Your Retirement Deserves the Versatility of a Roth IRA

The Roth IRA just might be the multi-tool of retirement plans. Here’s what we mean:

Recall: If you’re familiar with 401(k) or 457 plans, you know that you contribute to them with pre-tax dollars. Your money grows tax-deferred, and you pay the taxes due when you take your money out years later.

Now imagine a savings plan wherein you contribute with after-tax compensation, earnings grow tax-free, no taxes or penalties are due when you make qualified withdrawals, and you can transfer your qualified funds to your heirs tax- and cholesterol-free. That’s the versatile Roth IRA.

These advantages make the Roth an unmatched vehicle for retirement, estate, and tax-planning purposes. So why stop here? There’s more:

• You can withdraw your principal at any time without tax or penalty. (What a terrific emergency fund!)
• No age 70½ required minimum distributions while you live.
• Convert a traditional IRA to a Roth IRA by simply paying the income tax on the amount you convert. No need to start over.
• No tax or 10% penalty on qualified withdrawals when you: turn age 59½, die, become disabled, or take a withdrawal to buy a first home (up to $10,000) and… you schedule your initial withdrawal after the fifth tax year in which you made your first Roth contribution.

Got a Roth already? Great, you’re on your way to meeting the five-year rule. No Roth yet? There’s no time like now to get your five years going.

Any URS member can set up a Roth IRA.

Online, go to www.urs.org and log into your myURS account. Look in the Savings box (#2 in the example at left). If your employer does after-tax payroll deduction, you’ll see a green “Enroll” button next to ROTH IRA. Click to begin.

If enrolling online doesn’t work, you can submit a paper form. Go to “FORMS” on our home page then scroll to “URS IRA ENROLLMENT CONTRACT.” Or just call our customer service team at 801-366-7720 or 800-688-4015.
Expecting a Cashout? Here’s What it can Mean to You.

Your employer may offer annual leave cashouts, employee expense reimbursements, or a combination of the two when you separate from employment. Here’s what you should know about them.

What counts as retirement-eligible compensation... and what doesn’t?

- Items such as uniform and car allowance, or travel and tuition reimbursement, for example, do not qualify as compensation.
- Separation cashouts, including accumulated vacation, sick leave, and compensatory time also do not qualify as compensation.
- Annual cashouts are slightly different. Vacation, sick leave, or comp time that’s paid on a fiscal year-to-year basis may be used as compensation for retirement if:
  - Your employer has a written policy allowing for a year-to-year cashout;
  - A cashout is the only payment option your employer offers;
  - The cashout represents the amount of leave you’ve accrued in a single year under your employer’s policies and;
  - You are not a member of a Public Safety or Firefighter’s Retirement System.

How are cashouts reported?

Retirement-eligible compensation usually represents your earnings, rather than what appears as gross salary on your pay voucher.

In the Firefighter’s and Public Safety systems, earnings are defined as your base pay structure. (Your payroll department can help you with these distinctions.)

Grow it bigger

Remember, you may also choose to deposit any annual and/or separation cashouts into your URS Savings Plans, (401(k), 457, etc.), as long as you don’t exceed the maximum deferral amounts. For assistance, talk to your payroll department. Or call our Defined Contribution department at 801-366-7720.

Financial Grave Robbery Lives On

It’s bad enough if identity theft happens to you. But now you have to worry about the personal information of deceased loved ones. What’s more, deceased identity theft can go on enriching the thief for years if no one is paying attention.

Who would do this? Police point to relatives on hard times, in-home caretakers, and the family’s failure to follow procedures after death. The person’s obituary itself may give the needed dates, mother’s maiden name (ahem), place of birth, etc. With that, buying a Social Security number is easy.

However, with an original death certificate in hand, here’s how you can foil these filchers and protect the identity of the deceased.

