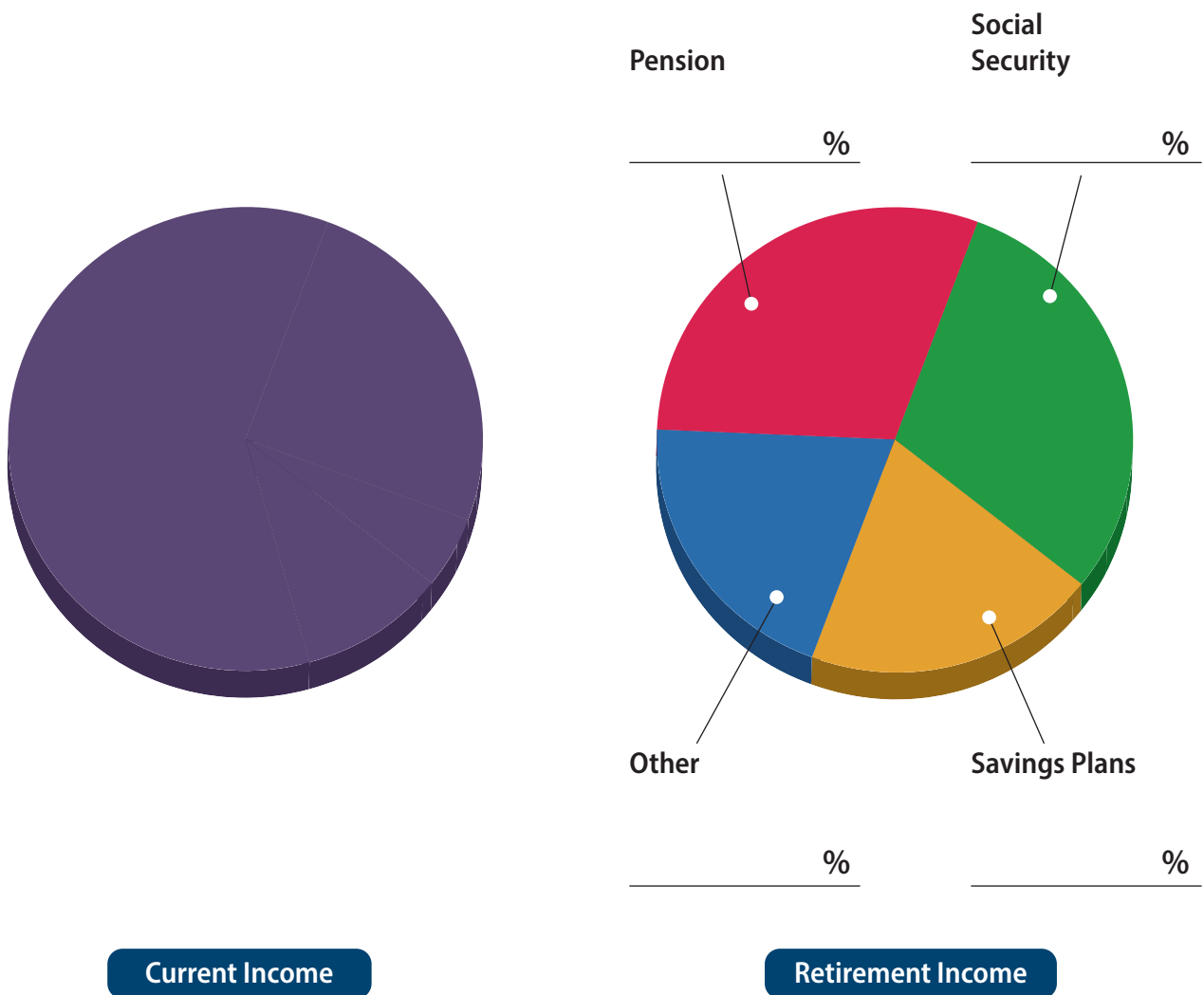
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# Retirement Income

## How is Your Pie Proportioned?



These charts are only examples.

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

## Do You Need to Make Any Adjustments?

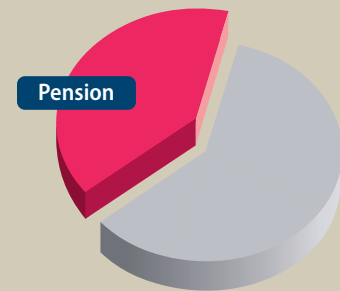


# Retirement Income

## Pension

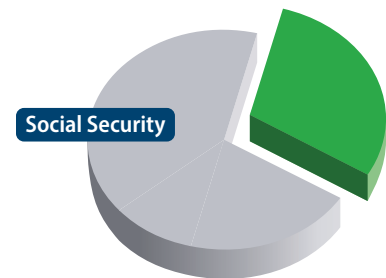
Fixed monthly income for the rest of your life.

- » 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

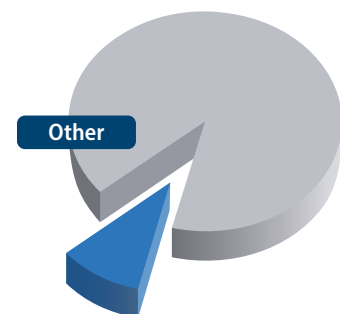
Investment accounts that work for you before and after retirement.

- » 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?

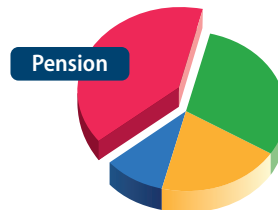
In the Public Safety System, the minimum age and service credit\* requirements are as follows:

- » 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

$$\begin{aligned}
 &\text{Years of Service (up to 20 years)} \times 2.5\% \times \text{*Average 3 Highest Years' Salary} \\
 &\quad + \\
 &\text{Years of Service (after 20 years)} \times 2\% \times \text{*Average 3 Highest Years' Salary} \\
 &\quad = \\
 &\text{Basic Yearly Pension Benefit}
 \end{aligned}$$

### 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 x 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

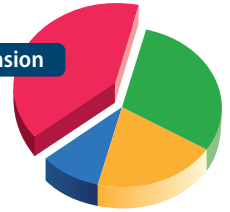
\$1,950 / month  
(65% of Basic Monthly Benefit)

\$2,955 / month

\$2,216 / month  
(75% of Basic Monthly Benefit)

# Partial Lump-Sum Option (PLSO)

Pension



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, or worked 25 years as a public safety employee, the 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
- » 25 years of service
- » Member age 62
- » Spouse age 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 (75% of Basic Monthly Benefit)

## Partial Lump-Sum Options

	Adjusted Monthly Benefit	Payment to Spouse at Member's Death
12 month PLSO Amount: \$36,000	\$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	\$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

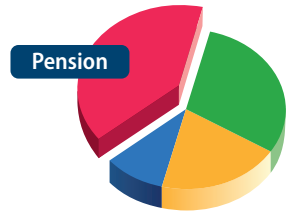
1. After using the Service Purchase Estimate Calculator, contact URS at 801-366-7770 or 800-695-4877.
2. Fill out the appropriate form:
  - » Reinstatement
  - » Service Purchase
3. Pay for service in one of the following ways:
  - » **Lump-sum payment** before your retirement date set with the Retirement 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>

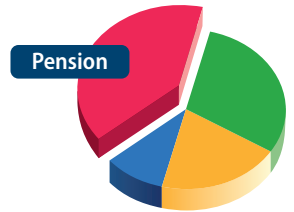
## Division B (without Social Security Coverage)

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**

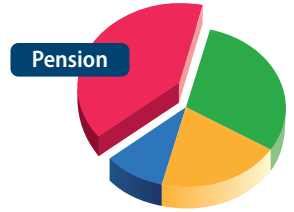
- ☐ Birth certificate
- ☐ Spouse's birth certificate
- ☐ Marriage certificate
- ☐ Voided check

## **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 80%.
  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, part-time work termination, and/or contract arrangement termination, you must choose one of the following:
  1. You continue to receive a retirement check
    - you will gain no additional service credit.
  - or*
  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

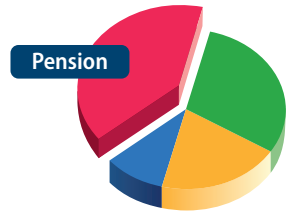
The Pension Protection Act of 2006 allows for Public Safety and Firefighter employees, who qualify for retirement, to pay for accident, health, or long-term care insurance premiums using their retirement income. Those who qualify may elect to use up to \$3,000 annually, tax-free, toward insurance premiums.

