For **Retired** Members of Utah Retirement Systems
Spring 2015 | Volume **33**, No. **1**

Cycle

The Basics of Estate Planning

Why you need to have a plan and how to get started.

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WHAT'S YOUR TARGET DATE?

They're based on the date you retire or are expected to retire. But if your goals are different, you can always choose a different Target Date Fund.

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Know Your Options

What you should consider when you withdraw from your savings plan.

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Education

Have retirement benefit questions?

If so, check out the *Highlights* brochures. Specific to each retirement system, they give detailed information about things like benefit formulas, eligibility requirements, death benefits, payout options, and more. Find them at the Publications page of www.urs.org.

Utah Retirement Systems

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Utah Retirement Systems
560 East 200 South
Salt Lake City, UT 84102-2021
www.urs.org

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Cycles *For Retired Members of Utah Retirement Systems*

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05/11/15

One-Stop Account Access

Stay up-to-date on your benefits by creating a myURS account. View your pension information, manage your savings plans, access tax documents and URS account statements, update pension tax withholdings and address changes, and more.

Go to www.urs.org to create an account. You'll need your Social Security number and your URS account number. Find your URS account number on your URS statements or call us at 801-366-7770 or 800-695-4877.

Remember when...

1930s » John Dillinger saw this film at Chicago's Biograph Theatre just before he is killed by federal agents in 1932.

1940s » This radio show is cancelled in 1943 after 4,000 consecutive shows.

1950s » This Cuban leader was overthrown in 1959 by Fidel Castro, who established a communist government.

1960s » This cosmonaut became the first man in space, aboard Russia's Vostok 3KA spacecraft in 1961.

1970s » This was the voting age until the 26th Amendment was ratified in 1971.

1980s » This controversial boxer became the youngest heavyweight champ at age 20 in 1986.

1930s: Manhattan Melody | **1940s:** Amos 'n Andy | **1950s:** Fulgencio Batista |
1960s: Yuri Gagarin | **1970s:** 21 | **1980s:** Mike Tyson

Retirement Savings Plans

UNDERSTANDING YOUR TARGET DATE

Target Date Funds: They're based on the date you retired or expect to retire. Are your goals different? You can always choose a different Target Date Fund.

To understand how Target Date Funds work for you, it's important to understand your "Target Date."

Each Target Date Fund is associated with the date the average member retires, stops contributing to savings plans, and/or begins drawing down retirement savings. In determining your target date ranges (see chart below), URS assumes you retired or will retire within the two or three year-range around age 65.

This approach is not to suggest you must cash out your entire account in the target year. Rather, the

See **TARGET**, Page 4

Based on Your Age

The Target Date Fund recommended for you is based on this chart.

	Date of Birth From	Date of Birth To
Target Date 2060	July 1, 1993	
Target Date 2055	July 1, 1988	June 30, 1993
Target Date 2050	July 1, 1983	June 30, 1988
Target Date 2045	July 1, 1978	June 30, 1983
Target Date 2040	July 1, 1973	June 30, 1978
Target Date 2035	July 1, 1968	June 30, 1973
Target Date 2030	July 1, 1963	June 30, 1968
Target Date 2025	July 1, 1958	June 30, 1963
Target Date 2020	July 1, 1953	June 30, 1958
Target Date 2015	July 1, 1948	June 30, 1953
Target Date 2010	July 1, 1943	June 30, 1948
Target Retired		June 30, 1943

