



# PCRA

Personal Choice  
Retirement Account<sup>®</sup>

Provided by  
Charles Schwab & Co., Inc.

MEMBER SIPC



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Utah Retirement Systems  
Charles Schwab  
**Personal Choice Retirement Account**

## What is a PCRA?

A Schwab Personal Choice Retirement Account® (PCRA) is one of the investment options offered by Utah Retirement Systems (URS). The PCRA rounds out the spectrum of investment options provided in URS Savings Plans and provides experienced investors with more alternatives. With a PCRA, you are responsible for managing your own investments. This means you plan the strategy, do the research, monitor performance, evaluate progress, make adjustments, and initiate changes as needed.

A PCRA differs from a typical retail brokerage account, because it allows you to invest tax-advantaged savings by transferring money from your URS core funds in the URS Savings Plans to the PCRA. You may not, however, make deposits, contribute directly to, or withdraw directly from your PCRA. These transactions must be processed through the URS Savings Plans.



## Is a PCRA Right for You?

### **Ask yourself these important questions before you enroll in a PCRA:**

#### **Are you looking for additional investment choices for your retirement savings plans?**

The PCRA allows you to choose from an expanded selection of mutual funds, stocks, exchange-traded funds (ETFs), and bonds, giving you an opportunity to create a personalized retirement portfolio. The PCRA is best suited for people seeking greater investment flexibility, choice, and control of their retirement savings.

**Are you interested in spending the time to research, choose, and maintain your investments?** While you may already spend some time deciding how to allocate your money among the core funds in the URS Savings Plans, managing your own investments through a PCRA takes an even bigger commitment. It's time consuming to research, identify, and choose from a broad array of options and then regularly monitor performance and make adjustments.

**Are you willing to incur additional trading costs?** With a PCRA, you'll need to manage your investment expenses just as carefully as your returns. The Charles Schwab Pricing Guide lists the various commissions and fees within the PCRA. You should review the costs associated with a PCRA. The Schwab pricing guide will apply to all trades you initiate through your PCRA. If you have not received a Schwab pricing guide, you can obtain one by calling URS directly or by visiting [www.urs.org](http://www.urs.org).

**Are you comfortable with risk?** In a PCRA, it's up to you to choose the investment vehicles you think will best meet your objectives and match your risk profile. All investments have some degree of risk. Your level of expertise and the amount of research you do can help you manage a high, moderate, or low risk strategy.

**If you answered “yes” to ALL of the previous questions,** opening a PCRA may be right for you.

**If you answered “no” to ANY of the questions,** a PCRA probably isn't a good fit. Instead, you may want to choose a URS Target Date Fund based on your retirement timeframe or create a diversified portfolio using the individual core investment options.

## URS Core Fund Requirements

**Before enrolling in a PCRA, be sure to review these minimum eligibility requirements:**

- » You must have a \$30,000 minimum account balance for each plan utilizing the PCRA (401(k), 457, Roth IRA, and traditional IRA constitute separate plans).
- » You must maintain a minimum of \$1,000 in the core funds for each of the plans in which you have a Schwab PCRA.
- » If you have established automatic withdrawals from the plan, you must maintain the minimum \$1,000 in the core funds plus the next six months of projected distributions. Failure to maintain an appropriate core fund balance may cause your withdrawals to stop.
- » If your core funds balance falls below \$500 at the end of a quarter, you will be notified that you need to move money back to the core funds. If your core fund balance is not restored to \$1,000 by the end of the following quarter, URS may request money from your Schwab PCRA.
- » Beneficiary accounts and alternate payee accounts are not eligible to participate in a PCRA.
- » You must be willing to sign a limited power of attorney (LPOA) with Charles Schwab.

- » To enroll and transfer money to and from the PCRA, you must have access to the Internet.
- » You must be willing to pay the \$12 quarterly administrative fee for each plan utilizing a PCRA. The quarterly fee is assessed for any quarter you have a PCRA balance. The fee is charged retroactively in the quarter following the quarter the fee is assessed.

