

Tier 1

Judges

Retirement System

Highlights

2016-17



Effective July 1, 2016

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Welcome to the Judges Retirement System!



The Judges

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Retirement System is a defined benefit retirement plan under Utah Retirement Systems (URS) intended to provide a meaningful retirement benefit to the employees who have chosen a career in public service.

It is a qualified tax-deferred plan under Internal Revenue Code Section 401(a). The laws that govern this retirement system are set forth in Utah Code Title 49.

Membership Eligibility

You qualify for membership if you are a judge or justice of the courts of record as stated in Utah Code Ann. § 78-1-1.

Defined Benefit Annual Retirement Statement

URS Defined Benefit (pension) Annual Retirement Statements reflect salary, service credit, and designated beneficiaries. If applicable, they also include member contributions transferred from previous membership in any Utah Retirement System. Statements are mailed to your home address and are also available online. Go to www.urs.org and log in to myURS.

Refunds

If you terminate all URS-covered employment you may request a refund of your member contributions, if applicable.

If you elect to take a refund, you forfeit contributory service credit for the periods covered by your member contributions.

Your refund will be processed after 60 days from the last date of the pay period for which contributions were paid.

You are not eligible for a refund under the following conditions:

- » You transfer from one participating employer under URS to another.
- » You terminate your employment with one participating employer and you are subsequently rehired by the same or a different participating employer, even though there may be a break in service.
- » You terminate employment, apply for a refund, and subsequently accept employment with

another participating employer before the disbursement of your refund payment.

- » You are receiving or have applied for long-term disability benefits.
- » You are on a leave of absence from any position covered by this system.

A Word of Caution — refunds are subject to:

- A 20% federal income tax withholding on the eligible portion of your distribution, unless you make a direct rollover to a 401(k) or other eligible plan.
- Utah state income tax.
- Possible taxes of the state where you reside if other than Utah.
- A 10% early withdrawal penalty if taken before age 59½ or if employment ends before you reach age 55.

Note: You do not lose service credit if you withdraw your URS Savings Plans (401(k), 457, IRAs) balances. For more information regarding the 401(k) plan, 457 plan, and IRAs please see the section marked URS Savings Plans.

Reinstating Withdrawn Contributions

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As long as you have an existing record of eligible, nonforfeited, service credit with our office, you or your employer may reinstate eligible service you previously withdrew. The cost to reinstate your account is the amount you withdrew plus interest from the date of withdrawal to the date of repayment. The entire amount of withdrawn contributions plus interest may be paid in a lump-sum or by installment payments through payroll deduction. The reinstatement must be completed before your retirement date. Reinstating eligible service may qualify you for an earlier retirement and/or increase your monthly benefit.

See the section marked **Payment Options** (page 5) for reinstating withdrawn contributions.

Service Purchase

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If you are an active member and have an existing record of four or more years of eligible service credit with our office and the service credit you intend to purchase has been forfeited under any other retirement system or plan, you or your employer may purchase the following:

- » Active full-time United States military service if it does not otherwise qualify for service credit under a system administered by URS.

OR

- » Any portion of the following qualified service if the service has been forfeited under any other retirement system or plan. This includes:
 - 1.) Forfeited United States federal employment,
 - 2.) Forfeited private school employment based in the United States, if you received an employer-paid retirement benefit for the employment,
 - 3.) Forfeited public employment in another state or territory of the United States that qualifies a member for membership in the public plan or system covering the employment,
 - 4.) Forfeited public service in this state,
 - 5.) Full-time public employment while on an approved leave of absence,
 - 6.) Exempt service,
 - 7.) Worker’s compensation, long-term and short-term disability benefit periods for which you were paid and no benefit protection contract existed,
 - 8.) Employment covered by the Teachers Insurance and Annuity Association of America (TIAA) retirement plan if you forfeit

any retirement benefit from that plan for the period of employment to be purchased, or

9.) Forfeited Utah Charter School employment.

The purchase must be credited to the system under which you are currently covered and be completed before your retirement date set with our office.

To qualify for a purchase, service credit you earned in other public employment outside of URS coverage must meet the minimum qualifications of the system you're in at the time of purchase.