- Order copies of the deceased’s credit reports to identify his or her credit accounts.
- Have the 3 credit bureaus (Experian, TransUnion, Equifax) place this alert on the person’s file: “Deceased: Do not issue credit.”
- Have banks, credit unions, and other creditors remove the person’s name from all joint accounts and list the account as “Closed. Account holder is deceased.”
- Notify the Department of Motor Vehicles of the person’s death.

Tell Me Again Why I’m Getting Two Statements From URS

Most employees have two accounts with URS:

- Your Defined Benefit pension account records your reported annual salary and estimated years of service credit. You will receive this annually each spring, even if you’re not currently working for a covered employer.

- Your Defined Contribution Savings Plan account records employee salary deferrals and employer paid contributions, as reported by your employer. You will receive this quarterly as long as you have a balance in your account.

If you are getting more than one of each statement during the mailing period, please call our office. There could be a difference between the Social Security number your employer is using to report contributions for you and the number where-with your coverage was certified.
**Health ViewPoint**

**Nasal Tissue can Override Breathlessness**

After studying hundreds of terminal outpatients, a university researcher has found a key to easier breathing for many individuals.

Each of these patients had trouble breathing, or were experiencing breathlessness. Oxygen was given nasally to half the patients, and ordinary room air was administered in the same way to the other half of patients. The finding: Approximately half of the patients in each group reported reduced breathlessness. In other words, it made no difference whether the air breathed was oxygen or ordinary air. Rather, the motion of air across the nasal passages had the greatest effect in reducing breathlessness. It was suggested that people who are experiencing breathlessness may find improvement at home by being in the draft of a small fan.

*Ann Abernathy, MD, and associate professor of medicine, Duke University School of Medicine*

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**New Insight into Colon Health**

Researchers who examined 22 years of data on 47,275 men ages 40 to 75 found that men who took non-steroidal anti-inflammatory drugs like aspirin and ibuprofen, twice or more weekly were much more likely to develop diverticulosis (inflamed pouches in the colon) than men who did not take NSAIDs. Theory: Just as NSAIDs are linked to stomach irritation, they may also damage colon tissue, permitting an influx of bacteria and other toxins.

*Lisa L. Strate, MD, and assistant professor of gastroenterology, University of Washington, Seattle*

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**Two Fun Websites**

- Travel by GPS! Maps by www.madmaps.com highlight 6,000 scenic and memorable attractions across the USA that most of us would never see. Grab your Garmin and go.
- Look everybody, I’m a stamp! Go to www.photo-stamps.us and turn favorite photos into authorized postage stamps for holiday cards or to give as gifts.

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**Estate Planning ViewPoint**

**About a Month Ago...**

...a URS retiree died who was in his 90s.

Fortunately, he designated his beneficiaries back in 1983.

Unfortunately, he never updated them in those 28 years.

Fortunately, he named two primary beneficiaries.

Unfortunately, they were both older than he and predeceased him.

Unfortunately, he failed to name a contingent or “back up” beneficiary to inherit his transferable URS assets.

Fortunately, you can update your beneficiaries in 5 minutes’ time — or slightly less than 28 years.

Marriage, children, divorce, and death will change your beneficiary needs. Neglecting to update this vital information creates unnecessary hardships for those left behind.

Here’s how to view and update your beneficiaries:

**First,** check your current designations as printed in your last annual statement, or view them online by logging into myURS in the upper right of the URS home page.

**Next,** in the box named Beneficiaries, select either “Pension” or “401(k)” or both. Here, you can view and change beneficiaries. To change, click “Add/Edit,” make your changes, then click “Designate Beneficiaries.” It’s that easy.

**To print** a blank designation form with instructions, at the URS home page click “Forms,” then “Beneficiary Designation,” then print using your browser’s print command. Or simply call us at 801-366-7700 or 800-365-8772 and we’ll mail you a form.

Your last valid designation will remain in effect until we receive a new one from you.

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**Balky Browser?**

Maybe you’ve tried to access secure information on the URS website and seen this banner: “It looks like you’re using Internet Explorer 6.”

