URS
Utah Retirement Systems

RETIREMENT SYSTEM HIGHLIGHTS

TIER 2

Public Safety & Firefighters

2018-19

Effective July 1, 2018

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6-21-18

Welcome to the
Tier 2 Public Safety and Firefighter Contributory Retirement System!

URS
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The Tier 2 Public Safety and Firefighter

Contributory Retirement System allows members to participate in either the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution Plan. The laws that govern this retirement system are set forth in Utah Code Title 49.

As set forth in Utah Code Title 49, a person entering full-time employment with a participating employer on or after July 1, 2011, must make an election to participate in either the Tier 2 Hybrid Retirement System or the Tier 2 Defined Contribution (DC) Plan, within one year of his/her employment date. **The election made is irrevocable. If no election is made, the employee automatically becomes a member of the Tier 2 Hybrid Retirement System.** See page 2 and 3 for a summary of plan provisions.

Tier 2 Hybrid Retirement System Summary

(See pages 4-21 for more information.)

- Your monthly retirement benefit is determined by your age, years of service credit, final average monthly salary, and the benefit formula.
- You qualify for a monthly retirement benefit if you are:
  —65 with 4 years of service.
  —62 with 10 years of service.
  —60 with 20 years of service.
  —Any age with 25 years of service.
- If you have fewer than 25 years of service from any combination of Utah Retirement Systems, the allowance is reduced by approximately 7% for each year between ages 60 and 63, and approximately 9% for each year between ages 64 and 65.
- Service benefit formula is based upon number of years of service credit x 1.5% x highest five years' earnings, converted to a monthly average.
- Death benefit *(see page 5 for more information)*.
- Disability benefit *(see page 5 for more information)*.
- 401(k) employer contribution* (equal to 12% minus the Hybrid DB Plan Rate and is vested after four years of accrued service).
- Up to a 2.5% cost-of-living adjustment on the retirement allowance.
- You may make additional deferrals to the same defined contribution plan as your employer.
- You are required to pay the amount, if any, of the certified contribution rate for the defined benefit portion that exceeds the employer 12% contribution rate.

Tier 2 Defined Contribution Plan Summary

(See pages 22-29 for more information.)

- Your employer contributes 12% of your compensation to a 401(k) defined contribution plan.
- You may make additional deferrals to the same defined contribution plan as your employer.
- Total contributions paid into this plan by your employer are vested to your account after four years of eligible employment.*
- All deferrals you make into your account are vested immediately.
- Death benefit *(see page 23 for more information)*.
- Disability benefit *(see page 23 for more information)*.

See **401(k) Savings Plan Summary Plan Description for more information.*

The following information pertains to the *Tier 2 Public Safety and Firefighter Hybrid Retirement System*, pages 4-22.

Membership Eligibility

You qualify for membership if:

Your employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a recognized public safety department, as a law enforcement officer, correctional officer, or special function officer and in the course of employment, your life or personal safety is at risk, and you have completed a certified training program, that is documented with our office, or you are an eligible certified dispatcher whose employer elected coverage in the Public Safety system, or you are a full-time member of the Board of Pardons and Parole.

OR

Your employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a regularly constituted fire department, you have been trained in firefighter techniques, and you are assigned to a position of hazardous duty or you are the full-time State Fire Marshall or a full-time Deputy State Fire Marshall.

If you don't meet the eligibility requirements outlined in the above sections, based on your employer's participation, you will be enrolled in the Tier 2 Public Employees Contributory Retirement System as long as you meet eligibility requirements.

Certification of Eligibility and Member Election

If you qualify for membership and initially enter full-time employment on or after July 1, 2011, you must make an election to participate in **either** the Tier 2 Hybrid Retirement System ***or*** the Tier 2 Defined Contribution Plan.

Retirement election must be completed **within one year** from date of employment. The election made is irrevocable. If no election is made, you automatically become a member of the Tier 2 Hybrid Retirement System.

Disability Benefits

Your employer's long-term disability (LTD) program describes your benefits. If your employer has a benefit protection contract with our office and you have been approved for LTD benefits, you will continue to accrue benefits as provided according to the retirement system in which you participate.

Death Benefits for Non-Retired Members

The financial settlement your beneficiary(ies) will receive when you die is determined by your status according to the system in which you participate. The following summarizes specific death benefits payable in the Tier 2 Public Safety and Firefighter Hybrid Retirement System.