For detailed information on the types of service you may purchase, refer to the *Purchasing Service Credit* brochure available on our website and from our office. For payment options, read the next section.

Payment Options

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You may reinstate eligible service you previously withdrew or purchase service according to one of the following options:

- 1.) **Lump-sum payment** made any time before your effective date of retirement set with our office.
- 2.) **Payroll deduction** (with your employer's approval) must be completed before your effective date of retirement and within 60 months of your first payment.
- 3.) **Direct rollover** you arrange from your 401(k) or other qualified plan, or from an eligible plan such as a 403(b), 457, or conduit IRA.
- 4.) **Payment made by your employer** must be received by our office no later than the day before your retirement date.

All payments must be received before your date of retirement set with our office.

For specific information about purchases, please contact the Defined Benefit Retirement Department at 801-366-7770 or 800-695-4877.

Disability Benefits

Your employer's long-term disability (LTD) program describes your benefits. If you have been approved for LTD benefits, you will continue to accrue service credit until you retire through URS or qualify for an unreduced retirement benefit.

Death Benefits

Non-Retired Member (Active)

If you die before retirement, your spouse at the time of death will receive:

- 1.) A refund of your member contributions, if applicable, plus a lump-sum amount equal to 65% of your most recent 12 months' compensation before death.

OR

- 2.) A monthly benefit equal to 65% of your monthly benefit disregarding early retirement reductions.

If you have no spouse at the time of death your beneficiary(ies) will receive 100% of your member contributions, if applicable.

Retired Member

After your death, your spouse at the time of death will receive a monthly benefit equal to 65% of your monthly benefit. If you elected a smaller monthly benefit at the time of retirement, your spouse will receive 75% of your monthly benefit.

Note: In order for your spouse's benefit to be effective the first day of the month following the month of your death (the benefit effective date), your spouse must file an application with our office within 90 days of your death. If the application is received 90 days after your death, the benefit effective date will be the first day of the month following the month in which the application is received.

After your death, any money in your URS Savings Plans (401(k), 457, IRAs) will be payable to your beneficiary(ies).

Retirement Qualifications

You qualify for a monthly retirement benefit if you are:

- 70 with 6 years of service.
- 62 with 10 years of service.
- 55 with 20 years of service with full actuarial reduction.
- Any age with 25 years of service.

Note: *A judge who qualifies for membership must retire when he/she reaches age 75.*

Benefit Formula

Your monthly retirement benefit is determined by your age, years of actual service credit, final average monthly salary, and the benefit formula. To estimate your monthly retirement benefit:

- 1.) **TOTAL** your two highest years of salary* \$ _____
- 2.) **DIVIDE** line 1 by 24, this is your final average monthly salary \$ _____
- 3.) **MULTIPLY** your years of service:
 - a. Up to 10 years by 5.00% _____
 - b. Between 10 and 20 years by 2.25% _____
 - c. Over 20 years by 1.00% _____
- 4.) **ADD** lines 3a, 3b and 3c _____
- 5.) **MULTIPLY** line 2 by line 4 for your **TOTAL** \$ _____
- 6.) **ADJUSTED AMOUNT** after any early retirement reduction \$ _____

**If any one of the years used exceeds the previous year's salary by more than 10%, plus a cost-of-living adjustment determined by the consumer price index, the year(s) in question will be limited.*

Service in Other Utah Retirement Systems

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If you were employed in more than one Utah Retirement System or URS Retirement Plan and the service is not concurrent, you may combine your service credits to determine your eligibility to retire from the system you are in at the time of your retirement. The service rendered in any one year cannot count for more than one year of qualifying service credit. Your benefit is computed using the service from the system in which you currently participate plus the transferred service, which is increased or decreased to reflect the value of the assets transferred.

Note: If your service is coming from a Public Employees Retirement System, and if you have less than a total of 30 years of service, and you are under age 65, an early age reduction applies.

Steps to Retirement

Get an Estimate

Contact our office for a URS-generated estimate if you're planning to retire in the next 12 months.

