

## JOURNEY TO YOUR SECURE FUTURE

Summer 2013 | Volume 31, No. 2



# The URS ViewPoint

For Active Members of Utah Retirement Systems

» myURS: RETIREMENT BENEFITS AT YOUR FINGERTIPS | PAGE 2

» 2013 SAVINGS PLAN LIMITS | PAGE 3

## 3 WAYS YOU MAY BE WRECKING YOUR RETIREMENT

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ou build for retirement, year-by-year, brick-by-brick, throughout your career.

But, despite your best intentions, three things may be unknowingly sabotaging your best efforts. Don't wait until it's too late to change course.

Make sure your retirement plan is sturdy and resistant to these three common retirement-wreckers.

Look inside to see if **procrastination**, **short-term thinking**, and **risk aversion** might be putting a wrecking ball to your retirement security.



Online Tools *ViewPoint*

## The best way to access your benefits: myURS

Create your myURS account at [www.urs.org](http://www.urs.org) to learn about and manage your retirement benefits.

- » View your estimated years of service and salary.
- » Enroll in savings plans, set your deferrals, buy and sell funds, and more.
- » Cut down on clutter and save a tree. Opt for email delivery of statements and information.
- » View and change your beneficiaries for your savings plans.
- » View annual pension statements and quarterly savings statements.

### To Create an Account:

- 1** Go to [www.urs.org](http://www.urs.org), and find the member login at the top right.
- 2** Click, "Create account."
- 3** You need your URS account number and Social Security number. Find your URS account number on your statements. Or call URS at 801-366-7770 or 800-695-4877. ■

Cover Story *ViewPoint*

# Cover Story: Retirement Wreckers

## Retirement Wrecker #1: Procrastination

You may have good intentions. *Someday* you'll save money to retire in comfort. *Someday* you'll learn about URS retirement plans. Make today your "someday" and get started!

You've probably heard of the time value of money, and the compounding effects on your investments. Each year, you earn investment returns on both principal and on prior-year returns. The key to making this wealth effect work for you is saving and investing now, or you miss out on potential compounding. The larger your nest egg, the bigger the compounding effect.

## Retirement Wrecker #2: Short-Term Thinking

You might be so caught up in the here-and-now that you put off plans for the future. With the constant stream of bad news coming from the media, you may be hesitant to save or invest, just in case the economic or political environment is not just right.

A cliché in the investment community says the stock market will "climb a wall of worry," meaning that the stock market often goes up in spite of bad news.

When you're in a diversified portfolio of stocks and bonds, you'll probably be invested in companies that

See **WRECKERS**, Page 3

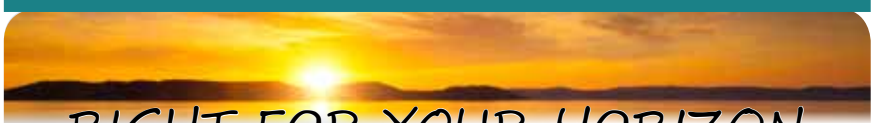
## How to Turn Soda into \$73,000

Small changes to your spending habits now can pay off in a big way at retirement. Put that \$2 you might otherwise use to buy soda every day into a retirement savings plan (401(k), 457, or IRA). That small change could boost your retirement nest egg by \$73,000\* over 30 years.

\*Assuming a 7% investment return.





Cover Story *ViewPoint*


## RIGHT FOR YOUR HORIZON

URS offers Horizon Funds, diversified balanced portfolios with a risk level associated with how long you're planning to invest (short term, medium term, or long term). Move among these portfolios as your investment horizon changes. Learn more at [www.urs.org](http://www.urs.org).



## WRECKERS

*Continued from Page 2*

churn out sales and profits year after year despite what the daily news may be saying about the economy.

Start now, focus on the long-term, and let time work in your favor. Make it automatic and worry-free. First, have a portion of your paycheck set aside (a deferral) and deposited into your savings plan. Set this up easily at myURS at [www.urs.org](http://www.urs.org).

Second, use a percent of pay (rather than a fixed dollar) for your deferral – so, as your pay increases, so does your contribution. Finally, each year, revisit calculators at [www.urs.org](http://www.urs.org) to see if your savings rate will get you where you want to be.

### Retirement Wrecker #3: Risk Aversion

When it comes to mountain climbing, having an aversion to risk is probably a good

idea. But when it comes to saving and investing, a certain amount of risk may be necessary for your long-term needs. There's a connection between the potential of losing money (risk) and how much you may be able to earn (return).

Nobody wants to lose money, so why not play it safe? You could put everything in a bank savings account. But remember, your goal is to save for the long haul. With savings accounts paying less than 1% interest, and inflation growing at close to 2%, you're losing about 1% per year in real buying power.

A balanced portfolio of stocks and bonds has averaged an annual return of about 8% over the past 10 years. Even with years of low, or even negative, returns (that's the risk), the long-term investor will have a better chance of beating inflation and more by using a diversified portfolio. ■

## Your Health *Tiffany Anderson*

### Wellness: Good for you and your wallet

It's no secret that regular oil changes and maintenance to your vehicle extend the life of your car.

This same virtue applies to you. Yearly physicals and regular screenings allow you and your doctor to look under your own hood.

If you update the software on your computer regularly it makes sense to gain your own anti-virus filter in the form of a yearly flu shot.

Why not invest in yourself? Save money with early detection and prevention. Most conditions are much more easily cured or controlled when caught early than in more advanced stages.

Ask your doctor about the best approach for your individual situation.

Go to [www.cdc.gov/family/checkup](http://www.cdc.gov/family/checkup) to learn more. ■

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*Tiffany Anderson, CHES, is a wellness specialist for PEHP, the health benefits division of URS.*

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publications@urs.org

**Utah Retirement Systems**

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

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## More Tax-Advantaged Saving Available

With 2013 only half over, you still have plenty of time to increase your contributions to your URS Savings Plans.

The IRS increased the amount you can save for 2013. The new deferral limits for the 401(k) and 457 plans have increased to \$17,500, with an additional catch-up of \$5,500 if you're age 50 or over.

But the good news doesn't stop there. The IRA limits for 2013 were also increased. The new limit on both the traditional and Roth IRA is now \$5,500 (combined) with an additional catch-up of \$1,000 if you're age 50 or over.

It's a great time to take advantage of the new limits and increase your contributions. ■

### 2013 CONTRIBUTION LIMITS

Plan	Employee Contribution Limit (under age 50/age 50+)	Employee and Employer Combined Contribution Limit (under age 50/age 50+)
<b>401(k)</b>	\$17,500/\$23,000	\$51,000
<b>457</b>	\$17,500/\$23,000*	\$17,500/\$23,000
<b>Traditional IRA</b>	\$5,500/\$6,500	NA**
<b>Roth IRA</b>	\$5,500/\$6,500	NA**

\*Call us at 801-366-7720 or 800-688-401k for information on 457 special catch-up contributions.

\*\*Employers may not contribute to an IRA.

**Important note:** The contribution limits apply to all traditional and Roth IRAs combined.