For surviving spouse benefits, you must have been married for at least six months prior to death.

Career Benefit

Your spouse is eligible for a monthly benefit if you meet one of the following requirements:

1.) You qualify for a service retirement under the Tier 2 Hybrid Retirement System at the time of death.

2.) You have 20-24 years of service credit and you are not age 60 or older at the time of death, your spouse will receive a reduced benefit.

3.) You have 15-19 years of service credit and you are not age 62 or older at the time of death, your spouse will receive a reduced benefit.

If your spouse is also the designated beneficiary, he or she will be required to select the option of a lifetime monthly benefit or a refund of your member contributions, if applicable. However, if your spouse qualifies for a career benefit and is not the designated beneficiary, the lifetime monthly benefit is the only amount payable to your spouse. If your spouse does not elect to receive the monthly benefit, your member contributions, if applicable, will be paid to your designated beneficiary(ies).

In order for the career 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 the date of death, the benefit effective date will be the first day of the month, following the month, in which the application is received.

Line-of-Duty Death

If you die in the line of duty, benefits are payable as follows:

If you have accrued less than 20 years of public safety or firefighter service credit, your spouse at the time of death will receive a lump- sum equal to six months of your final average salary and an allowance equal to 30% of your final average salary.

If you have accrued 20 or more years of public safety or firefighter service credit, you will be considered to have retired with an option one allowance calculated without an actuarial reduction and your spouse at the time of your death will receive the allowance that would have been payable to you.

Death Benefit

If you are a non-retired member who is employed by a participating employer at the time of your death, your beneficiary(ies) will receive a death benefit payment representing 75% of your highest annual salary. If you have less than 12 months of service, the benefit is prorated. The minimum payment is $1,000.

Note: *The payment is not payable if the covered member commits suicide before group coverage has been in force for two years.*

Accelerated Death Benefit

This provision allows you to take an advance payment of 75% of your death benefit if you have a terminal illness and a life expectancy under 18 months.

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

Beneficiaries Before Retirement

You may name whomever you choose as beneficiary(ies) for the death benefit. You may also name whomever you choose as beneficiary(ies) for your member contributions, if applicable, and for vested funds in your URS Savings Plans.

You may change your beneficiary(ies) at any time by logging into your myURS account at **www.urs.org**. When updating your beneficiary(ies), you revoke all previous designations. Forms are also available from our office or at **www.urs.org**.

Beneficiaries After Retirement

If you select Option One, your beneficiary(ies) receive(s) no monthly benefit or refund of your member contributions (if applicable) unless death occurs within 120 days after your retirement date.

If you select Option Two, you may name whomever you choose as beneficiary(ies) to receive the remaining balance of your member contributions (if applicable) when you die. You may change your beneficiary(ies) at anytime by logging into your myURS account at **www.urs.org** or you may request a *Beneficiary Designation* form from our office. When updating your beneficiaries, you revoke all previous designations.

If you select Options Three, Four, Five, or Six, your spouse at the time of retirement is designated as your beneficiary. This beneficiary ***cannot*** be changed.

If retiree life insurance is selected at the time of retirement for you and/or your spouse, you

may name whomever you wish as beneficiary(ies). Beneficiaries on the life insurance for member life insurance can be changed by logging into your myURS account at **www.urs.org** or you may request a form by contacting our office. A *Beneficiary Designation* form must be completed when updating spouse beneficiaries. Forms are available by contacting our office. When updating your beneficiary designations, you revoke all previous designations.

Beneficiary designations should be kept current and on file in our office at all times. Forms for claiming benefits are sent to the last known address of the beneficiary(ies).

Service Purchase

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 qualified you 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. Under this system, a minimum of 2080 hours of employment per year is required.

For detailed information on the types of service you may purchase, refer to the ***Purchasing Service Credit*** brochure. See ***Payment Options*** for making a purchase.

Purchasing Future Service Credit

To purchase future service you must be an active member and have an existing record of five years of eligible service credit with URS, if you're age 65; or you must be an active member with a minimum of 20 years of eligible service. You (or jointly with your employer) may purchase up to five years, even if it exceeds the years you need to retire with an unreduced retirement benefit (meaning no early age reduction). At a minimum, the number of years of service credit you buy must be enough to allow you to retire without an early age reduction. You must pay at least 5% of the total cost and retire immediately after your purchase. Your employer may pay up to 95%. (See the ***Purchasing Future Service Credit*** brochure for more information.)