### 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.



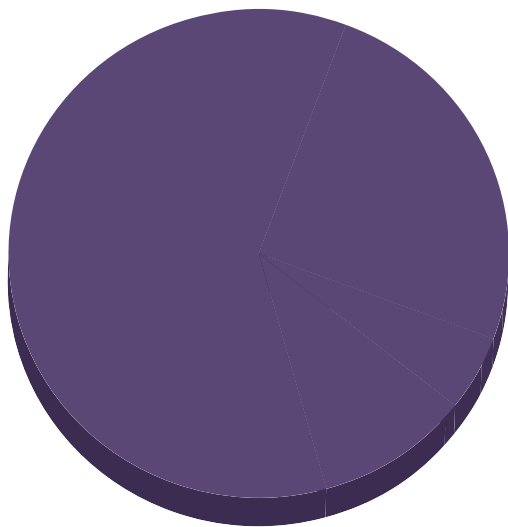
# How is Your Pie Proportioned?



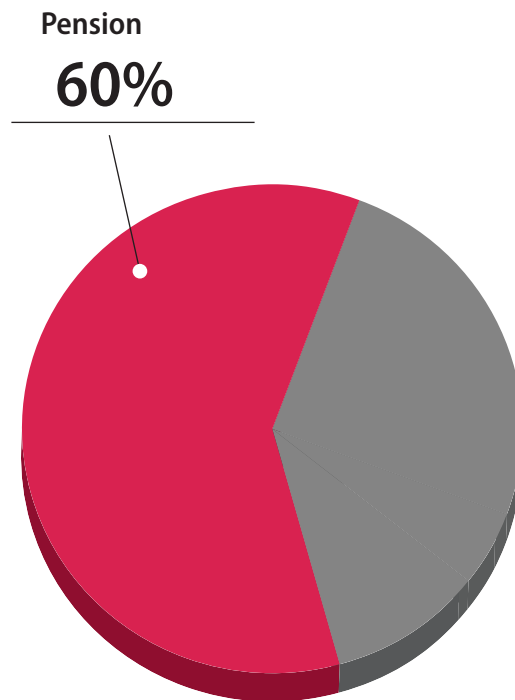
## Example

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

[illegible]



# FINANCIAL EXPLOITATION checklist



- ☐ **I often regret or worry about financial decisions I've made.**
- ☐ **I don't understand financial products and their fees.**
- ☐ **Others are pressuring me to give them money or move my retirement assets.**
- ☐ **I receive invitations to "Free Dinner" seminars which offer information about finances.**
- ☐ **I feel overwhelmed in managing my investments.**
- ☐ **I'm worried about running out of money in retirement.**



Utah  
Department  
of Commerce  
Division of Securities

# Check Before You Invest



**[brokercheck.finra.org](https://brokercheck.finra.org)**



**[investor.gov](https://investor.gov)**



**[smartcheck.gov](https://smartcheck.gov)**

## Additional Questions?



**[securities.utah.gov](https://securities.utah.gov)**



**801-530-6600**



**[securities@utah.gov](mailto:securities@utah.gov)**



**BrokerCheck® is a free tool to research the background and experience of financial brokers, advisers and firms.**

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## **Why use BrokerCheck ?**



**BrokerCheck provides easy access to investment adviser information and helps you make informed choices about brokers and brokerage firms.**



**BrokerCheck tells you instantly whether a person or firm is registered to sell securities, offer investment advice or both.**



**BrokerCheck gives you a snapshot of a broker's employment history, regulatory actions, complaints and more.**

**[brokercheck.finra.org](http://brokercheck.finra.org)**



Utah  
Department  
of Commerce  
Division of Securities



## Five Questions to Ask Before You Invest

### 1. Is the seller licensed?

Smart investors check the background of anyone promoting an investment opportunity.

### 2. Is the investment registered?

Registration provides access to key information about the company and its finances.

### 3. Do I understand the investment?

Read, ask, and then verify. If you are still confused about the product, think twice about investing.

### 4. Do the risks compare with the rewards?

Greater rewards come with greater risk.

Promises of high returns with little or no risk may be fraud.

### 5. Where can I receive help?

When it comes to investing wisely, unbiased information can be a great advantage.



State of Utah, Department of Commerce, Division of Securities—(801) 530-6600

U.S. Securities and Exchange Commission Investor Assistance—(800) 732-0330

Financial Industry Regulatory Authority (FINRA) Helpline for Seniors—(844) 574-3577



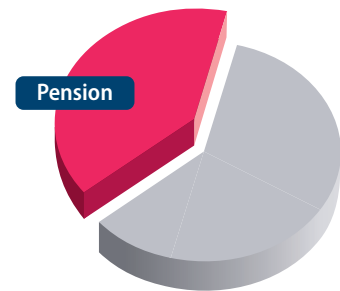
Utah  
Department  
of Commerce  
Division of Securities

# Retirement Income

## Pension

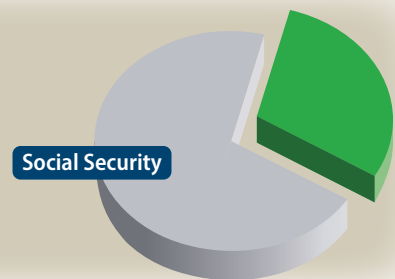
Fixed monthly income for the rest of your life.

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



## Social Security

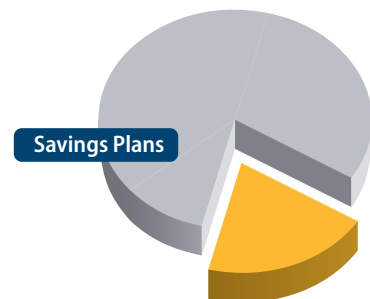
Federal program providing fixed monthly income for the rest of your life.



## Savings Plans – 401(k), 457, IRAs

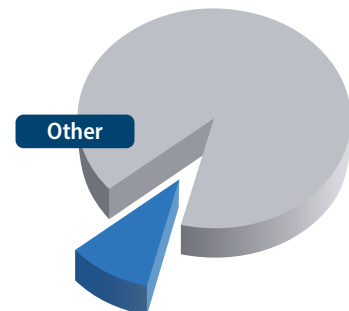
Investment accounts that work for you before and after retirement.

- » 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**  
Official Social Security Website

Accessibility • Español • Contact Us • FAQs • Sign In

Search...

