

Spring 2016 | Volume 34, No. 1

The URS ViewPoint

For Active Members of Utah Retirement Systems

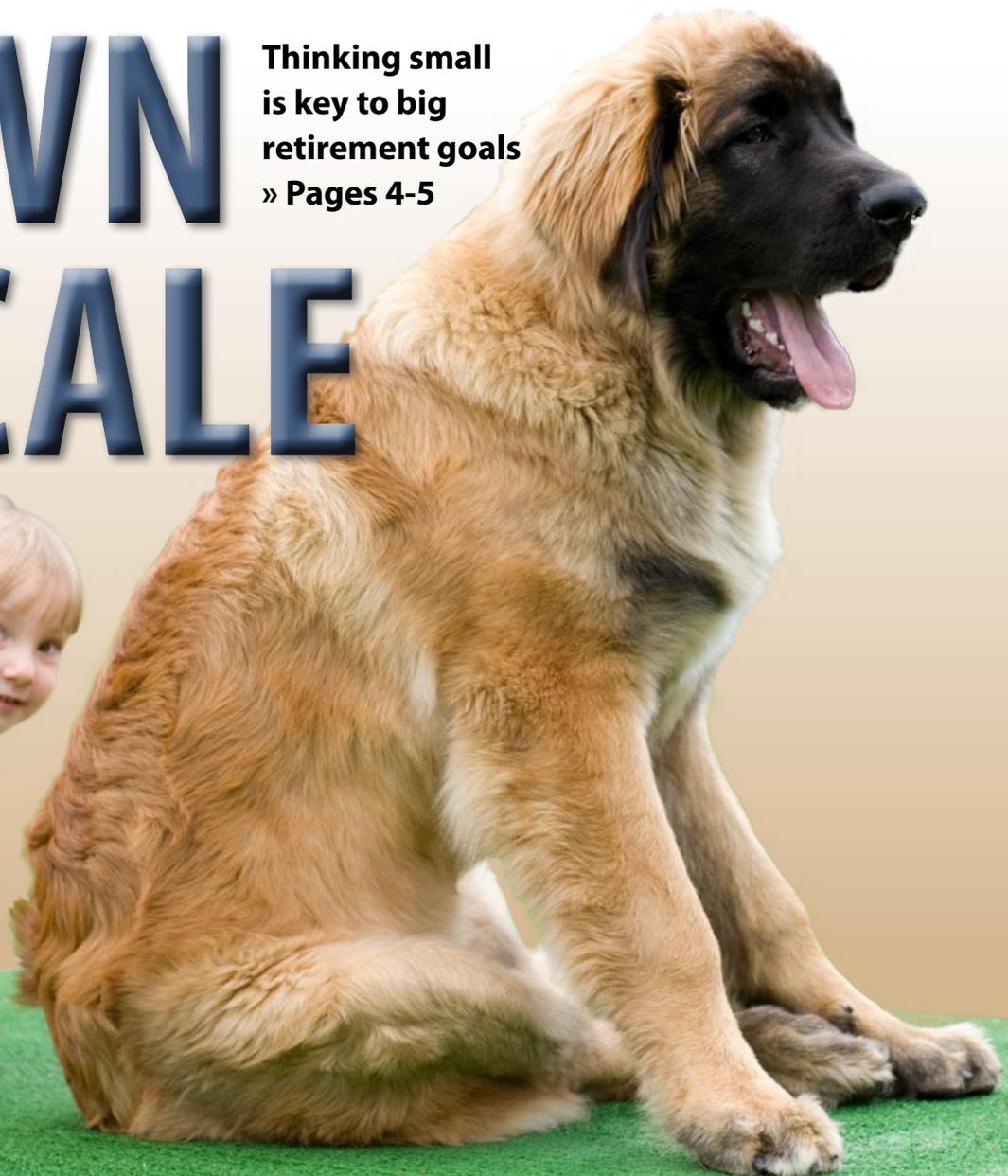


HOW TO ACCESS YOUR PENSION STATEMENTS » PAGE 6 | PROFILE: THE URS 457 » PAGE 8

**SAVING FOR RETIREMENT MAY
SEEM A TALL ORDER, BUT WE'LL
SHOW YOU HOW TO GET IT**

DOWN TO SCALE

**Thinking small
is key to big
retirement goals
» Pages 4-5**



Investments *ViewPoint*

Learn about your investment options

Trying to decide how to invest in your URS Savings Plans? Get to know

[this handy brochure](#).