Retirement Savings Plans

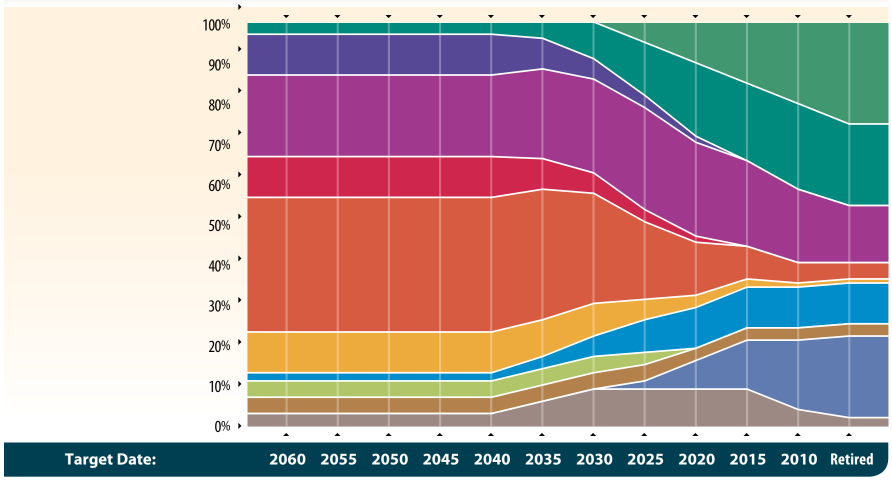
TARGET date determines fund's risk level

Continued from Page 3

funds continue to change until the average fund investor within the fund would be age 75 (at that point, the fund becomes part of the Target Retired Fund). This is why there's still a 2010 and 2015 fund, in addition to the Target Retired Fund.

For those in the 2010 fund or 2015 fund, it's assumed they have, or will, retire around that year. The asset mix continues to change each year and become more conservative. In the retirement industry, this is called a "through" path – meaning the asset mix doesn't immediately become fixed at your target date, but continues to become more conservative through your retirement years.

Funds	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Retired
URS Income	—	—	—	—	—	—	—	5%	10%	15%	20%	25%
URS Bond	3%	3%	3%	3%	3%	4%	9%	13%	18%	19%	21%	20%
URS Large Cap Stock Value	10%	10%	10%	10%	10%	7.5%	5%	3%	1.5%	—	—	—
URS Large Cap Stock Index	20%	20%	20%	20%	20%	22%	23%	25%	23%	21%	18%	14%
URS Large Cap Stock Growth	10%	10%	10%	10%	10%	7.5%	5%	3%	1.5%	—	—	—
URS International	33%	33%	33%	33%	33%	32%	27%	19%	13%	8%	5%	4%
URS Small Cap Stock	10%	10%	10%	10%	10%	9%	8%	5%	3%	2%	1%	1%
International Bonds	2%	2%	2%	2%	2%	3%	5%	8%	10%	10%	10%	10%
U.S. Real Estate Investment Trusts	4%	4%	4%	4%	4%	4%	4%	3%	—	—	—	—
Commodities	4%	4%	4%	4%	4%	4%	4%	4%	3%	3%	3%	3%
Global Inflation-Linked Bonds	—	—	—	—	—	—	—	2%	7%	12%	17%	20%
Private Real Estate	4%	4%	4%	4%	4%	7%	10%	10%	10%	10%	5%	3%



It's Your Choice

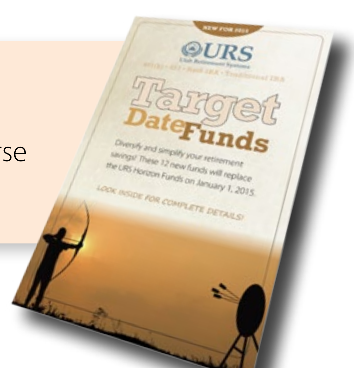
As a URS member, you're still in control of your investment choices. You may use our recommended target date fund, or choose another fund, based on your retirement plans and/or your desire to add more investment risk.

The farther into the future the target date, for example the Target Date 2060 Fund, the more risky assets, such as stocks, they contain. The closer the target date is to today, for example the Target 2015 Fund, the more bonds, real estate, and inflation-linked securities are used.

Even though your suggested target date fund may be the 2015 Fund, you can invest in a later fund if you plan to retire later or if you want more stocks and fewer bonds in your savings plan (see chart above). ■

Target Date Funds: What They Are

On Jan. 1, 2015, we introduced 12 new Target Date Funds. These funds give you a diverse investment mix that adjusts throughout your career and into retirement. [Learn More]



Your Money

DO YOU HAVE A PLAN?