Home Numbers & Cards Benefits Information for... Business & Government Our Agency

**Retirement Benefits**

Share Tweet

**Retirement**

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...](#)

[Apply for Retirement Benefits](#) [Return to a Saved Application](#)

[Check Application Status](#)

**If you already receive retirement benefits**

Online Services  
What you need to report to us  
Working while receiving benefits  
Direct deposit  
Taxes and your benefits

What to do when someone dies  
Schedule of Social Security Payments  
What to do if you disagree with a decision we make  
*What You Need To Know When You Get Retirement Or Survivors Benefits*

**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."

**Retirement Age Calculator**

Share Tweet

**Benefits Planner**

Calculators  
Retirement  
Disability  
Survivors

**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: 1937 or earlier

[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.

## 3 How Do You Apply for Social Security?

» Apply online.

# 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](https://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](https://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)

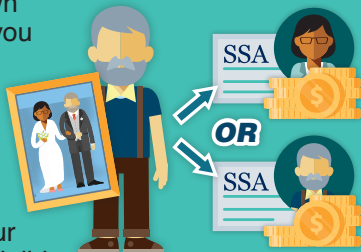
## Step 3: Know Your Options

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.



age  
64

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

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

## 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/>

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



# 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



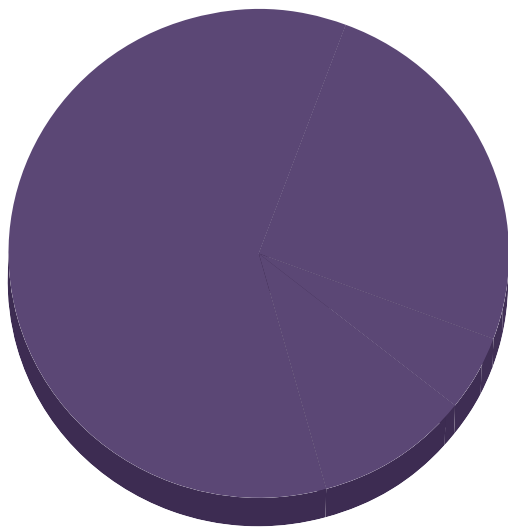
## Notes

# How is Your Pie Proportioned?

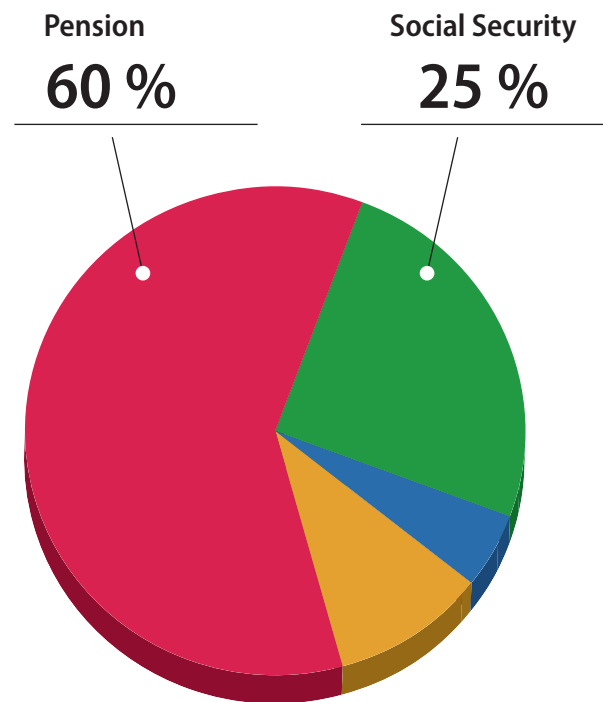
## Example

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?



# Healthcare During Retirement



Medical care can be one of the largest expenses in retirement and could put a major dent in your nest egg. Look carefully at your options and plan how you will pay for healthcare. Below is some general information to help you get started.

## Early Retiree (before age 65)

One major challenge of retiring early is getting adequate medical coverage between the time you stop working and become eligible for Medicare (generally at age 65). Here are some options to consider.

## Employer Benefits

Some employers offer early retiree health coverage. Some may convert unused sick time to a dollar amount and fund a Health Reimbursement Account (HRA) that you can use to pay for medical expenses. Check with your employer to see what options, if any, are available to you.

## COBRA

COBRA allows you to maintain your current active health coverage for a limited period of time, but expect to pay a higher premium than you did while working. Employers usually pay the majority of the monthly premium for active employees, but if you're on COBRA you must pay the entire premium, plus 2% more for administrative costs.

## The Marketplace

The Marketplace is an option for those that have retired early from active group coverage and are not yet eligible for Medicare. Insurance plans in the Marketplace are offered by private companies. You can choose individual or family plans. You may also qualify for federal subsidies depending on your income. Visit [www.healthcare.gov](http://www.healthcare.gov) for information about the Marketplace and plan options.

## Health Savings Accounts (HSA)

You can use money from an HSA to pay for qualified healthcare expenditures, tax free. Qualified expenses include hospital and doctor visits, COBRA premiums, Medicare Part A, B, C, and D premiums and copays, and much more (details: [www.irs.gov/pub/irs-pdf/p969.pdf](http://www.irs.gov/pub/irs-pdf/p969.pdf)). If you choose an HSA-qualified plan while you're still working (such as The PEHP STAR Plan) you and your employer can put money into the account tax free, up to the IRS annual limits. You can use your HSA to build a healthcare nest egg for retirement. An HSA is like a flexible spending account (FSA), but better. You never have to worry about forfeiting what you don't spend. Money in your HSA carries over from year-to-year and even from employer-to-employer and can be passed on to your heirs.

You can use the money tax-free for qualified medical expenses. If you enrolled in an HSA plan prior to retirement, consider how you will use these assets in your healthcare planning.

# Medicare

Medicare is a national health insurance program for people age 65 and over or otherwise eligible, whether you're retired or still working.

## Medicare Part A (Hospital Coverage)

Part A provides coverage for inpatient hospital stays and other inpatient facilities. There's a \$1,676 deductible per benefit period in 2025. Coverage is based on type of facility and length of stay. For example, Medicare pays all charges of your first 60 days in the hospital, and a portion of charges between 61-150 days. No charges are covered for in-hospital stays over 150 days.

## Medicare Part B (Medical Coverage)

Part B provides coverage for most medical services, including outpatient physician and facility, paying 80% after a \$287 deductible per calendar year in 2025. A monthly premium is taken from your Social Security check – generally \$185 in 2025 for most. Others may pay more based on their modified adjusted gross income as reported on your income tax return from two years ago.

Be careful when making large withdrawals from a 401(k) or an IRA, for example, because those withdrawals will increase your modified adjusted gross income, which may result in your paying a higher premium for Part B. The same is true for Roth conversions.

## Medicare Part C (Advantage Plans)

These are Medicare-approved plans offered by private companies. You are required to enroll in Medicare Parts A and B and may pay an additional premium depending on your Part C plan's benefits. These plans must provide certain coverage to qualify, but benefits may vary.

## Medicare Part D (Prescription Drug Plans)

These are Medicare-approved drug plans offered by private companies. Costs vary based on benefits.

## Medicare Supplement

Medicare offers basic coverage. You are still responsible for coinsurance and deductibles. Consider a Medicare Supplement plan to help you with these additional costs. URS members and their spouses are eligible for PEHP Medicare Supplement at age 65 or otherwise eligible. See the next page for more information.

For additional information, go to [www.pehp.org/medsup](http://www.pehp.org/medsup).

## For More Information, Contact:

- » Your County Department of Aging Services
- » Medicare: 1-800-MEDICARE or [www.medicare.gov](http://www.medicare.gov)
- » State Health Insurance Assistance Programs provide free personalized Medicare counseling.

# Medicare Supplement

————— An Exclusive Benefit for URS Members —————

- » The PEHP plan covers deductibles and co-insurance costs Medicare doesn't cover.
- » Great options: **3 medical plans**  
**3 pharmacy plans**  
**2 dental plans**  
**2 vision plans**
- » The PEHP plan provides coverage for out-of-state and out-of-country needs.
- » Payment is easy – premiums can be deducted from URS retirement check.