## Enrolling in a PCRA

**You've already taken the first step by reading this brochure. Now all you have to do is follow the steps below to complete your online enrollment.**

1. Go to [www.urs.org](http://www.urs.org) and log in to myURS. Follow the prompts to set up an account if you don't already have one.
2. If you are eligible to open a PCRA you will see an "Enroll" button in the Schwab PCRA section of myURS. Click the "Enroll" button next to the plan in which you'd like to create a PCRA.
3. You will be given a Retirement Plan ID and Password. ***Write this information down, as you will need it to enroll.*** Click on "Accept and Continue."
4. Enter the Retirement Plan ID and Password given to you on the previous page. You will also need to enter your Social Security number, as this will allow Charles Schwab and URS to confirm your account.
5. Complete the online application and electronically sign the agreement.

Once the enrollment process is complete you will be given your account number. You will not be able to move funds from your core funds to your PCRA until URS receives your account number from Charles Schwab, typically within two business days.

Once URS receives your account number from Charles Schwab, you may initiate your first fund transfer from the URS Savings Plans' core funds into

your PCRA via myURS. Keep in mind the minimum fund transfer into the PCRA is \$1,000.

Next, you'll receive a Schwab PCRA Welcome Kit in the mail, containing:

- » An outline of Schwab's services and capabilities
- » Information on how to place trade orders and choose investments

You'll also receive a separate account verification kit containing:

- » A confirmation of your PCRA number
- » Regulatory materials pertaining to your brokerage account

## Transferring Funds

You make deposits into your PCRA by transferring money from your URS Savings Plans' core fund(s). As with transfers between core funds, you can move money into the PCRA via myURS at [www.urs.org](http://www.urs.org). Your transferred amount will be held in the Schwab cash sweep feature\* within your PCRA to await your trading instructions.

Each transfer to your PCRA must be at least \$1,000. As with all fund transfers, URS will send you a confirmation of your transfer request. ***Transfers to or from a PCRA are only allowed once every seven calendar days.***

Conversely, if you want to move money back into the URS Savings Plans' core fund(s), you must have sufficient money in the Schwab cash sweep feature within your PCRA. This may involve selling some securities within your PCRA. When the trade settles, the proceeds will be invested automatically in the Schwab cash sweep feature. From there, you may

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\*Benefit plan sweep accounts are generally held at Charles Schwab Bank. Settled cash balances are swept to the bank after the close of business and begin earning interest on the following Business Day. A "Business Day" is any Monday through Friday that is not a Federal Reserve Bank or New York Stock Exchange holiday.

transfer the money back into one or more of the URS Savings Plans' core funds via **www.urs.org**. **Transfers to or from a PCRA are only allowed once every seven calendar days.** Transfers from your PCRA to the core funds will be deposited according to your investment of future contributions.

Transfers into or out of a PCRA will be "out of the market" normally for two to three business days while the funds are sent between URS and Schwab.

## Choosing Investments in a PCRA

After enrolling online, you will receive a Schwab Welcome Kit. Among other things, the kit explains the wide variety of tools from Schwab that can help you select investments to optimize your PCRA.

### **The following are examples of investment choices available in the PCRA:**

- » More than 8,500 mutual funds from over 630 well-known fund families.
- » Common and preferred stock\*
- » Convertible bonds\*
- » Corporate bonds
- » Convertible preferred stock\*
- » American depository receipts (ADRs) of foreign corporations\*
- » Listed options (*limited to writing covered calls, buying protective puts, and writing cash-secured equity puts*)\*\*
- » Taxable government bonds and other securities issued or guaranteed by the United States of America
- » Commercial paper
- » Brokered certificates of deposits



- » Bankers acceptances
- » Real estate investments trusts (REITs)\*
- » Taxable unit investment trusts
- » Exchange traded funds (ETFs)
- » Personal investment advisor (*additional fees may be charged by advisors*).

