



...You will be there before you know it.

The Utah Education Association and the Utah School Employees Association want to ensure a secure, stable defined benefit retirement system for all education employees - new, not-so-new and future.

Proposals pending in the upcoming legislative session could put the strong Utah Retirement System at risk. These changes could reduce benefits for future employees, gradually weaken the system and both directly and indirectly affect employees currently in the system.

The Utah Retirement System is a defined benefit system. That means retirees receive a predetermined monthly benefit for as long as you live. The major difference between a defined benefit (DB) and a defined contribution (DC) is who assumes the risk associated with investment performance. In a DC system, the amount employees receive when they retire depends directly on their own lifetime investment earnings. Under this plan, the **employee** assumes the investment risk. In contrast, because of **employer** contributions to a statewide system, in a DB plan, retirees receive regular, stable benefits. (We encourage all employees to use DC accounts (such as a 401K) and personal savings to supplement their URS benefit but as a supplement to the URS plan, not as a replacement.)

Advantages of defined benefit plans for employees:

- Professional investment management at lower costs and without fees to the individual.
- Guaranteed, lifetime income that you cannot outlive.
- A secure, stable income for retirement.
- Survivor and death benefits.
- No time commitment necessary to manage an account.

Advantages of defined benefit plans for school districts and the state:

- Encourages retention of employees, which contributes to a stable learning environment.
- Provides a secure, predictable income for retirees, lessening the dependence on public programs.
- County by county, community by community, pension money returns to the local economy.
- Cost effective way to compensate public service. “To deliver the same level of retirement benefits, a DB plan can do the job at almost half the cost of a DC plan.” (Almeida & Fornia, 2008)

Please **get involved** to ensure that you and future education employees have this benefit to honor your career in education.

Join us in our efforts to ensure a strong retirement system is there when you arrive. For up-to-date information on the issue and how you can help, go to “Under the Dome” at www.utea.org or go to www.useautah.org.