**PEHP**  
Health & Benefits

## Who's Eligible

Anyone who's ever been part of the URS system or married to someone who was, or anyone who had PEHP medical coverage.

## Enrollment

- » When you first become eligible for Medicare
- » When your current coverage ends
- » At our annual open enrollment in the fall

Join us for a  
**FREE PRESENTATION**  
about Medicare and  
PEHP Medicare Supplement

Dates, locations & to register:  
[www.pehp.org/medsup](http://www.pehp.org/medsup)





# 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).



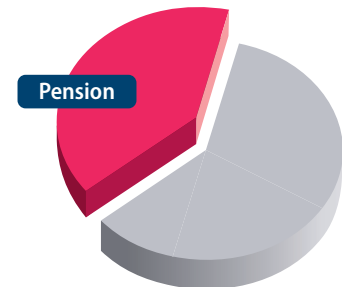
**If your employer offers PEHP Life,** you can apply to increase your coverages at any time, not just during open enrollment. Go to [www.pehp.org](http://www.pehp.org) or call 801-366-7495.

# Retirement Income

## Pension

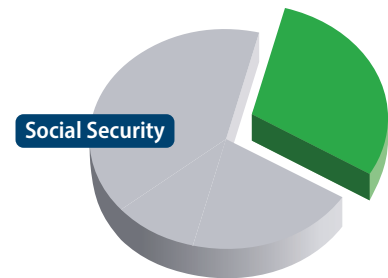
Fixed monthly income for the rest of your life.

- » 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.



## Saving Plans – 401(k), 457, IRAs

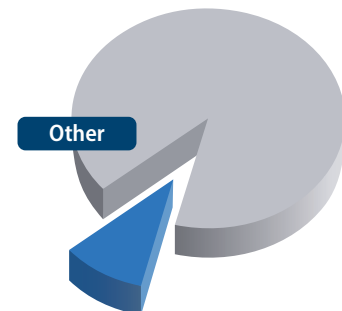
Investment accounts that work for you before and after retirement.

- » 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)	» Retirement » Termination » Age 59½ if still employed » Hardship (Personal contribution only)	» Retirement » Termination » Age 59½ if still employed » Unforeseeable emergency
<b>Early Withdrawal Penalty Tax</b>	<b>Yes</b> – 10% early withdrawal penalty tax if withdrawn before age 59½. <b>Exceptions:</b> <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>	<b>No penalty tax</b>
<b>Loan Provision</b>	<b>Yes**</b>	<b>Yes</b>
<b>Annual Contribution Limits</b>	<b>2025</b> \$23,500	\$23,500***
<b>With Age 50+ Catch-Up Provision****</b>	<b>2025</b> \$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<sup>†</sup>  
Pay income tax when withdrawn

## Roth IRA

After-tax deposits  
Tax-free withdrawals

✓	✓
✓	✓
✓	✓
✓	✓
» Anytime	» Anytime
<b>Yes</b> – if withdrawn before age 59½. <b>Exceptions:</b> <ul style="list-style-type: none"> <li>» first home</li> <li>» higher education</li> <li>» payout based on life expectancy</li> <li>» disability</li> </ul>	<b>Contributions: No</b> <b>Earnings: Yes</b> – if withdrawn before age 59½. <b>Exceptions:</b> <ul style="list-style-type: none"> <li>» first home</li> <li>» higher education</li> <li>» payout based on life expectancy</li> <li>» disability</li> </ul> (For additional exceptions see IRS Publication 590.)
<b>No</b>	<b>No</b>
\$7,000	\$7,000
\$8,000	\$8,000
<sup>†</sup> 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.	<sup>††</sup> Note: Eligibility to contribute is subject to income limits. See IRS publication 590 for more details. See the table at right.

### Traditional IRA<sup>†</sup>

Tax deductibility of contributions (based on modified AGI):

Fully deductible up to  
**Single** <\$79,000      **Married** <\$126,000

Partially deductible up to:  
**Single** \$89,000      **Married** \$146,000

### Roth IRA<sup>††</sup>

Contribution eligibility (based on modified AGI):

To qualify for full contribution:  
**Single** \$1-\$150,000      **Married** \$1-\$236,000

To qualify for partial contribution:  
**Single** \$150,000-\$165,000      **Married** \$236,000-\$246,000

Does not qualify for contributions:  
**Single** \$165,000+      **Married** \$246,000+

# 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



# How Many Years Will Your Money Need to Last?



According to data compiled by the Social Security Administration:

- » **A man** turning age 65 today can expect to live, on average, until age 84.
- » **A woman** turning age 65 today can expect to live, on average, until age 87.

And those are just averages. About one out of every three 65-year-olds today will live past age 90, and one out of seven will live past age 95.

Want to know your life expectancy? You can use Social Security's Life Expectancy Calculator\* to get an estimate of how long you may live.



\*<http://socialsecurity.gov/planners/lifeexpectancy.html>

# 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.

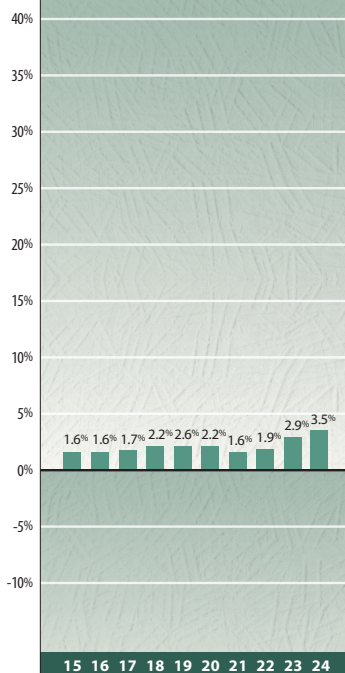
**Investment Manager:**  
T. Rowe Price

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

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

1 Year	3 Years	5 Years	10 Years	15 Years
3.49%	2.72%	2.38%	2.16%	2.06%

Annual Returns for  
Periods Ended December 31



## Bond Fund

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

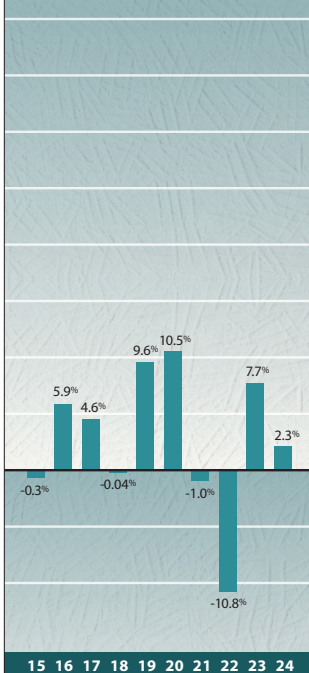
**Investment Manager:**  
Dodge & Cox

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

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

1 Year	3 Years	5 Years	10 Years	15 Years
2.28%	-0.59%	1.46%	2.67%	3.54%

Annual Returns for  
Periods Ended December 31



## Balanced Fund

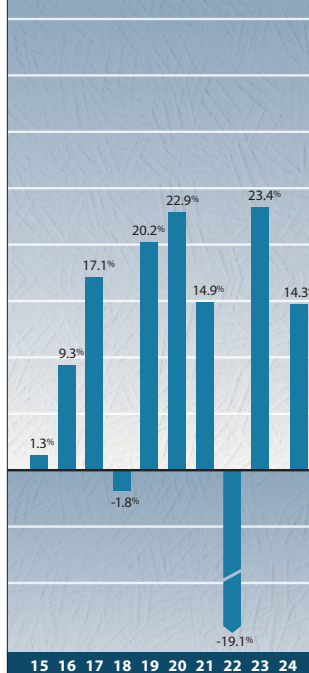
Invests in a portfolio of about 60% stocks and 40% bonds. This fund is considered less risky than most stock investments, but has higher risk than most fixed income investments.