Payment Options

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

1.) **Lump-sum payment** made anytime before your effective date of retirement set with our office.

   » Future service credit in total (your payment, rollovers, and any employer payment) must be received within 15 days before your retirement date and no later than the day before your retirement date.

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.

   » Payroll deduction is not available for future service credit purchases.

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.

» Employer is limited to 95% of the cost of a future service credit purchase. Total payment must be received within 15 days before your retirement date and 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, contact our Defined Benefit Retirement Department at 801-366-7770 or 800-695-4877.

Retirement Qualifications

You qualify for a monthly retirement benefit if you are:

—65 with 4 years of service.
—62 with 10 years of service.
—60 with 20 years of service.
—Any age with 25 years of service.

If you have fewer than 25 years of service from any combination of Utah Retirement Systems, the allowance is reduced by approximately 7% for each year between ages 60 and 63, and approximately 9% for each year between ages 64 and 65.

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, follow the steps below or go to **www.urs.org** and use the ***Retirement Benefit Estimate Calculator***.

*1.) TOTAL your five highest years of salary** $_____

2.) DIVIDE line 1 by 60, this is your final average monthly salary $_____

3.) MULTIPLY your years of service by 1.5% (.015) _____

5.) MULTIPLY line 2 by line 3 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.*

Options that provide a survivor's benefit reduce your benefit. (See the section marked ***Six Retirement Options***.)

Service in Other Utah Retirement Systems

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 you render 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.

Steps to Retirement

Get an Estimate

Before making the decision to retire, you can compute an estimate of your potential benefit by going to **www.urs.org** and locating the *Retirement Benefit Estimate Calculator*. 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 on or before your retirement date.

When You'll Receive Payment

Your retirement benefit is paid monthly. Monthly retirement checks 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. Direct deposit is available.

Filing Your Application

When you file your retirement application, you 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 anytime 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.*

For more information, the Tier 2 Retirement Guidebook is available on our website or from our office.

Six Retirement Options

When you apply for retirement, you choose one of six payout options. Consider carefully because no alterations, additions, or cancellation of benefits may be made after your date of 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.*

Option One provides a maximum monthly benefit for the rest of your life. No monthly payments or refund of your member contributions are made to your beneficiary(ies) after you die. If you die within 120 days after your retirement date, your retirement is canceled, and your account is settled as though you were a non-retired member at the time of death. (See the section marked ***Death Benefits for Non-Retired Members***.)

You are eligible for Option Two if you have accrued any contributions from the Tier 2 Hybrid Retirement System.

Option Two provides a slightly reduced lifetime benefit. When you die, your beneficiary(ies) will receive the balance of your member contributions after a portion of your monthly benefit payment has been deducted. You may change your beneficiary(ies) under this option at anytime.

The following four options restrict your beneficiary to the spouse to whom you are married on the effective date of your retirement.

Option Three provides a reduced benefit during your lifetime. After your death, your lawful spouse, at the time of retirement, will receive the same lifetime benefit.

Option Four provides a reduced benefit during your lifetime. After your death, your lawful spouse, at the time of retirement, will receive a lifetime benefit equal to one-half of your benefit.

Option Five provides a modification of the benefit in Option Three. After your death, your lawful spouse, at the time of retirement, will receive the same lifetime benefit. If your spouse dies before you do, your benefit will revert to the amount payable under Option One.*

Option Six provides a modification of the benefit in Option Four. After your death, your lawful spouse, at the time of retirement, will receive a lifetime benefit equal to one-half of your benefit. If your spouse dies before you do, your benefit reverts to the amount payable under Option One.*

**If we are notified more than 90 days after your spouse's death, your benefit will revert to the first of the month following the month we are notified.*

A member retiring under Option Five or Option Six may increase the monthly benefit subsequent to a divorce, depending on the court order.

Retiree Life Insurance

You and your spouse may elect retiree life insurance, which can be selected in addition to the six payout options. The cost of the life insurance appears as a deduction on your retirement check. The coverage is available in the amounts of $3,000, $5,000, or $10,000. If you or your spouse die within the first three years after retirement, payment to the designated beneficiary(ies) will be as follows: 25% of the selected amount will be paid if death occurs in the first year; 50% will be paid if death occurs during the second year; 75% will be paid if death occurs during the third year; and payment of 100% beginning with the fourth year and thereafter. You may cancel your election for life insurance at anytime. However, you may only elect to purchase retiree life insurance at retirement.