**The following securities are NOT eligible for purchase through the PCRA:**

- » URS core funds
- » Tax exempt securities
- » Futures
- » Limited partnerships
- » Currencies (*ETFs are allowed*)
- » Commodities (*ETFs are allowed*)
- » Precious metals (*ETFs are allowed*)
- » Collectibles
- » Margin trading and trade-away trades
- » Short sales
- » Options (*writing covered calls, buying protective puts, and writing cash-secured equity puts are allowed*)
- » Real estate (*REITs are allowed*)
- » Life insurance policies.

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\*Must be listed on an approved exchange or market including: the New York Stock Exchange, National Market System, NASDAQ, over-the-counter (OTC), National Quotation Bureau, a/k/a Pink Sheets LLC, and any other registered as a National Securities Exchange under Section 6 of the Securities Exchange Act of 1934.

\*\* Options carry a high level of risk and are not suitable for all investors. Certain requirements must be met to trade options through Schwab. Please read the options disclosure document titled "Characteristics and Risks of Standardized Options." Call Schwab at 1-800-435-4000 for a current copy. Supporting documentation for any claims or statistical information is available upon request.

## Placing Trade Orders

You can place trade orders (buy/sell) for any of your investments in the PCRA at any time. PCRA's are considered "cash up-front" accounts. This means for buy orders, you must have enough cash in the Schwab cash sweep feature within your PCRA to complete the trade at settlement. For sell orders, you must have the securities in your PCRA to complete the trade at the time you place the order. Schwab then places the sale and automatically invests your proceeds in the Schwab cash sweep feature within your PCRA. The money is held in this cash sweep feature until you make another investment or transfer money back to the core funds in the URS Savings Plans.

### **Additionally:**

- » Trades in the PCRA may be subject to initial and subsequent investment minimums. For example, many mutual funds have initial investment minimums of \$1,000.
- » There may be other applicable fees, depending on the investments you choose.

### **To self-direct your own trade order, you can:**

- » Go online to **www.schwab.com**, including access through Schwab mobile applications.
- » Access Schwab's automated touch-tone telephone service, TeleBroker®, or voice activated telephone service, Schwab by Phone™ at 1-888-393-PCRA (7272), any time, day or night.
- » Call Schwab at 1-888-393-PCRA (7272) anytime, day or night and place a trade order with a Schwab representative.
- » Visit one of Schwab's more than 350 offices nationwide and work with a local investment professional.

Choose the method that's most comfortable for you. More details about these methods will be in Schwab's PCRA Welcome Kit.



## Using a Financial Advisor for Your PCRA

If you currently use a financial advisor for professional financial guidance or are thinking of acquiring this service to help with your PCRA investments, you can delegate the management of your PCRA. It's important to know that:

- » Using a financial advisor within the PCRA may result in additional fees.
- » All trades must be placed at Schwab.
- » Your financial advisor must have a relationship with the Schwab Advisor Services division of Charles Schwab & Co., Inc.
- » If your financial advisor is not set up with Schwab Advisor Services, then you may be able to authorize your financial advisor to access your PCRA as an individual with third-party access. Your financial advisor must provide Schwab with a 407 letter from any broker/dealer with whom he/she is affiliated.
- » If you authorize a financial advisor to trade within your PCRA, his/her firm will be able to place trade orders in your PCRA on your behalf.

## Tracking Performance

Schwab and URS provide you with easy-to-understand tools to help you monitor your investments in the PCRA.

### **From Schwab, you will receive:**

- » **Monthly brokerage statements** detailing your PCRA activity and performance.
- » **Trade confirmations** that are mailed or, at your election, emailed whenever you make a trade in your PCRA.
- » **Online access** to the last 24 months of activity in your PCRA at **[www.schwab.com](http://www.schwab.com)**.
- » **Telephone access** through 1-888-393-PCRA (7272) for detailed information on investments in your PCRA.

### **From URS, you will receive:**

- » **Written or electronic confirmation** of transfers between your URS core funds and your PCRA.
- » **Quarterly URS Savings Plans statements** showing the total value of your URS core funds and the market value of your PCRA.
- » **Online access** to your PCRA and URS Savings Plans balances is available at **[www.urs.org](http://www.urs.org)**, through myURS.