**Portfolio Structure**  
40% Bond Fund  
30% Large Cap Growth Fund  
30% Large Cap Value Fund

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

1 Year	3 Years	5 Years	10 Years	15 Years
14.29%	4.52%	10.01%	9.46%	10.16%

Annual Returns for  
Periods Ended December 31



## 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.

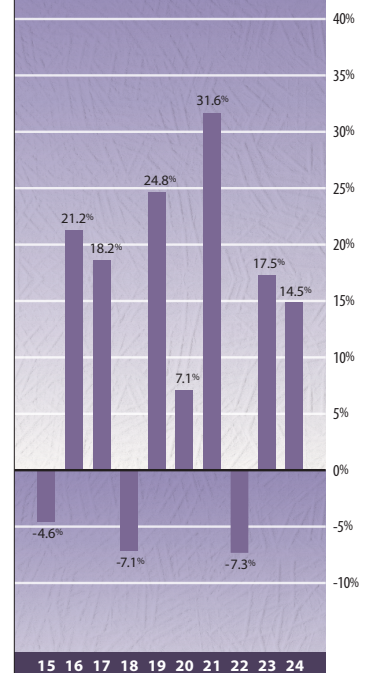
**Investment Manager:**  
Dodge & Cox

**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
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

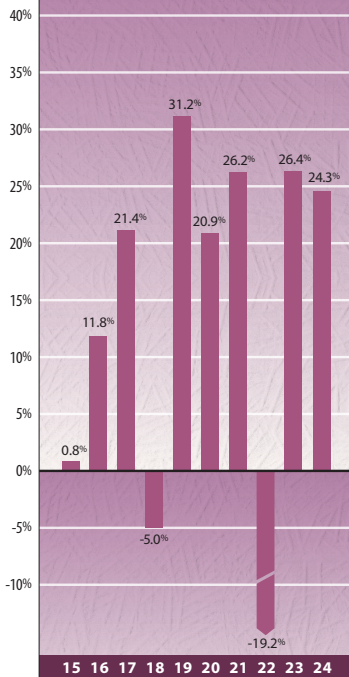
### Sample of Portfolio Securities

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



Risk / Reward

## 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

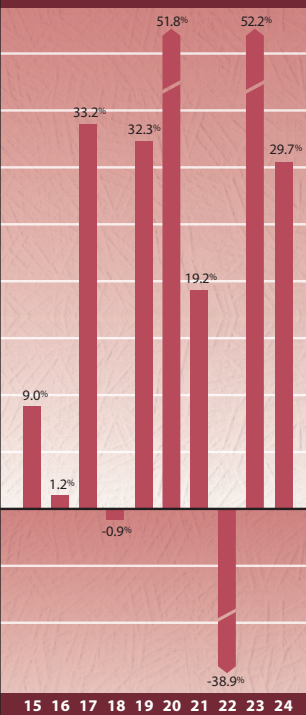
### Sample of Portfolio Securities

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



Risk / Reward

## 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

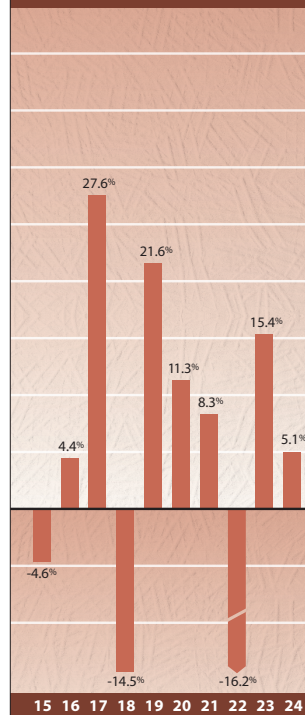
### Sample of Portfolio Securities

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



Risk / Reward

## 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

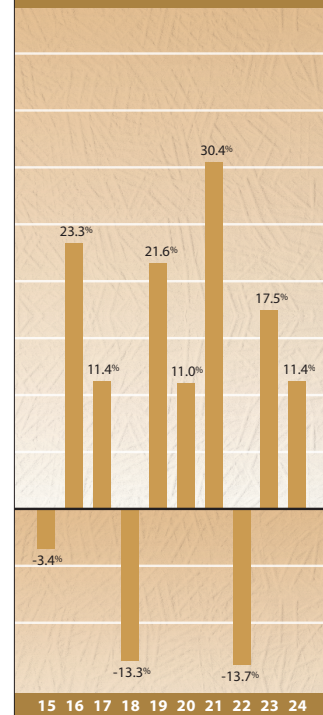
### Sample of Portfolio Securities

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



Risk / Reward

\*\*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.

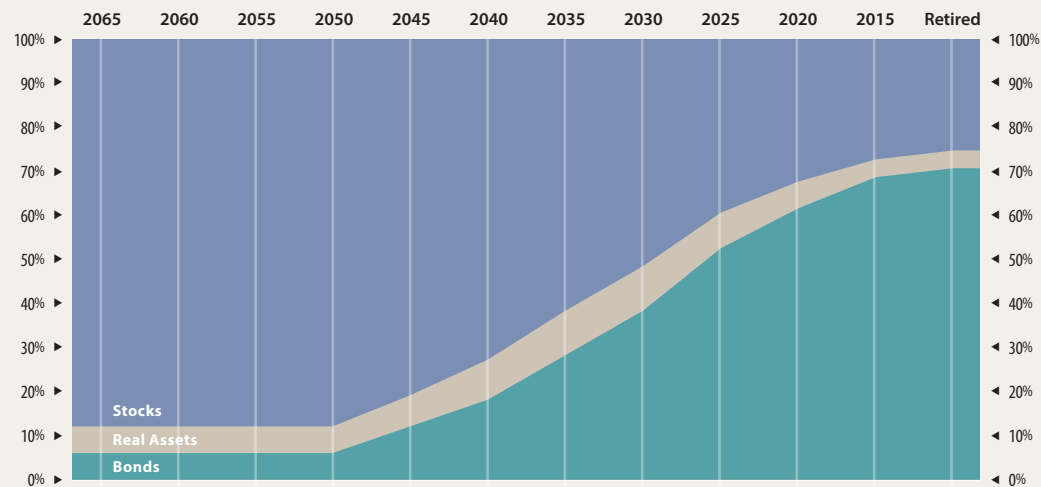
Consider the Target Date Fund with the date closest to when you will start withdrawing funds for retirement. For example: If you're a younger employee and plan to leave the workforce and begin withdrawals around the year 2055, consider the Target Date 2055 Fund. If you're further along in your career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



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**.







charlesSCHWAB

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.*



Utah Retirement Systems

### 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  
Descriptions

Roth & Traditional  
IRA Guidebook



# Make Sure You Understand Fees. They Greatly Impact Your Money.

**Considering moving money out of a URS Savings Plan?** Make an informed decision. Ask specifically about the other plan's fees.