Here’s why. Internet Explorer (IE) is a browser that lets you access and execute functions within a website. However, trying to use IE6 with the URS website will cause a loss of function and an incorrect display of pages. IE6 also poses a risk to your online security. Instead, consider upgrading. It’s free. Or try other popular browsers such as Firefox, Opera, Safari, or Chrome.

**Your Employer May Seek Contributions Recovery From URS**

Sometimes a participating employer may inadvertently overstate an employee’s salary that gets reported to URS. This results in the employer sending larger than necessary contributions to our office. Typically, we’ll give your employer 12 months to make corrections without your authorization. However, should that period expire, your employer may ask you to sign an EMPLOYER REQUEST TO RECOVER RETIREMENT CONTRIBUTIONS form, which allows the employer to recover overpaid retirement contributions that are outside of the correction period. Whether or not you sign the form is your decision.

We suggest you review your statements regularly to confirm that correct wages or salary are being reported to URS. If you need help or you have other account questions, contact URS at 800-695-4877.
The year is closing and it’s time you should examine the deferrals to your savings plans to make sure you don’t exceed federal limits. Contribution limits for 2011 are equal to the lesser of 100% of your earned income or the plan’s limit, as shown below.

**Contribution Cues**

- 401(k) and 403(b) plans must be coordinated with one another.
- 457 plans must be coordinated with all other 457 plans.
- IRA contribution limits apply to all traditional and Roth IRAs combined up to $5,000 ($6,000 if turning 50+ this year).
- URS will refund excess contributions to the member, reporting them on IRS Form 1099-R. However, because refunds and reports may not be issued until as late as April 1, you may have to delay filing your tax return or file an amended return.
- Feel free to contact our Savings Plans Department at 801-366-7720 or 800-688-4015 with any questions.

**Savings Plan Contributions ViewPoint**

BECOME A WISE HEALTHCARE CONSUMER
Out-of-pocket healthcare costs can add up fast. But you can help keep them under control. Open an HSA. Choose a generic drug. Make sure your doctor is contracted with your plan. In the coming year at www.pehp.org/yourmoney, we’ll give you tips to be a wise healthcare consumer. Visit often for practical healthcare advice — for your family and your finances.

Sponsored by Utah Retirement Systems’ health benefits provider
Healthcare money-saving tips: www.pehp.org/yourmoney

**It’s Time to Check for Excess Deferrals**

The year is closing and it’s time you should examine the deferrals to your savings plans to make sure you don’t exceed federal limits. Contribution limits for 2011 are equal to the lesser of 100% of your earned income or the plan’s limit, as shown below.

**Contribution Cues**

- 401(k) and 403(b) plans must be coordinated with one another.
- 457 plans must be coordinated with all other 457 plans.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Your Maximum</th>
<th>Catch-up (50+)</th>
<th>Your Limit (under/over age 50)</th>
<th>You and Employer Combined</th>
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</thead>
<tbody>
<tr>
<td>401(k)</td>
<td>$16,500</td>
<td>$5,500</td>
<td>$16,500 / $22,000</td>
<td>$49,000</td>
</tr>
<tr>
<td>457</td>
<td>$16,500</td>
<td>$5,500 ($16,500*)</td>
<td>$16,500 / $22,000</td>
<td>$16,500</td>
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<tr>
<td>Traditional IRA</td>
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<td>$1,000</td>
<td>$5,000 / $6,000</td>
<td>NA</td>
</tr>
<tr>
<td>Roth IRA</td>
<td>$5,000</td>
<td>$1,000</td>
<td>$5,000 / $6,000</td>
<td>NA</td>
</tr>
</tbody>
</table>

*Call us at 801-366-7720 or 800-688-4015 for information on 457 special catch-up contributions.

**PEHP WELLNESS MINUTE**

Sew a quilt, sowing your future — there’s security in both.

**Make 2011 IRA Contributions in 2012?**

You can make prior-year contributions to your IRA up through the April tax-filing deadline next year. However, because prior-year contributions can’t be done by payroll deduction, you’ll need to send a check with an IRA Deposit Authorization.