Estate Plan: If you don't have one, the state has one for you — and it may not be what you want.

If you have anything of value, you have an estate. Whether you know it or not, you also already have an estate plan.

If you haven't written one, the state has one for you — but it may not be in line with your desires. Therefore, no matter your net worth, it's important to have an estate plan in place.

A properly drafted estate plan contains instructions for the administration of your estate. An estate plan tells the world exactly where you want your assets distributed when you die. It's also the best place to name guardians for your children. Dying without an estate plan can be costly to your heirs and leaves you no choice over who gets your assets.

An estate plan should include a will; a power of attorney; a living will; and, for most people, a trust. Taking inventory of your assets is an excellent place to start. Your assets include your home, financial accounts, investments, retirement savings, and insurance policies. Ask yourself three questions: Whom do you want to inherit your assets? Whom do you trust to administer your estate? Whom do you want making medical and financial decisions for you if you become unable to make them yourself?

Not just for the wealthy, trusts are legal mechanisms that let you put conditions on how and when your assets will be distributed after you die. They distribute assets to your heirs without the cost, delay, and publicity of probate court, which administers estates.

Estate planning is not as expensive as you might think. The best time to plan your estate is now. ■

Who cares for your pet if you can't?

Have you arranged for the care for your pets in the event you can't care for them yourself?

Make sure your pets will receiving adequate care in an emergency. Carry a card with your ID that reads, "In case of emergency, please notify one of these people to care for my pet(s)."

Plan for your pets' care in the event of your death. If friends and family aren't willing to take them, they may agree to search for and approve potential adopters. Make a list of criteria a new home must be able to provide.

If you plan to leave money for your pet's care, you will need to state it specifically in writing. ■

[Learn More About Estate Planning for Pets](#)

Your Pension

RETURNING TO WORK?

Post-Retired Employment: Going back to work for a URS participating employer could affect your pension.

Plan on returning to work for a URS participating employer after you've retired?

Make sure you understand the rules on how it will affect your retirement benefit.

Different standards apply depending on the length of time between when you retire and return to work. A brief overview is below. See this brochure for more information, or call us at 801-366-7770 or 800-695-4877. ■

Within 60 Days of Your Retirement Date With URS

Your retirement benefit will be canceled. You'll return to active status and earn additional service credit, if you're eligible.

After 60 Days and Within One Year of Your Retirement Date with URS

Your retirement benefit will continue only if you meet these criteria:

- » You don't receive any employer provided benefits, including, but not limited to: medical, dental, paid time off, annual leave, sick leave, other insurance benefits, excluding workers' compensation.
- » Your salary is limited to the lesser of $15,000 or half of your final average salary during a calendar year. If you exceed the earnings' limitation or receive benefits, your retirement benefit will be canceled.

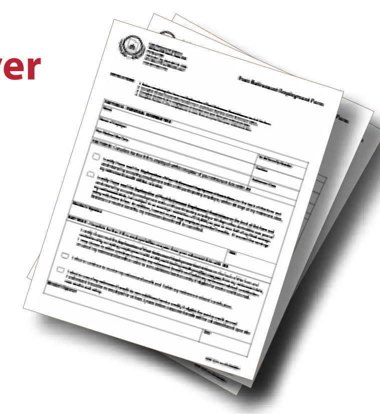
After One Year From Your Retirement Date With URS

If you meet the separation requirement, you choose to either keep receiving your retirement benefit or to cancel your retirement benefit and earn additional service credit. If you choose the latter, a separate benefit will be calculated based on your new service and salary at the time of your second retirement. Your original retirement benefit and the new retirement benefit will be combined.

To meet the separation requirement, you must not work for any URS participating employer (including part-time and contract arrangements) for 12 consecutive months.

Before You Return to Work for a URS Participating Employer

Rules for post-retirement employment are complicated. Call URS at 801-366 7770 or 800-695-4877 to make sure your pension isn't put in jeopardy. You must file this Post-Retirement Employment form before you start work.