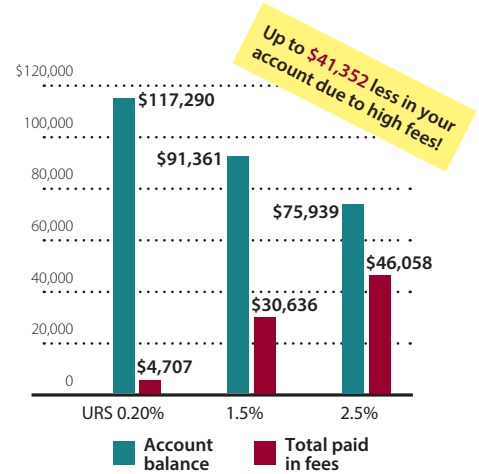
FEE TYPE	OTHER PLAN	URS Utah Retirement Systems
Recordkeeping	%	0.05 %
Investment Mgmt.	%	0.15 %
12b-1 Fee	%	None
M&E Expense	%	None
Rider Fees	%	None
Annual/Quarterly	%	None
Other Fees	%	None
<b>Total Fees</b>	<b>%</b>	<b>0.20 %</b>

The fees listed above are a general sampling of types of fees charged by other providers. Some providers may not charge all or any of these fees. Others may have additional fees. The fees shown for URS are the average annual fees charged to a URS member's account and are subject to change at any time. A complete schedule of fees is available on the URS website ([www.urs.org](http://www.urs.org)). URS does charge specific fees in certain situations, including small, inactive accounts (\$15) and for plan loan setup (\$60).

**Considering an annuity?** See this Securities & Exchange Commission (SEC) warning from the Utah Department of Insurance website.

<https://insurance.utah.gov/consumer/life-annuity/variable-annuities>

**Fees matter.** Compare the growth of \$100 per month over 30 years.



Hypothetical growth of account at gross annual return of 7% vs. different fee reductions. Graph is for comparative purposes only and does not represent any actual returns.

## What will you pay to access your funds?

URS never charges a fee or penalty to withdraw your money at any time. We never impose surrender charges to move money to other plans.

**See other side for help making the right decision for you.**



# Why Not Talk to Us?

Is someone outside of URS advising you on your URS accounts? You can talk to us at any time about your benefits. **Here's how:**

## 1) Call or Visit URS

8 a.m. to 5 p.m., Monday through Friday

**801-366-7720 | 800-688-4015**

**560 East 200 South, Salt Lake City**

**or...**

## 2) Schedule a Session

*Free Retirement Planning Counseling*

Professional URS Retirement Planning Advisors offer **free**, one-on-one, retirement planning sessions.

### Log in to myURS

Click "LOGIN" in the top-right corner of **www.urs.org**.

### Click "Education"

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

## Remember...

- » **URS has low fees.**
- » **URS advisors do not receive commissions.**
- » **You can keep your funds in URS Savings Plans during your retirement. You're never required to move your funds to another plan\*.**
- » **You can move money back to URS at any time\*\*.**

\* subject to the URS Small Balance, inactive account policy regarding inactive accounts, with combined savings plan balances less than \$1,000.

\*\* as long as you retain a vested account balance or vested pension service credit.



**Be cautious of any financial planner who claims to be an expert on URS benefits or to be affiliated with URS. If you're not sure, call us.**





# 4 Things to Consider



## 1 Account Management

- ☐ Manage your account online
- ☐ Update beneficiaries
- ☐ Reallocate investments
- ☐ Change deferrals



## 2 If Deferring Leave Payments

- ☐ Complete the URS Investment Contract form.  
Annual limits apply.

## 3 Withdrawal Options

- ☐ Leave funds with URS
- ☐ Roll over funds to another account
- ☐ Withdraw funds
  - ☐ Full amounts in cash
  - ☐ Partial amounts
  - ☐ Periodic payments
    - ☐ Monthly      ☐ Semi-annually
    - ☐ Quarterly    ☐ Annually

## 4 Minimum Distribution Requirement by Your Year of Birth

June 30, 1949 or earlier » 70 ½

July 1, 1949 - December 31, 1950 » 72

January 1, 1951 - December 31, 1959 » 73

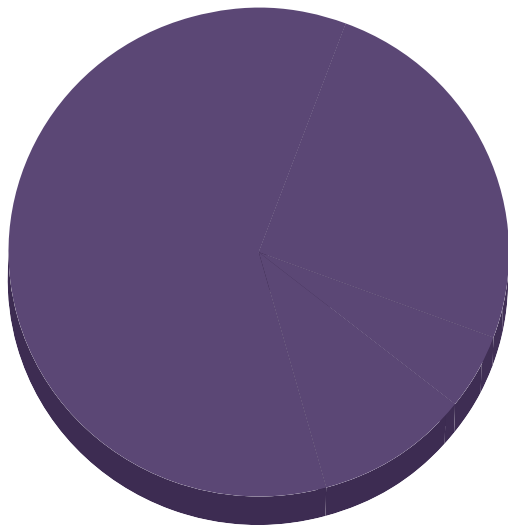
After January 1, 1960 » 75

# How is Your Pie Proportioned?

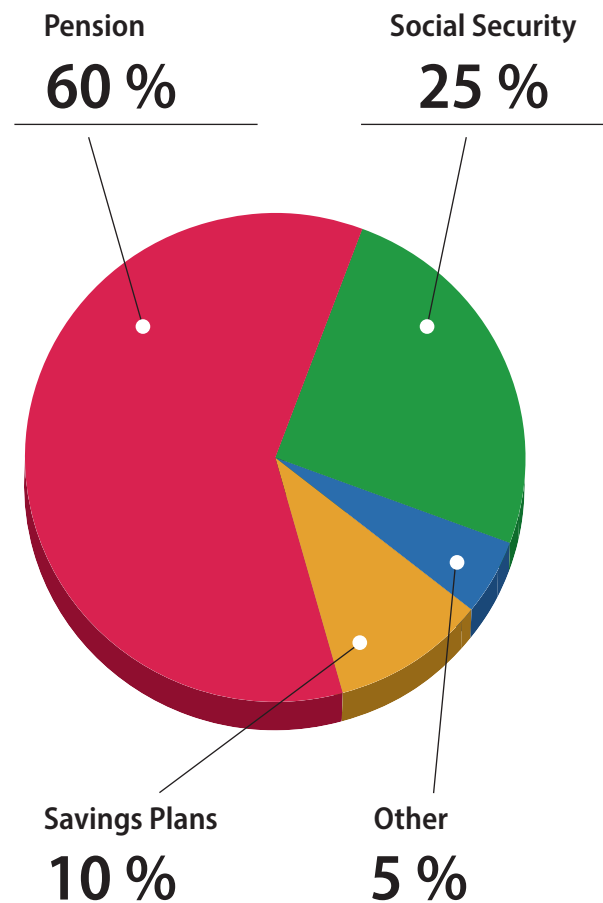
## Example

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?



# 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))
Roll Over From	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.