Once You Decide to Retire

When you decide to retire, make an appointment with a retirement advisor or request an application by mail. Your application setting your retirement date must be filed with our office not more than 90 days before or after your retirement date. Your signature on the application must be notarized.

Setting a Retirement Date

You may set your retirement date for the first or the 16th day of the month following your last actual working day. You must actually terminate employment, from all participating employers covered by URS, on or before your retirement date.

When You'll Receive Payment

Your retirement benefit is paid monthly. Retirement checks for the month of payment are mailed the last working day of each month. Although your first check may be delayed up to three months following your effective retirement date, the amount of your check is retroactive to the date your retirement began. This delay is due in part to the time required to receive and post salary information from your employer and to receive verification of your termination and your service credit eligibility.

Filing Your Application

When you file your retirement application, you will need to provide an original or legible photocopy of your marriage certificate as well as birth certificates or other proof-of-age documents for yourself and your spouse. You may cancel or change your application any time up to the date of your retirement.

Note: There is a three-day rescission period from the date your application is signed during which time you may elect to make a change.

Partial Lump-Sum Option (PLSO) at Retirement

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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 retirement benefit.

URS Savings Plans

URS offers four retirement savings plans: 401(k), 457, traditional IRA, and Roth IRA. You and/or your employer have the option of contributing to a 401(k) and/or 457 plan, if your employer participates, and you have the option of contributing to a traditional and/or Roth IRA.

Each plan has been established under separate sections of the Internal Revenue Code. Therefore, a separate set of laws and regulations governs each plan. As a result, there are some differences among the plans.

Information about the savings plans is available www.urs.org or by contacting the Defined Contribution Department at 801-366-7720 or 800-688-401k (press "0" to speak with a counselor during normal business hours).

URS Savings Plans Quarterly Statements are mailed to your home address and are also available at www.urs.org, via myURS.

Things to Know

Federal law requires you, if you are no longer working, to begin receiving benefits on or before April 1, following the year you turn age 70½. If you are still working after age 70½ you must begin receiving benefits on or before April 1, following the year you terminate employment. If you fail to meet this **required minimum distribution (RMD)**, you may be subject to a substantial federal excise tax.

An additional 3% may be added to your monthly retirement benefit if you had retirement service in your account on *January 1, 1989*. If you refund and subsequently reinstate withdrawn contributions, you forfeit the 3%.

Federal and Utah state income taxes can be withheld from your retirement check. Federal income tax will be withheld beginning with your

first retirement check unless you tell us otherwise. If you're a nonresident, check your state's tax laws for the status of your Utah retirement benefits. You may change your withholding status at any time by logging into your myURS account at www.urs.org. Forms are also available from our office and at www.urs.org.

If you had contributions withheld from your paycheck, you may exclude a percentage of your monthly benefit from taxation. This information will arrive with your first retirement check under separate cover. Every January you will receive a 1099-R showing the gross and taxable amounts of benefits paid to you the previous year and the taxes withheld. Consult a tax professional regarding your own situation.

Social Security benefits are federally sponsored. For information, contact your local Social Security office.

Health insurance after retirement is based on your employer's benefit package and should be reviewed carefully with your employer **before** you retire. You should also check with your employer about any early retirement incentives. A supplement to Medicare is available at age 65 to you and your spouse through Public Employees Health Program (PEHP). For more information, call PEHP at 801-366-7555 or 800-765-7347 or visit www.pehp.org.

Cost-of-living increases of up to 4% of your retirement benefit begin one year after you retire, based on the consumer price index.

Returning to work after retirement is possible under the provisions described in the *Post-Retirement Employment* brochure available on our website and from our office.

Lost or misplaced checks can be replaced if you request it in writing.

Direct deposit is available for monthly checks once you retire. Forms are available from our office and at www.urs.org.

We need to know if your **address changes** in order to keep you informed about your retirement benefits. Our having your current address ensures that you receive your *defined benefit annual retirement statement*, your *defined contribution quarterly statement (401(k), 457, IRAs)*, informative publications, and information you request on your account. You may change your address by logging into your myURS account at **www.urs.org** or you may request a form by contacting our office. Statements are also available by logging into myURS

Your right to privacy is protected.

