

# THE Inside STORY

A Utah Retirement Systems Newsletter for Employers

## Retirement Basics Plus Training

# Brush Up on the Basics

Like its predecessor Retirement 101, the Retirement Basics Plus training covers basic retirement laws, but offers more detail, additional topics, plus a detailed walk-through of the URS Employer Portal and its functions.

Because this training covers the basics, plus more, we encourage

all staff members who participate in the administration of URS retirement benefits to attend.

Please see the schedule at right for upcoming training sessions. Registration is now available for the August training at URS and will be available soon for the other sessions. ■

### Upcoming Schedule

- August 21** URS
- September 11** Moab
- September 12** Price
- October 9** Cedar City
- October 10** Panguitch

Exact dates for training sessions in Brigham City (November 2019) and Provo (January 2020) are yet to be determined.

## Which URS Training is Right for My Staff?

Training/Event	When	Description	Who Should Attend
<b>Comprehensive Employer Training</b>	Yearly in April and May	Deep dive into retirement laws, including legislative updates, compliance matters, and administrative hot topics	Decision-makers and staff involved in day-to-day retirement administration operations
<b>Retirement Basics Plus</b>	Semi-annual on-site trainings (at URS office) and six off-site trainings.	Basic retirement laws, general administrative matters, URS Employer Portal functions	Decision-makers and staff involved in day-to-day retirement administration operations
<b>Employer Event</b>	Yearly in mid to late March <b>Save the date: March 24, 2020</b>	News and trends in retirement and healthcare, updates from URS leadership	Executives, HR and payroll managers, and other decision-makers

**Automatic Enrollment » How you can help your employees save for retirement: Page 2**

## Savings Plans Automatic Enrollment

# Consider Auto Enrollment

**Studies show it can increase employee participation in savings plans to about 88%**

When we ask URS retirees what they would do differently in preparing for retirement, the almost-universal answer is saving for retirement much earlier in life.

You, as an employer, can help make sure your new employees don't have these regrets by automatically enrolling them in a URS retirement savings plan.

Studies show that about 40 percent of employees do not participate in their employer's retirement savings plans. However, automatic enrollment increases participation to approximately 88%, improving retirement savings for employees\*.

Start an automatic enrollment program with your agency today with five easy steps:

**1.** Have a disclosure form that is signed by each of

### Advantages of Automatic Enrollment

» Increases employee participation by simplifying the savings and investment process.

» Employees become more financially prepared for retirement.

» Helps employees take advantage of the total compensation package offered by your agency.

» Offers tax benefits on savings.

» Is optional, so employees can opt out.

the new employees on or prior to their first day of employment. (For sample disclosure form, contact URS.)

**2.** Implement an internal policy allowing the

auto-enrollment to take place. (For sample policy, contact URS.)

**3.** Choose an auto-enrollment percentage and date when new employees will begin to be auto-enrolled. Consider the impact on your agency budget if you offer an employer-matching program.

**4.** Submit an updated service agreement to URS.

**5.** Ensure that payroll is contributing the auto-enrolled percentage into the newly hired employee's retirement savings plan (e.g. 401(k)), beginning with the first pay period, unless the employee opts out.

If you have questions, call us at 800-753-7808.

\*How America Saves 2016. Vanguard 2015 defined contribution plan data. The data shows that employees subjected to an automatic enrollment in a retirement plan have an overall participation rate of 88%, compared to 58% participation for those employees hired under plans with voluntary enrollment. Shlomo Benartzi, in his book *Save More Tomorrow*, shows similar participation. Benartzi indicates that 60% of employees participate in voluntary deferrals compared with 95% participation in automatic enrollment.

## Make Sure You Have the Current Version of Forms

Many URS transactions can be processed online much more efficiently than through forms. Nonetheless, there are some transactions that require use of forms. We have made many changes to our forms recently. Visit [www.urs.org](http://www.urs.org) for the most current versions of the forms. Some are available at the "Forms" tab. Access the full library of forms through myURS. ■

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## Share Your Insights

We want to better understand your needs, especially as we proceed with a business systems upgrade. So, we have added an Employer Surveys page to our website where you can make your opinions known. We plan to post new employer-related surveys as questions arise. We encourage you to check for new surveys here at least once a month. ■

# No Amortization Payment Required for Post-Retired Independent Contractors

During the recent URS Comprehensive Employer Trainings, questions and concerns were raised regarding the required amortization payment on independent contractors that fall under the post-retirement laws.

At the time of the trainings, employers were required to certify all post-retired independent contractors, include them on the contribution file being sent to URS, and pay the applicable amortization rate for each.

Upon further review, we have to correct the information provided at the training: Amortization is required on wages, and wages do not apply to payments made to independent contractors, therefore **NO AMORTIZATION PAYMENT** is required for the post-retired independent

contractors who are receiving a retirement benefit from URS.

This does not change the requirement that ALL post-retired employees and independent contractors be certified with URS and to report all payments made to the contractors in a post-retired status. Once the post-retired status has been identified, the employer must report all payments made on their URS contribution report in the retirement salary field. You only need to include post-retired independent contractors on your contribution reports in pay periods where they are paid.

We apologize for any confusion and thank those engaged employers for the questions raised and the valuable insights provided. ■

## Hiring a Post-Retired Employee

Restrictions for post-retirement employment are complex. It's important that your office enters all employees before their first day of employment to help determine their status with URS. All employees should be enrolled online, regardless of their hiring status. This includes temporary, seasonal, part-time, non-benefited, and

substitutes.

If employees are retired from a URS Participating Employer, the online enrollment process will identify them and provide instructions regarding your reporting requirements. It's important that this online enrollment process takes place PRIOR to the first day of work to ensure that the employee understands

any post-retirement restrictions that may affect their retirement. Once these Post-Retired members have been identified, please advise them to call URS for more information.

If the online enrollment process does not take place soon enough, the member and/or employer may be liable for adjustments to URS. ■

### Make Sure You Understand Termination Requirements

In order to retire with URS, members must terminate all employment, regardless of benefits, with every URS Participating Employer/agency before their retirement date with URS.

**A Participating Employer/agency includes:** any department, division, agency, office, authority, commission, board, institution, or hospital of the State; any county, city, municipality, town, local government, local district,

or special service district; a state college or university, school district, charter school; or any other participating employer.

**Employment includes, but is not limited to:** part-time, seasonal, temporary, adjunct, substitute, hourly, contract arrangements or any employment or volunteering in which a member receives compensation, stipends or grants, regardless of benefits.

If members do not terminate employment with all URS Participating Employers before their URS retirement date, their monthly retirement benefit will be canceled, and they will be required to reimburse URS for any retirement benefits received when they were not eligible.

If you have any questions, please contact the Retirement Benefits Department at 801-366-7770 or 800-695-4877. ■