## Notes

# 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**.*

[illegible]

# URS Website



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

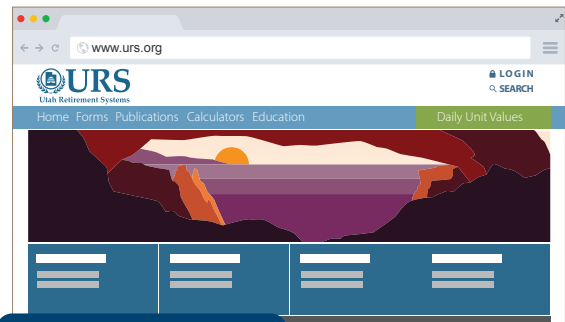


# What Can You Find at [www.urs.org](http://www.urs.org)?

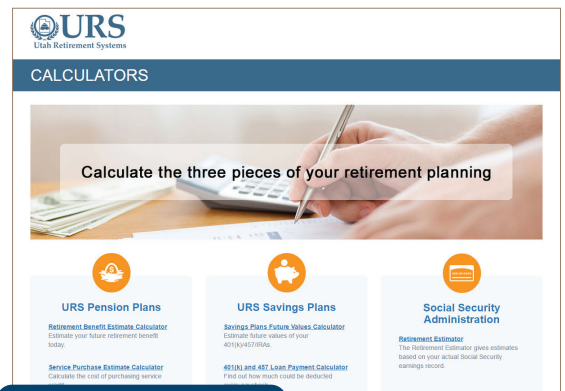
## [www.urs.org](http://www.urs.org)

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

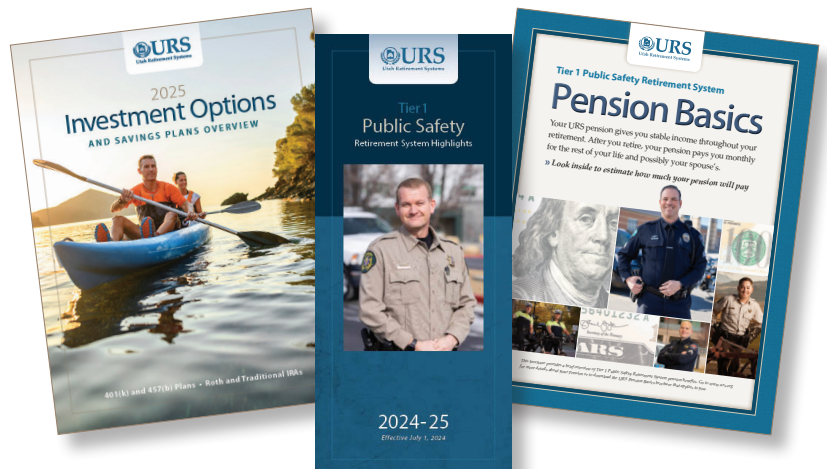


Calculators



Retirement Planning Schedules

Brochures

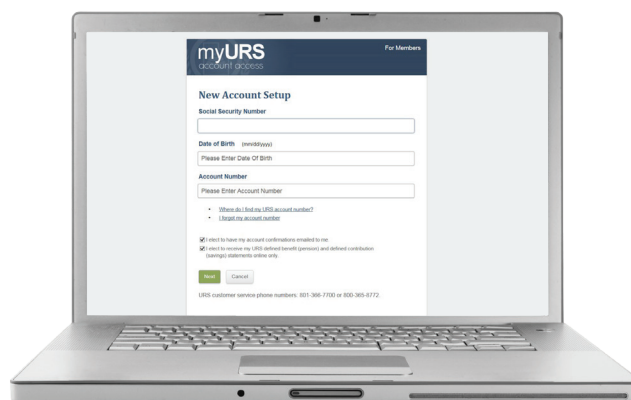


# Manage Your Retirement Account Online



## 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

Education Overview

Individual Retirement Planning Sessions

Pre-Retirement Seminars

Early To Mid-Career Seminars

### 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



- » Retirement Health and Happiness
- » Envision Your Retirement Lifestyle
- » Things to Consider
- » Glossary of Financial Terms
- » URS Telephone Numbers



# Retirement Health and Happiness

## Three Major Transitions

### 1 Financial

#### » Home

- › Stay where you are
- › Move to a smaller place
- › Require long-term care

#### » Cost of Living Expenses

#### » Medical Costs

- › Medicare insurance
- › Increased medical needs

#### » Manage Debt

### 2 Physical

#### » Daily Routine

- › Create a schedule

#### » Physical Activities

- › Exercise
- › Hobbies

#### » Eating Habits

- › Maintain a healthy diet

### 3 Mental & Emotional

#### » Your Title/Role

- › Does your job define who you are?

#### » Social Life

- › Do you have friends outside of work?

#### » Home Life

- › Can you find purpose at home?

## Top Weekly Activities

(Average minutes per day)

Full-time workers		Retirees
461	Sleeping	521
487	Work, main job (including travel)	–
97	TV and movies	223
67	Eating and drinking	89
45	Washing, dressing & grooming oneself	39
24	Communicating & socializing with others	34
17	Food & drink prep	34
13	Reading for personal interest	48
10	Interior cleaning	24
–	Shopping, except groceries, food & gas	23

Sources: Wall Street Journal, via Bureau of Labor Statistics data via "How Retirees Spend Their Time: Helping Clients Set Realistic Income Goals," Charlene M. Kalenkoski and Eakamon Oumtrakool



#### VIDEO: Spending Time in Retirement

This video examines the transition to retirement and the personal challenges some retirees face.

» [www.urs.org/us/lifestyle](http://www.urs.org/us/lifestyle)

## Three Greatest Fears of Retirees:

» Boredom

» Loneliness

» Loss of Identity

# Are You Ready to Retire?

## 1 At what age will I/we retire?

Self: \_\_\_\_\_

Spouse: \_\_\_\_\_

## 2 What activities am I looking forward to?

(Rank the following from high to low, with 1 being the most enjoyable, 2 being the next, etc.)

- ☐ Spending time with family
- ☐ Spending time with friends
- ☐ Volunteering
- ☐ Traveling
- ☐ Sports and recreation
- ☐ Hobbies

## 3 In order to feel prepared to retire, I'd like to replace \_\_\_\_\_ of my current income.

- ☐ 100%      ☐ 70%
- ☐ 90%      ☐ Other
- ☐ 80%

## 4 Will you be debt free?

- ☐ Yes
- ☐ No. If no, do you have a debt management plan?

## 5 Where do I/we want to live in retirement (Pick only one place)

- ☐ Where we are now
- ☐ Closer to our kids/grandkids
- ☐ In a warmer climate
- ☐ Our current locale but a smaller place

## 6 How much time will we spend together on a typical day in retirement?

- ☐ See you at breakfast, and then at dinner
- ☐ Maybe 2-4 hours a day, with some solo time
- ☐ We're hanging out together nearly all day

## 7 How will my responsibilities change at home?

More   Less   Same

- |                          |                          |                          |                    |
|--------------------------|--------------------------|--------------------------|--------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Household chores   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Managing our money |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Fixing meals       |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Shopping           |

## 8 If one of your children asks for money, I will ...

(Choose one)

- ☐ Help out as long as it won't hurt our finances
- ☐ Help out even if it means we need to cut our budget
- ☐ Just say no

## 9 Will I work part-time or full-time in retirement?

- ☐ Yes      ☐ No      ☐ Maybe

# Envision Your Lifestyle: Creating Your Retirement

Plan what you will do with your time in retirement and who you will share it with. Think about and answer the following questions to help identify what a satisfying retirement for you would look like. Go to [www.urs.org/us/lifestyle](http://www.urs.org/us/lifestyle) for ideas.