It provides a quick overview of the different URS Savings Plans and your investment options.

See how each fund has performed in each of the past 15 years. Compare their risk/reward balance, sample holdings, and annualized returns. ■



No 401(k) Penalty for Police/Fire Over 50

A new law effective in 2016 expands the exceptions to the 401(k) 10% early withdrawal penalty to include qualified public safety employees who separate from service in or after the year they turn age 50.

You're a qualified public safety employee if you're in the Tier 1 Public Safety System, the Tier 1 Firefighters System, or the Tier 2 Public Safety and Firefighter System (Hybrid or DC-only plan).

To meet the exception, you must separate from service as a qualified public safety employee in a qualified

public safety position during or after the calendar year you turn age 50. Any withdrawals you take after this time will not be subject to the 401(k) 10% early withdrawal penalty tax.

The new law applies to distributions made after Dec. 31, 2015. It only applies to the URS 401(k) and does not apply to IRAs.

The URS 457 has no 10% early withdrawal penalty for any employee, at any age. If you leave your job at any time, for any reason, you can withdraw penalty-free (see Page 8). ■



Trust • Commitment
Value • Innovation • Excellence

Utah Retirement Systems

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www.urs.org

We value your privacy. We never sell or otherwise share your private information, including your email and mailing address, to any outside entity.

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Systems

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Spring Cleaning: Consolidate Any Old Accounts With URS

Have a 401(k), 457(b), or IRA from a previous employer? Simplify your life — and enjoy the peace of mind of knowing your fees are low — by rolling over old accounts to URS.

It's easy and has many benefits, including:

- » Ease of managing your accounts
- » Local customer service
- » Professionally managed investment options

» Low investment and administrative fees

Just fill out [this form](#), send it to us, and you're done.

In many cases, you won't have to deal with the other institution — we'll make all the arrangements. Call us at 801-366-7720 or 800-688-4015 if you have questions. ■



URS in the Community *ViewPoint***URS: A MAJOR PLAYER IN THE UTAH ECONOMY**

Pension payments support jobs, expand GDP, and provide steady tax revenue.

FAR-REACHING IMPACT

URS pension payments ripple throughout the Utah economy, supporting jobs, expanding GDP, and providing steady state and local tax revenue, a [recent study](#) shows. In 2015, these payments supported about **8,500 Utah jobs**, **\$350 million in wages**, **\$650 million in GDP**, and **\$56 million in state and local tax revenue**, according to a report prepared by the University of Utah's Kem C. Gardner Policy Institute. [See Full Report.](#)

\$1.3
BILLION

IN PENSION BENEFITS
PAID IN 2015



→ 54,953 = 1.1%



1.1%
OF THE STATE'S TOTAL
PERSONAL INCOME

**ECONOMIC
ACTIVITY
SUPPORTED...**



8,500
JOBS



\$350 Million
IN WAGES



\$650 Million
IN GDP



64%
AVERAGE PORTION
OF BENEFITS
PAID THROUGH
INVESTMENT
RETURNS OVER
THE PAST 20 YEARS

\$56 MILLION
IN STATE AND LOCAL TAX REVENUE



BABY STEPS TO RETIREMENT

In the Early Stage of Your Career? For big results, think small. Get started with these four easy steps.



“How much savings do I need to retire?”

Google that question and brace yourself for some daunting numbers.

Scary digits are often the biggest psychological hurdle to saving for retirement. They make the task seem enormous and out of reach. Where do I even begin? Why should I even try?

Wise savers don't obsess about the large numbers. Instead, they focus on small ones and let time work its magic. Getting to a huge number is all about small numbers and small actions, compounded year after year.

Forget frightening figures. Think about practical steps you can take today. It takes baby steps — not giant leaps — to arrive at a secure retirement. So find your pacifier and consider these four easy things you can do right now.