Retirement Savings Plans

KNOW YOUR OPTIONS

Savings Plan Withdrawals: What's best for you?

Consider timing, taxes, the RMD, and more.

You spent your career saving and planning for retirement. Now it's time to consider your withdrawal options.

Leave the Money

First, you can always leave it in your account and continue to manage your investments. This allows your money to continue to grow tax-deferred. You have the same investment options you had while working, so you can modify your investment strategies or use our new Target Date Funds (See Page 3) to diversify your portfolio.

Remember, once you reach 70½, the IRS requires you to begin taking a required minimum distribution (RMD) based on your life expectancy. The RMD is only a small portion of the account and still allows your remaining money to increase with time (the Roth IRA is not subject to the RMD while you are living).

Lump-sum Withdrawals

If you need cash right away you can always withdraw the funds on an as-needed basis, including a full withdrawal. Remember, taking out large portions can deplete your account quickly, causing you to lose the benefits of tax-deferred growth. Also, your withdrawal may be subject to income taxation; the more you take out, the more you could owe the IRS. Taking a large amount in a single year can bump you into a higher tax bracket and lead to some unintended tax consequences.

Learn More

This brochure helps you establish your distribution strategy.

Periodic Distributions

URS offers a variety of ongoing distribution options. You may choose distributions paid to you monthly, quarterly, semi-annually, or annually. This gives you the convenience of having a regular stream of income sent to you as often as you need it. You can even modify these payments as your circumstances change.

Periodic payments are combined with your retirement (pension) payments, and you may elect to have them automatically deposited in your bank account. Monitor your periodic distributions in relation to your balance. If these payments are a main source of retirement funds, be careful not to take out too much and outlive your account.

Rollovers and Roth Conversions

You can consolidate outside retirement plans (401(k), 457(b), 403(b), Roth and traditional IRAs) into your URS Savings Plans, giving you low-cost investment options and the convenience

See **OPTIONS**, Page 8

Expanded Direct Deposit Now Available

While URS has offered direct deposit to your bank account for monthly URS Retirement (pension) and URS Savings Plans (401(k), 457 and IRA) payments, we haven't, until now been able to offer direct deposit on individual payments, such as 401(k) or 457 loans, hardship payments, or one-time withdrawals.

We are now offering this direct deposit feature on these one-time payments.

Simply complete the URS Savings Plans Direct Deposit for One-time Payments (DCEFT-1) form and submit it with your withdrawal, hardship, or loan promissory note, and we will deposit those funds directly to your bank account.

This is just one more example of URS adding features and benefits to help you manage your account more efficiently and effectively. ■

OPTIONS for savings plans withdrawals

Continued from Page 7

of managing your retirement savings plans with your URS monthly retirement benefit. URS also provides a Roth IRA to help with tax planning and strategies. Depending on your tax situation, you may consider converting tax-deferred plans (401(k), 457(b), 403(b), traditional IRA) from your other savings plans into your Roth IRA, allowing for future tax-free distributions.

Important Tax Considerations

One of the great benefits of retirement plans is your ability to manage your taxes over your lifetime. During your working years, you benefitted from tax-deferred or tax-free growth. Now, it's important to consider the tax consequences when withdrawing your funds or converting them to a Roth IRA. URS Savings Plans can be effective tools to strategically plan when, and at what rate, you pay income taxes. Be sure to consult with a qualified tax advisor when determining your withdrawal strategies. ■

Keep Your Beneficiaries Current

We pay benefits based on our most recent record. If you have not initially set up your beneficiary designations, or if your listed primary beneficiary dies with no contingent (backup) in place, the law decides who gets your nest egg.

If one of your children listed as a beneficiary marries or divorces and changes her name, you should change that on your account. The same rule applies to beneficiaries who have moved. We need a current address.

If one of your listed beneficiaries has died, you may need to reassess your list of beneficiaries. Always double-check. Incorrect information could delay your wishes or leave your loved-ones without any money or recourse. Review your beneficiaries at least once a year at myURS. ■