Information can be given over the telephone to you only if you can demonstrate your identity through knowledge of personal information. If such knowledge cannot be demonstrated, account information will not be discussed over the telephone. Because your file is confidential, we cannot release information to your spouse, relatives, or group representative. Information provided through the URS website is permitted only with a valid user identification (ID) and password.

Beneficiary designations should be kept current and on file in our office at all times. You may change your beneficiary(ies) at any time by logging into your account at **www.urs.org** under myURS. When updating your beneficiary(ies), you revoke all previous designations. Forms are also available from our office and at **www.urs.org**.

Administrative Information

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Nonassignability of Benefits or Payments

Retirement benefits or payments are not subject to attachment, execution, garnishment, or any other legal or equitable process except for a domestic relations order (DRO) and IRS tax levies. If there is a valid DRO on your URS Defined Benefit Retirement (pension) account or your URS

Savings Plans (401(k), 457, traditional or Roth IRA), part of your benefits will be paid to your alternate payee (ex-spouse), as specified in the DRO. Our office cannot begin payment of your defined benefit retirement (pension) to an alternate payee until you terminate employment and apply for retirement benefits. Payments from your URS Savings Plans to an alternate payee can begin as soon as a valid DRO is filed with our office.

The defined benefit plans (pension) and the defined contribution savings plans have separate model DROs, available from our office, to help attorneys prepare an acceptable order.

Appeals

If you disagree with the calculation of a benefit, accrual of service credit, or with some other action taken by a department of our office, you may appeal such decisions pursuant to Utah Code Ann. § 49-11-613.

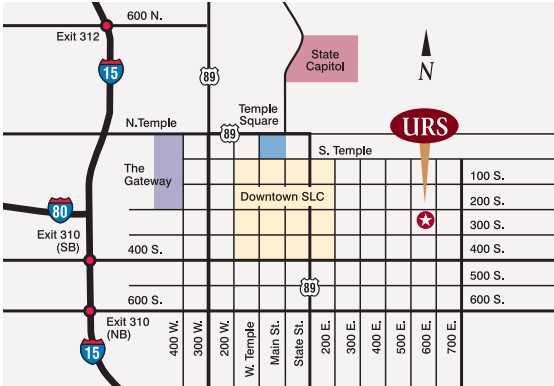
If you decide to seek reversal of a decision by a department of our office, you'll need to write a letter to the executive director stating the facts of the situation, the remedy you seek, and the legal or equitable basis for the reversal. The executive director will review the case and either grant or deny your request. If it is denied, you may, within 30 days of the denial, file a written petition with the hearing officer. Steps for filing the petition will be sent to you at that time.

A Final Word

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This brochure is general in nature. For specific information on your account, contact our office in Salt Lake City or St. George.

For more information regarding the URS Savings Plans (401(k), 457, IRAs) contact our Defined Contribution Department at 801-366-7720 or at 800-688-401k.



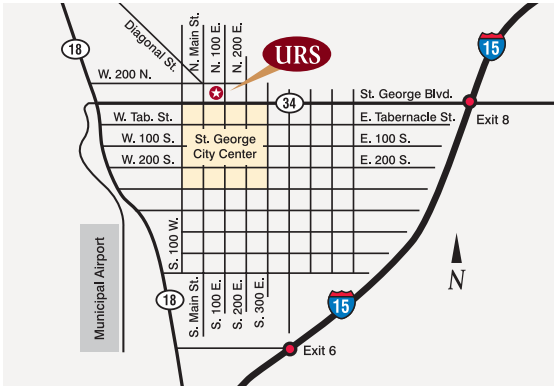
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801-366-7700 • 800-365-8772
TTY 800-877-8339 or 711

Visit: Monday - Friday, 8:00 a.m. - 5:00 p.m.

Salt Lake Office Mailing Address

P.O. Box 1590 • Salt Lake City, UT 84110-1590



Southern Utah Branch Office

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For more information: www.urs.org

On the Cover:
Judge Katie Bernards-Goodman, Third District Court, Salt Lake City