It's Never Too Late

OK, so maybe you're no baby. Maybe your retirement is only a few years away. You might need a slightly different strategy, but we can help you, too. Our free [Pre-Retirement Seminars](#) are for employees in the latter stages of their career. Or, sit down one-on-one with a [URS Retirement Planning Advisor](#) for a free consult.



Get Educated » When older employees reflect on their retirement planning, they often say things like, “If only I had known...” or, “If only I had understood...” Don't end up with such regrets. You don't need a Ph.D. to understand retirement planning basics. Get ahead of the game by attending a free and informative [URS seminar](#). We have two Early to Mid-Career Seminars coming up on May 6 and August 5 ([Learn more](#)). Or, if you want to really be a retirement rock star, meet one-on-one with a [URS Retirement Planning Advisor](#) for free.



Just Do It » Even if you never get around to Step 1, don't let that be an excuse for complacency. Don't wait until you have the “perfect plan” to get started. Besides, it's not rocket science — URS makes it incredibly easy. Log in to [myURS](#) to set up automatic deductions from your paycheck. Which is right for you — 401(k), 457, IRA, Roth? They're all good. Employees early in their career often choose the Roth IRA. Otherwise, throw a dart, if you must. Don't know which investment funds to choose? Don't stress. Just pick the [Target Date Fund](#) that applies to you. Congratulations, you're now an investor with the power of time on your side!



Save a Little More » How much do you plan to set aside from your paycheck for retirement savings? Got a number in mind? Good, now increase it by 1%. Saving that additional fraction of your paycheck puts only a tiny dent in your current lifestyle, but it makes a big difference by retirement time. Get into the habit of stretching your savings comfort zone. When you get a raise, save your extra income — you won't miss it if you've never seen it in your paycheck.



Don't Blow It » Here's a little secret about that big number we've been talking about. Yours may not have to be so big. You're among the fortunate few to have an employer-sponsored retirement plan (Tier 1 or Tier 2) to provide another source of retirement income. You've got a head start. Now, don't blow it! Don't make impulsive decisions. Cash out your retirement savings to buy front-row seats to the Justin Bieber concert? Baby, baby, baby, NO! An outside advisor trying to manage your URS accounts? Before you make any decisions about URS retirement benefits or move your money out of URS, meet with a [URS Retirement Planning Advisor](#) for free.

Defined Benefit Pension *ViewPoint*

Everything Look Right?

Don't wait until you're ready to retire to verify your URS pension information. Confirm now by examining your annual pension statement. Find it by logging in to [myURS](#). From the myURS homepage, find "Pension Annual Statements" in the "Document Center" at the bottom. Download this statement to confirm your years of service, salary history, and beneficiaries. If something doesn't look right, contact URS at 801-366-7770 or 800-695-4877.



Annual Retirement Statement

Retirement Department
560 East 200 South, Suite 240
Salt Lake City, UT 84102
801-366-7770 || 800-695-4877 || www.urs.org

**URS PENSION
(DEFINED BENEFIT)**

1 Salary History

2 Service Credit

ACCOUNT SUMMARY Account #

Member Name: JANE EMPLOYEE Marital Status: SINGLE Gender: F

System Name	Service Credit	
Tier 1 Noncontributory State and School	8,345	

	Year	Salary	Year	Salary	Year	Salary
}	2015	44,808.11	2012	39,282.40	2009	36,121.92
	2014	43,461.44	2011	37,572.80	2008	35,867.36
	2013	41,414.47	2010	36,981.60	2007	16,932.20

DESIGNATED BENEFICIARIES FOR PENSION BENEFIT ACCOUNT

- Primary GEORGE EMPLOYEE
- Contingent BETTY EMPLOYEE

3 Beneficiaries



Find Your Pension Statement
Log in to [myURS](#) at www.urs.org. From the myURS homepage, find "Pension Annual Statements" in the "Document Center."

Tier 2 Retirement System *ViewPoint*

Have You Made Your Tier 2 Decision? Let Us Help.

What is the Tier 2 Retirement System?

It's the retirement system for employees new to URS as of July 1, 2011.