## Withdrawals, Loans, and Distributions

If you want to receive a distribution from your URS Savings Plans and need money from your PCRA to meet your desired amount, the transaction must be initiated by you and processed through the URS Savings Plans. PCRA balances may not be accessed directly for withdrawals, loans, or distributions.

You must first transfer an amount from your PCRA back into one or more of the URS Savings Plans' core funds, which may involve selling some securities from your PCRA. When the trade settles, the proceeds will be invested automatically in the Schwab cash sweep feature within your PCRA.

From there, you transfer the money to the URS Savings Plans' core funds at [www.urs.org](http://www.urs.org), through myURS. This may increase the amount you have available in your URS Savings Plans account for a withdrawal or loan.

Some securities in your PCRA may take up to two days to settle before you can access the cash from your Schwab cash sweep feature, so it may take several days to request a loan or withdrawal (subject to URS Savings Plans provisions).

**Because of market fluctuations in your PCRA, you may want to transfer more than the minimum amount to ensure the withdrawal / loan amount you need is available.**

## Non-directed PCRA Liquidation

Under the following conditions, the URS Savings Plans can force a liquidation of all or a portion of your PCRA balance:

- » A domestic relations order requiring the division of your account due to divorce
- » Contribution refunds necessary to satisfy IRS testing requirements
- » Payment of a mandatory distribution if your entire URS Savings Plan balance is \$1,000 or less at termination of your employment
- » Payment of URS Savings Plans fees

- » Payment of your account to your beneficiary(ies) after your death
- » Age 70<sup>1/2</sup> required minimum distributions (RMD).

The following investment liquidation order will apply if it becomes necessary to liquidate all or a portion of the investments in your PCRA:

1. Money market funds
2. No load, no fee mutual funds (Schwab OneSource® funds) in alphabetical order
3. No load mutual funds with transaction fees in alphabetical order
4. Bonds (treasuries first, then remaining bonds in alphabetical order)
5. Common and preferred stocks in alphabetical order
6. Other investments.

## Closing Your PCRA

If you have securities in your PCRA, you must liquidate them first by placing the appropriate sell order. When the trade settles, the proceeds will be placed in the Schwab cash sweep feature within your PCRA. From there, you request a transfer of your entire PCRA balance into the URS Savings Plans' core funds through myURS at **[www.urs.org](http://www.urs.org)**.

If, in the future, you wish to invest in a PCRA again, you may have to repeat the enrollment process.

## Taking the Next Step

We hope this booklet has given you an informative overview of the PCRA, its advantages, and how it works.

If a PCRA is right for you, the next step is to complete the online enrollment at **[www.urs.org](http://www.urs.org)**.

# Who to Contact

*charles*SCHWAB



If you want to...



**Contact**  
Charles Schwab & Co., Inc  
1-888-393-PCRA (7272)  
or [www.schwab.com](http://www.schwab.com)

**Contact**  
Utah Retirement  
Systems  
1-800-688-4015  
or [www.urs.org](http://www.urs.org)

Open a PCRA	●	●
Make transfers between PCRA and URS Savings Plans' core funds		●
Make transfers between the URS Savings Plans' core funds		●
Place trades within your PCRA	●	
Obtain your PCRA balance	●	
Obtain your entire URS Savings Plan balance (core funds plus PCRA)		●
Obtain information on available investments in a PCRA	●	
Request a loan or withdrawal		●
Ask URS Savings Plans questions		●
Use additional Schwab brokerage services	●	



**Savings Plans Department**  
**PO Box 1590, Salt Lake City, UT 84110-1590**

**Visit us at**  
**560 East 200 South, Suite 200**  
**Salt Lake City, Utah 84102-2021**

**Customer Service:**  
**801-366-7720 or 800-688-401k**  
**Fax: 801-366-7445**  
**Toll free fax: 800-753-7445**

**Southern Utah Branch Office**  
**20 North Main Street, Suite 206**  
**St. George, UT, 84770**  
**435-673-6300, 800-950-4877**

**[www.urs.org](http://www.urs.org)**

**Daniel D. Andersen, Executive Director**