## Engage

*How will you find purpose, satisfaction, and enjoyment in your retirement?*

**1. Will you work/volunteer? If so, what will you do?** \_\_\_\_\_

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**2. List 10 activities you can do in retirement.**

- |          |           |
|----------|-----------|
| 1. _____ | 2. _____  |
| 3. _____ | 4. _____  |
| 5. _____ | 6. _____  |
| 7. _____ | 8. _____  |
| 9. _____ | 10. _____ |

**3. What will your typical weekly calendar look like?**

<b>SAT/SUN</b>	<b>MONDAY</b>	<b>TUESDAY</b>
<b>WEDNESDAY</b>	<b>THURSDAY</b>	<b>FRIDAY</b>

## Take Care of Yourself

*As you seek to live a healthy life — physically and mentally, you will find that you will gain more satisfaction in retirement.*

### 4. How will you live a healthy lifestyle?

a. Exercise \_\_\_\_\_

\_\_\_\_\_

b. Nutrition \_\_\_\_\_

\_\_\_\_\_

c. Medical Care \_\_\_\_\_

\_\_\_\_\_

d. Social Activities \_\_\_\_\_

\_\_\_\_\_

### 5. How will you keep your brain active and engaged?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### 6. How will you maintain a positive outlook in your life?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Foster Relationships

*Maintaining and building meaningful relationships is an important factor in maintaining health and joy in retirement.*

### **7. Are you near family? Who will you spend your time in retirement with?**

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### **8. How will you coordinate the timing of your retirement and your activities with your spouse/partner?**

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### **9. How can you build deeper, more meaningful relationships with others?**

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## Take Stock in Yourself

*Understand who you are and your purpose in retirement. Understanding your core values and what brings you joy will help you create a satisfying retirement.*

**10. What do you need to feel joy and satisfaction in life?** \_\_\_\_\_

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**11. What do you want to accomplish?** \_\_\_\_\_

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**12. What do you value most? List your top 3 core values.**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

# Things to Consider

## Regarding Your Pension

- ☐ Purchase Service
- ☐ Redeposit Withdrawn Contributions

## Steps to Retirement

- ☐ Call URS About Two to Three Years Before You Plan to Retire to Request a Pension Estimate
- ☐ Determine Your Retirement Date
- ☐ Call URS Two to Three Months Prior to Retiring to Begin the Application Process
- ☐ Collect Materials Needed to Process Your Retirement Application
- ☐ Complete Required Forms

## Regarding Your Saving Plans

- ☐ Open a New Account
- ☐ Increase Your Contribution Amounts
- ☐ Change Your Investment Options
- ☐ Evaluate Portfolio Performance and Fees for Retirement Accounts

### Contact Your Employer Regarding

- ☐ Health insurance
- ☐ Leave payouts
- ☐ Early retirement incentives

# Things to Consider



General Information

## General

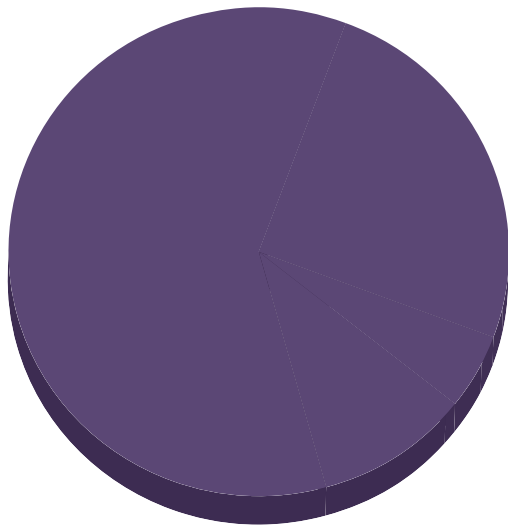
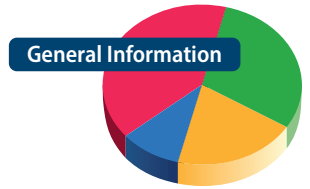
- ☐ Update Your Name, Address, Phone Number or Marital Status on Your Member Profile at myURS at [www.urs.org](http://www.urs.org)
- ☐ Change Your Business Email to Your Personal Email
- ☐ Update Your Beneficiaries
- ☐ Contact the Social Security Administration ([www.ssa.gov](http://www.ssa.gov))
- ☐ Review Your Estate Plan
- ☐ Consider Scheduling an Individual Retirement Planning Session at myURS at [www.urs.org](http://www.urs.org)

## Other \_\_\_\_\_

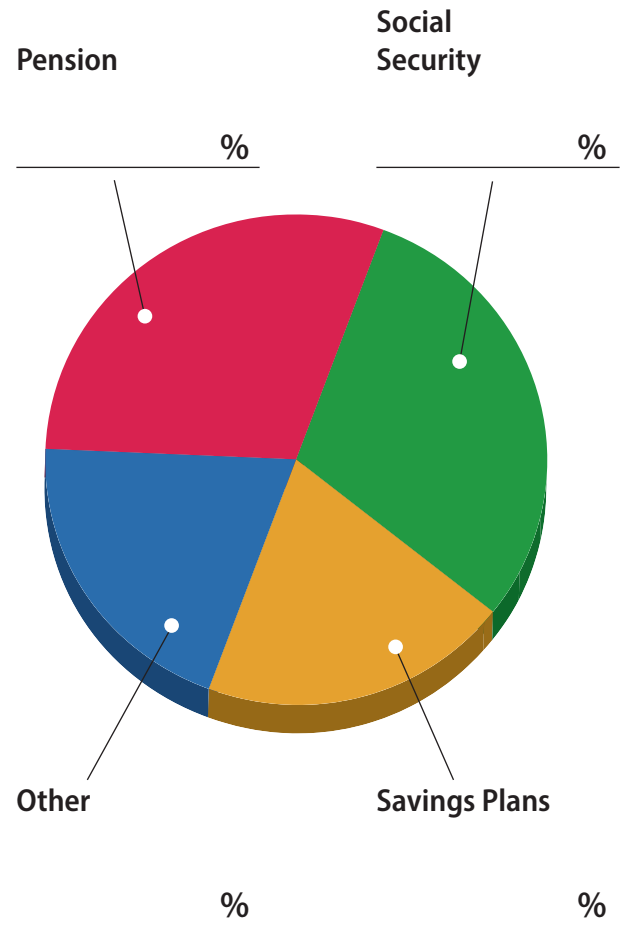
### Retirement Tax Considerations

- » Most retirement account distributions (such as pension payments, withdrawals from a 401(k) or an IRA) *are* subject to state and federal **income** tax (except for qualified distributions from Roth retirement accounts). However, retirement account distributions are **not** subject to Social Security taxation (i.e. FICA tax).
- » Qualified Distributions (typically money withdrawn after the account has been open for at least 5 years and the account owner is past age 59½) from a Roth IRA are **not** subject to state or federal income tax.
- » Social Security retirement payments may be subject to state and federal income tax, depending on your filing status and "combined" income level. For more information, visit the Social Security Administration website at [www.ssa.gov](http://www.ssa.gov) and type "income tax" in the Search box.

# 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?

# 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.

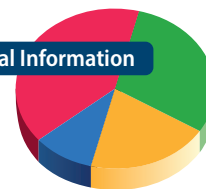
## Deductible Contribution

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> Redeposit of Funds Refunds Retirement Tax Inquiries Death Benefits Service Purchases Retirement Counselors	<b>801-366-7770</b>	<b>800-695-4877</b>	<b>801-328-7434</b>
<b>Savings Plans</b> 401(k), 457, IRAs Loan Applications	<b>801-366-7720</b>	<b>800-688-4015</b>	<b>801-366-7445</b>
<b>Retirement Planning Department</b>	<b>801-366-7470</b>	<b>800-753-7808</b>	<b>801-328-7414</b>
<b>Finance Division</b> General Finance Information Duplicate Tax Forms Lost or Missing Checks	<b>801-366-7361</b>	<b>800-753-7361</b>	<b>801-366-7729</b>
<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>	

## Notes



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**Click "Education"**

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

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**Performance.** *Past performance does not guarantee future results. The value of your*

*investment may vary depending on market conditions and the performance of the investment option you select. It could be more or less than the amount you contribute; in short, your investment could lose value.*

**Consult an advisor.** *The information provided in this document does not contain financial, investment, tax, or legal advice and cannot be construed as such or relied upon for those purposes. Please consult your own investment, tax, or legal advisors for qualified professional advice in these areas.*



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