



Utah  
Department  
of Commerce  
Division of Securities

PROVIDING INVESTORS WITH THE INFORMATION AND  
RESOURCES THEY NEED TO MAKE INFORMED  
DECISIONS ABOUT THEIR INVESTMENTS.



# Investor news

Winter 2015

## Target Date Funds

If you are looking for a low-maintenance retirement plan product, you may find it in a "Target Date Fund". Such funds are tailor-made for those who prefer to put their portfolios on autopilot. You pick a fund with a name that includes a year close to the year you plan to retire. As the date approaches, the fund automatically adjusts the proportions of the stocks and bonds in the portfolio to become more conservative and protect your nest egg.

If your retirement account represents the bulk of your investment portfolio and you're looking for a fix-it-and-forget-it option, these funds may be right on target for you.

**"Maximize Your Retirement Investments"**, a step-by-step guide by the Editors of *Kiplinger's Personal Finance*, contains information to build a secure nest egg through an employer-based plan or on your own. The guide is available by contacting the Division of Securities or visiting the website:

[securities.utah.gov](http://securities.utah.gov)

## "Stock Market Game" for Utah Schools

The Division of Securities is pleased to provide the administrative support to offer the Stock Market Game™ (SMG) to elementary, middle and high schools students in the state. Team participation is limited to Utah students and teachers Grades 4-12.

The SMG is a ten-week simulation of Wall Street trading that provides a framework for teaching Utah students about the American economic system. During the fall and spring school semesters, students invest a hypothetical \$100,000 in common stocks on the New York and American Stock Exchanges and on the Nasdaq market. The top 3 winning teams in each division are recognized with plaques, prizes and an award ceremony. This game is sponsored by SIFMA, the Securities Industry and Financial Markets Association. The SMG website can be viewed at [stockmarketgame.org](http://stockmarketgame.org).



Contact the Division of Securities for additional information about fees, waivers and teacher training events or to enroll students in the game for the 2015-16 school year.

## Consumer Protection Alerts



*Beginning in 2015, this quarterly newsletter will contain a Consumer Protection Alert.*

### Be Aware of "Ransomware" Scams

Consumers should be aware of "ransomware" scams that hold computers or smartphones hostage. Authorities have previously warned businesses about schemes in which criminals use malware to shut down computers or smartphones and then demand payment (sometimes via prepaid card) to unlock the devices. So far, businesses are more likely to be targeted than consumers. However, this can occur with a personal computers and phones as well.

The malware has the ability to find and encrypt files located within shared network drives, USB drives, external hard drives, network file shares and even some cloud storage drives. If one computer on a network becomes infected, mapped network drives could also become infected.

Still, you can help protect yourself by keeping antivirus software up to date, being cautious before opening e-mail attachments, and not following links in unsolicited or suspicious-looking e-mails. For more information, see an alert issued by the U.S. Department of Homeland Security at:

[www.us-cert.gov/ncas/alerts/TA13-309A](http://www.us-cert.gov/ncas/alerts/TA13-309A)



For more information about  
the Division of Consumer Protection,  
part of the Department of Commerce,  
visit [consumerprotection.utah.gov](http://consumerprotection.utah.gov)

## Hot Topics *for* Savvy Investors

### IRA One-Rollover-Per-Year Rule

#### Why is the new rollover aggregation rule important to you?

Beginning in 2015, you can make only one rollover from an IRA to another IRA in any 12-month period, regardless of the number of IRAs you own. The limit will apply by aggregating all of an individual's IRAs, including SEP, SIMPLE, traditional and Roth IRAs, effectively ***treating all of them as one IRA*** for purposes of the rollover limit. ***Before*** 2015, one transfer could be done in a 12-month period for ***each*** IRA account owned. The aggregation rule will apply only if each of the distributions occurs after 2014. Some exceptions to the new aggregation rule are:

- Trustee-to-trustee transfers between IRAs are not limited (this type of transfer isn't a rollover);
- Rollovers from traditional to Roth IRAs ("conversions") are not limited;
- A rollover to or from a qualified plan are not limited.

#### Tax consequences of the one-rollover-per-year limit

Beginning in 2015, if you receive a distribution from an IRA of previously untaxed amounts:

- You must include the amounts in gross income if you made an IRA-to-IRA 60-day rollover in the preceding 12 months, and
- You may be subject to the 10% early withdrawal tax on the amounts you include in gross income.

Additionally, if you pay the distributed amounts into another IRA, the amounts may be:

- Treated as an excess contribution, and
- Taxed at 6% per year as long as they remain in the IRA.

If you have questions regarding your IRA rollovers, consult your adviser. Considering the possible tax consequences, it is better that you check before you rollover.

## News for Educators

### Money Smart for Youth

The FDIC is developing a new instructor-led Money Smart curriculum series for young people. The age-appropriate series will consist of four free curriculum products:

- 1) Money Smart for Grades Pre-K-2
- 2) Grades 3-5
- 3) Grades 6-8
- 4) Grades 9-12



This standards-aligned curriculum series empowers educators with engaging activities to integrate financial education instruction into subjects such as math, English, and social studies. Bankers can also use these tools as they work with schools, non-profit organizations, and other youth-based audiences.

A pre-pilot version of Money Smart for Grades Pre-K-2 is available now. The remaining curriculum in the series are scheduled for release in Spring 2015. Find these resources at:

**[fdic.gov/consumers/consumer/moneysmart/youngpeople.html](http://fdic.gov/consumers/consumer/moneysmart/youngpeople.html)**

The more you know,  
the safer your money.



To receive this quarterly newsletter, call the Division or send an email request.

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