



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

Summer 2014

Public Employee? Retiring Soon?

In the last year, the Division of Securities has partnered with Utah Retirement Systems (URS) to enhance investor education opportunities among public employees. URS sponsors free Pre-Retirement and Personal Planning seminars for members. These seminars are held throughout the state and are an excellent opportunity to learn about member benefits.

For URS members in the late stages of their career or within 10 years of retirement, the Pre-Retirement seminar discusses retirement income, maximizing contributions, managing accounts after retirement and using tax-saving strategies to your advantage.

In the early or middle stages of your career? The Personal Planning seminar is for you. These free half-day seminars address your URS pension, account options, and contain more information on planning your financial future.

At all URS seminars, the Division of Securities distributes an Investor Education packet to each attendee, along with additional free financial literacy materials. During the seminar, the Division discusses the most common investment scams and sales tactics. The reaction to this information has been overwhelmingly positive.

Additional information for URS members regarding these seminars can be found at urs.org or by calling 801-366-7750 or 800-753-7750.



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Smart Management of Retirement Income

When you retire, you have more control over your time, and finally have enough leisure to do what you want. While taking control of your time may not require a lot of advance planning, taking control of your retirement finances does.

Getting Ready

Whether your retirement is fast approaching or years away, there are actions you can take now to maximize retirement when the time comes. It's never too early or too late to start.

Sources of Retirement Income

Managing retirement income starts with knowing what your sources of income will be—from Social Security to an employer-sponsored retirement savings account like a 401(k)—and the rules that govern each income source.

Selecting Payout Methods

When you retire, you begin to take income from your defined benefit pension or defined contribution plan. You may also take income from a Social Security account. You should learn about the payout options from each source and what each means for your personal situation.

Managing Investment Portfolios

Retirement income management is all about making sure your retirement savings provide enough income for your needs, and that you

don't outlive your assets. This starts with setting up and managing a portfolio that's right for you.

Taxation of Retirement Income

When you retire, you leave behind many things—the daily grind, commuting, maybe your old home—but one thing you keep is a tax bill. In fact, income taxes can be your single largest expense in retirement.

Working in Retirement

You're retired, but you may want to go back to work. You should, however, understand exactly how working after retirement might affect your Social Security, pension benefits, and other retirement income.

Long Term Planning

Once retired, you may have questions about the future—particularly about how your spouse and family will cope financially if you become disabled or die and what will happen to the assets in your estate after your death. These valid concerns underscore the importance of solid long-term planning.

At saveandinvest.org, a project of the FINRA investor education foundation, you will find more information about each of these topics which will help you manage your retirement income wisely.

Hot Topics *for* Savvy Investors

Defining a Security

Securities regulators hear certain phrases regularly:
“It’s not a security! It’s just a loan” or
“The only investors were my family and close friends” or
“Just what is a security, anyway?”

All right then, what is a “security”?

Most people understand that stocks and bonds are securities and know that special laws apply to them, but many do not realize that Utah law defines "security" much more broadly than just stocks or bonds. Items such as promissory notes, limited partnership interests, LLC membership interests and oil and gas partnerships are also included. Additionally, whether a certain investment deal is a security or not will virtually never have any connection to whether persons are related to one another or how close their friendship might be.

In fact, a security can be any transaction in which one person gives money to another with the agreement that the person receiving the money will generate a profit (or some other benefit) that will be returned to the investor. Such arrangements are deemed "investment contracts" and are also defined as securities in the Utah Uniform Securities Act. Securities regulators have even taken actions against promoters who were offering interests in pay phones, Internet kiosks, orange groves, and worm farms.

The Bottom Line

It is best to assume that any plan where someone invests money with the hope of receiving a profit due to another person's efforts is a security.

The Division of Securities strongly recommends you consult with a member of our staff or an experienced securities attorney before relying on any representations that a certain agreement or instrument will not involve the offer or sale of a security. If you are seeking to raise business capital by selling securities, get the right help before proceeding.

Worried about Consumer Scams?

We can help!

Older people are often the specific targets of unfair, deceptive and abusive financial practices. It is estimated that for each case that is reported, 43 others go unrecognized. There are approximately 50 million older people in this country, and 10,000 more reaching retirement age every day.

The Division of Securities sponsors “Money Smart for Older Adults”, a program available for your community, neighborhood or church group. The outreach effort was created by the FDIC and the CFPB. This program’s purpose is to raise awareness of older Americans and their caregivers about how to prevent, identify and respond to elder financial exploitation.

Program topics include common types of elder financial exploitation and scams targeting the elderly, homeowners and veterans. These scams can be vicious—a fake foreign lottery, a caller falsely claiming a grandchild is in serious trouble and needs money or a contractor who overcharges an elderly homeowner. Also included in this program is information on identity theft, medical identity theft, and how to report it; planning for unexpected life events, and how to be financially prepared for disasters.

The Division of Securities can provide all the training, customized materials and resources for you to organize a “Money Smart for Older Adults” program in your area. For more information, contact the Utah Division of Securities at 801-530-6600.

Teaching Kids About Money

“**Money As You Grow**” offers 20 essential, age-appropriate financial lessons and corresponding activities that kids need to know as they grow. Written in down-to-earth language for children and their families, this program will help equip kids with the knowledge they need to live fiscally fit lives. The program’s website, found at moneyasyougrow.org, is meant to inspire families, organizations and businesses to promote financial literacy projects.

The companion website, designed specifically for educators, moneyasyoulearn.org, provides tools to integrate personal finance lessons into math, English and other subjects, including after-school programs.



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