URS Savings Plans

URS offers four retirement savings plans: 401(k), 457, traditional IRA, and Roth IRA. In addition to your employer's contributions, if applicable, to the 401(k) under the Hybrid System, you have the option of contributing funds to the 401(k) and/or 457 plans (the 457 is subject to employer participation). You also have the option of contributing to the traditional and/or Roth IRAs. 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 at **www.urs.org** or by contacting

our 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 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 after 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 after you terminate employment. If you fail to meet this **required minimum distribution (RMD)**, you may be subject to a substantial federal excise tax.

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 PEHP Health & Benefits. For more information, call PEHP at 801-366-7555 or 800-765-7347 or visit **www.pehp.org/medsup**.

Cost-of-living increases of up to 2.5% of your original retirement benefit begin one year after you retire, based on the consumer price index.

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

Direct deposit: Your monthly retirement benefit is directly deposited the last business day of each month.

We need to know if your **address changes** in order to keep you informed about your retirement benefits. Our having your current address ensures you receive your *URS Defined Benefit Annual Retirement Statement,* your *URS Savings Plans 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.

Defined Benefit Annual Retirement Statement

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

Administrative Information

Nonassignability of Benefits or Payments

Retirement benefits or payments are not subject to alienation or assignment by you and 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 (pension) Retirement 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 (pension) retirement to an alternate payee until you terminate employment and apply for retirement benefits.

A percentage of the vested portion of your URS Savings Plans can be paid to an alternate payee as soon as a valid DRO is filed with our office.

The defined benefit (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

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

The following information pertains to the *Tier 2 Public Safety and Firefighter Defined Contribution Plan,* pages 22-28.

Membership Eligibility

You qualify for membership if:

Your employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a recognized public safety department, as a law enforcement officer, correctional officer, or special function officer and in the course of employment, your life or personal safety is at risk, and you have completed a certified training program, that is documented with our office, or you are an eligible certified dispatcher whose employer elected coverage in the Public Safety system, or you are a full-time member of the Board of Pardons and Parole.

OR

Your employment normally requires an average of 2,080 hours of regularly scheduled employment per year in a regularly constituted fire department, you have been trained in firefighter techniques, and you are assigned to a position of hazardous duty or you are the full-time State Fire Marshall or a full-time Deputy State Fire Marshall.

If you don't meet the eligibility requirements outlined in the above sections, based on your employer's participation, you will be enrolled in the Tier 2 Public Employees Contributory Retirement System as long as you meet eligibility requirements.

Certification of Eligibility and Member Election

If you qualify for membership and initially enter full-time employment on or after July 1, 2011, you must make an election to participate in **either** the Tier 2 Hybrid Retirement System ***or*** the Tier 2 Defined Contribution (DC) Plan.

Retirement election must be completed **within one year** from date of employment. The election made is irrevocable. If no election is made, you automatically become a member of the Tier 2 Hybrid Retirement System.

The following employees may exempt from the four-year vesting requirement in the Tier 2 Defined Contribution Plan. An employee who is a *public safety service* employee **and** is:

- An executive department head of the state;
- An elected or appointed sheriff of a county; or
- An elected or appointed chief of police of a municipality.

If you choose to exempt from vesting requirements from the Tier 2 Defined Contribution Plan, contact your employer immediately.

Disability Benefits

Your employer's long-term disability (LTD) program describes your benefits. If your employer has a benefit protection contract with our office and you have been approved for LTD benefits, you will continue to accrue benefits as provided in accordance with the retirement system in which you participate.

Death Benefits for Non-Retired Members

The financial settlement your beneficiary(ies) will receive when you die is determined by your status in accordance with the system in which you participate. The following summarizes specific death benefits payable in the Tier 2 DC Plan.

Lump-Sum Settlement

If you have any vested contributions in your Tier 2 DC Plan, these funds are payable to your designated beneficiary(ies).

Death Benefit

If you are a non-retired member who is employed by a participating employer at the time of your death, your beneficiary(ies) will receive a death benefit representing 75% of your highest annual salary. If you have less than 12 months of service, the benefit is prorated. The minimum payment is $1,000.