What are the two choices?

- 1) The Tier 2 Hybrid Retirement System combines a pension and 401(k) plan.
- 2) The Tier 2 Defined Contribution Plan is 401(k) only.

How long do I have to decide?

You have one year from your employment date to make your irrevocable decision. Make your election at myURS.

Can I change my decision?

You may change your election any time at myURS within one year of your employment date. At the end of one year, your final election is irrevocable.

What if I fail to make a decision?

If no election is made, you automatically become a member of the Tier 2 Hybrid Retirement System.

New to URS? These resources will help you choose among your two retirement options.

The Basics



[Mike the Retirement Guru](#) » Get a quick overview of your Tier 2 options.



Choose Your Path

- » [Public Employees](#)
- » [Public Safety & Firefighter](#)



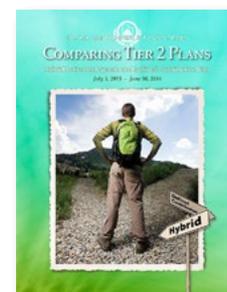
Tier 2 Basics

- » [Public Employees](#)
- » [Public Safety & Firefighter](#)

More Detailed



[Tier 2 Retirement Benefits](#) » Dig deeper into how your benefits work.



Comparing Tier 2 Plans

» A side-by-side comparison of the two plans available to you.

Face-to-Face

Meet one-on-one with a URS Retirement Planning Advisor to discuss which Tier 2 option is right for you. [Learn More](#)

Retirement Savings Plans *ViewPoint*

457: No Early Withdrawal Penalty

Here's the great thing about a URS [457](#) — no early withdrawal penalty.

A 457(b) deferred compensation retirement plan is much like a 401(k), but specifically for public employees. With both, you contribute pre-tax dollars that grow tax-deferred. You pay taxes when you withdraw your money.

But here's the key difference. With a 401(k), you pay a 10% early withdrawal penalty tax if you're younger than 59½. With your 457, you aren't

[Learn more about the URS 457](#)



subject to this penalty.

What does this mean to you? Imagine if you lost your job and had to tap your retirement savings to pay bills. You could consider a 457 to be employment insurance. If you leave your job at any time, for any reason, you can withdraw penalty-free.

Maybe you plan to retire early. You can count on your 457 for penalty-free withdrawals at any age. Speaking of early retirement, did you know you can use your 457 or 401(k) to buy future service credit toward your URS pension? Transfer funds directly from the savings plans, with no taxes or penalties, to buy service credit and increase your pension benefit.

It's easy to open a 457 and to adjust your contributions. Just log in to myURS to easily manage your account

	401(k) Tax-deferred Pay income tax when withdrawn	457 Tax-deferred Pay income tax when withdrawn	Traditional IRA May be tax deductible Pay income tax when withdrawn	Roth IRA After-tax deposits Tax-free withdrawals
Withdrawals	<ul style="list-style-type: none"> » Retirement » Termination » Age 59½ if still employed » Hardship <i>(Elective deferrals only)</i> 	<ul style="list-style-type: none"> » Retirement » Termination » Age 70½ if still employed » Unforeseeable emergency 	<ul style="list-style-type: none"> » Any time 	<ul style="list-style-type: none"> » Any time
Early Withdrawal Penalty Tax	<p>Yes — 10% early withdrawal penalty tax if withdrawn before age 59½.</p> <p>Exceptions:</p> <ul style="list-style-type: none"> » you work into the calendar year you turn age 55 (age 50 if you separate from service as a qualified public safety employee — see Page 2) » payout based on life expectancy » disability 	<p>No penalty tax if you withdraw your money after you've left your job.</p>	<p>Yes — if withdrawn before age 59½.</p> <p>Exceptions:</p> <ul style="list-style-type: none"> » first home » higher education » payout based on life expectancy » disability 	<p>Contributions: No</p> <p>Earnings: Yes — if withdrawn before age 59½.</p> <p>Exceptions:</p> <ul style="list-style-type: none"> » first home » higher education » payout based on life expectancy » disability <p><i>(For more exceptions, see IRS Publication 590.)</i></p>