Note: *The payment is not payable if the covered member commits suicide before group coverage has been in force for two years.*

Accelerated Death Benefit

This provision allows you to take an advance payment of 75% of your death benefit if you have a terminal illness and a life expectancy under 18 months.

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

Beneficiaries

You may name whomever you choose as beneficiary(ies) for the death benefit. You may also name whomever you choose as beneficiary(ies) for any vested funds in URS Savings Plans.

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 or at **www.urs.org.**

Beneficiary designations should be kept current and on file in our office at all times. Forms for claiming benefits are sent to the last known address of the beneficiary(ies).

URS Savings Plans

URS offers four retirement savings plans: 401(k), 457, traditional IRA, and Roth IRA. In addition to your employer's contributions to the 401(k) plan, you have the option of contributing to the 401(k) and/or 457 plans (the 457 is subject to employer participation). You also have the option of contributing to the traditional and/or Roth IRAs. 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 at **www.urs.org** or by contacting our 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 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.

Taxes — Distributions made from the 401(k) plan are generally taxable. When you receive a partial balance or total balance withdrawal, the IRS requires 20% of the amount withdrawn be withheld for federal income taxes. The 20% withholding requirement does not apply if you choose to receive periodic payments over a span of 10 years or more, or if the periodic payments are calculated based on your life expectancy. For these periodic distributions, a Substitute W-4P form may be submitted to our office indicating your tax withholding request.

If you receive a distribution from your 401(k) prior to age 59½, you may be subject to the 10% early withdrawal penalty tax. This penalty is in addition to any federal or state income taxes you are required to pay. This penalty tax may not apply if you work into or beyond the year you reach age 55. There may be other exceptions to the taxes or penalties previously mentioned. For more information regarding taxation, please review the *Special Tax Notice* available on our website and in our offices, or IRS Publication 575, *Pension and Annuity Income*.

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**.

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

Direct deposit is available for periodic payments. Deposits are issued the last working date of the month.

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 *URS 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.

Administrative Information

Nonassignability of Benefits or Payments

Retirement benefits or payments are not subject to alienation or assignment by you and 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. A percentage of the vested portion of your URS Savings Plans can be paid to an alternate payee (ex-spouse) as soon as a valid DRO is filed with our office.

A model DRO is available from our office to help attorneys prepare an acceptable order.

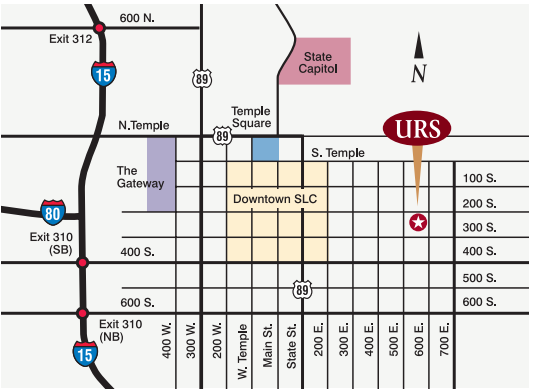
Appeals

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

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

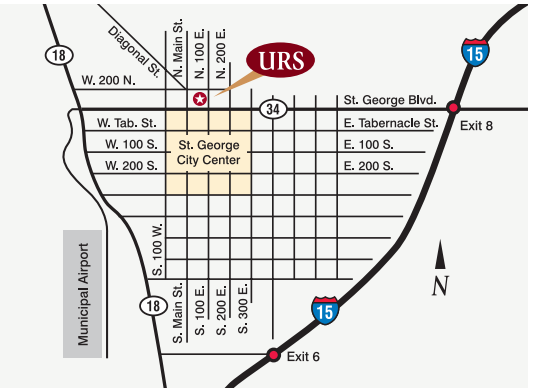


Salt Lake City Office

560 East 200 South, Suite 240
Salt Lake City, UT 84102-2021
801-366-7700 • 800-365-8772
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

165 North 100 East, #9
St. George, UT 84770-2505
435-673-6300 • 800-950-4877

For more information: **www.urs.org**

On the Cover:
Aubrey Freiberg, Firefighter, Lehi City Fire Department

URS
Utah Retirement Systems

Trust • Commitment
Value • Innovation • Excellence