



The South Carolina Deferred Compensation Program

FOURTH QUARTER 2010 *news*

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ADJUSTING YOUR ASSET ALLOCATION

When you first began contributing to the South Carolina Deferred Compensation Program (Program), you were given the opportunity to determine your asset allocation — the percentage of your retirement plan contributions to invest in stock funds, bond funds and cash equivalent investments. Your asset allocation strategy is not just about percentages; it should reflect your life stage, your comfort with risk, and your overall financial goals.

Every year, take the time to review your allocations to make sure they are in line with your original targets — and still suit your needs. In many cases, you'll be able to keep your allocations the same. But if a change is warranted, here are

questions you should ask yourself, with answers that will help you take appropriate action.

DO I NEED TO REBALANCE?

Sometimes market moves can shift your allocations away from their original targets. If you notice a change of more than 5 percent from your preferred allocations, consider rebalancing, or resetting your allocations back to their original targets.¹

Hypothetically speaking, say you have a targeted allocation of 70 percent in stock funds, 25 percent in bond funds and 5 percent in cash investments. If due to market declines your stock allocation has fallen to 65 percent, your portfolio

may lack the growth potential you seek. You could direct new contributions to stock funds or shift savings out of an asset class (bonds or cash or both) that has grown too large and into stocks.

HAS MY LIFE CHANGED?

Anything that substantially affects your income, expenses or financial goals may be a good reason to rethink your strategy. Let's say you get married and your spouse also has a workplace retirement plan. Consider how the two plans work together: Check for any redundancies in the funds you've each chosen, and see if your long-term investment goals match.

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WE WANT TO KNOW WHAT YOU THINK

The Program is committed to meeting the needs of participants in the 401(k) and 457 plans. To accomplish this, we have launched an online survey to gather your opinions about the Program, its tools and resources. Your input will help us identify ways to better meet your current and future needs.

Please take a few minutes to complete this confidential survey located on the Program website at www.southcarolinadcp.com². You may also request a paper version of the survey from the local office by calling KeyTalk at (877) 457-6263², option 2. Surveys must be completed online or returned to Great-West Retirement Services® (Great-West) no later than February 24, 2011.

We look forward to hearing your comments!

THE DEFERRED COMPENSATION PROGRAM LOCAL OFFICE HAS MOVED

The local office of the South Carolina Deferred Compensation Program has moved to a new suite in the same building as of December 15, 2010. You can find the new office in Suite 115. The phone and fax numbers have remained the same for this office. If you have mailed any forms to the old address (Suite 125), the United States Postal Service will forward all mail to the new location. Please use the following address for future correspondence:

200 Arbor Lake Drive
Suite 115
Columbia, SC 29223



PROGRAM INFORMATION LINE: (877) 457-6263²
PROGRAM WEBSITE: WWW.SOUTHCAROLINADCP.COM²

ADJUSTING YOUR ASSET ALLOCATION

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DO MY INVESTMENTS MATCH MY LIFE STAGE?

Your age is the most important factor because it determines your time horizon: how many years before you retire, and then how many years you'll need to rely on your savings in retirement.

1. *The Early Years: Can I afford to take more risk?*

Younger investors, say between their 20s and 40s, have several decades before they need to withdraw their money for retirement. Generally, your priority at this stage should be to maximize growth.

Stocks have historically offered the greatest potential for long-term growth compared with other asset classes, although past performance does not guarantee or predict future results. You might consider holding as much as 80 percent or more of your portfolio in stock funds and 20 percent in bond funds. Occasionally, the value of your stock investments may decline. However, your greatest advantage is time. Over many years, the potential growth of your stock funds, combined with your continued contributions, may make up for those declines while helping to offset the impact of inflation³.



2. *Mid-life: Time to dial down?*

By your 50s, you may have accumulated substantial assets but have less time to make up for losses. It's still important to maximize growth in order to offset the longer-term risk of inflation. Shifting a portion of your savings out of stock funds and into bond and cash funds can help you manage your risk of short-term losses, while maintaining a good measure of growth potential. You might choose to hold about 70 percent or less in stock funds, with 25 percent or more in bond funds and 5 percent in cash equivalent investments³.

3. *Retirement: How can I make my savings last?*

As you approach retirement, you want to protect your savings from sudden declines, so it may make sense to reduce your stock fund assets in favor of bond funds. You might consider an allocation of 40 percent in stock funds, 40 percent in bond funds and 20 percent in cash equivalent investments. You may not want to abandon stock funds, though: You'll always need some growth, whether to maintain your lifestyle or leave a legacy for your heirs³.

LOOKING FOR HELP WITH YOUR ASSET ALLOCATION?

The Program has many resources to help you with your asset allocation including Reality Investing[®] Advisory Services (Advisory Services). Advisory Services can provide you with a

personalized retirement readiness assessment that comes complete with recommended changes to your investment strategy and savings plan. It can also give projections of your targeted retirement income and retirement age.

Advisory Services is offered by Advised Assets Group, LLC, a federally registered investment adviser and a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. The Program allows you to choose the level of support that is right for you: Online Investment Guidance, Online Investment Advice or a Managed Account service. Online Investment Guidance and Online Investment Advice are free. There is a fee for the Managed Account service. For more information about Advisory Services, log into the Program website at www.southcarolinadcp.com and click on Reality Investing Advisory Services, or contact your local education counselor at (877) 457-6263², option 2.

There is no guarantee that participation in Reality Investing[®] Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

2011 CONTRIBUTION LIMITS – SAME AS 2010

The 2011 contribution limits for the 401(k) and 457 plans will remain the same as those for 2010. In 2011, the maximum amount you may contribute to each account (457 and 401(k)) is 100% of your includible compensation as defined by the Internal Revenue Code or \$16,500, whichever is less. If you make Roth contributions to your 401(k) or 457 account in 2011, the combined limit of pre-tax and post-tax contributions in each account may not exceed \$16,500. The additional age 50 catch-up contribution remains at \$5,500 in 2011, which means you can contribute up to a maximum of \$22,000 to each account if you are age 50 or older during the 2011 calendar year. The Special Catch-Up limit for the 457 plan remains a maximum of \$33,000, if eligible.

For more information about contribution limits and catch-up contributions, visit the "About Your Program" section of the Program website or contact your local education counselor at (877) 457-6263², option 2, to be connected to the local office.



ANNUAL RATES OF RETURN FOR THE FIRST QUARTER 2011

SOUTH CAROLINA STABLE VALUE FUND	4.30%
84-MONTH CERTIFICATE FUND	3.0%



ADDITIONAL RETIREE SEMINARS IN 2011

Because of the positive feedback received about the retiree seminars presented in 2010, the Program will offer additional seminars for retirees in 2011. This year's theme will be "Retirement Strategies for Retirees" and will focus on distribution options and other topics important to those nearing or in retirement. Mark your calendar for a seminar in your area.

CITY/TOWN	DATE	TIME	LOCATION
Conway	2/1	10 a.m.	Horry County Government Complex 1301 2 nd Avenue MPR-A (Multi-Purpose Room), 2 nd floor
Orangeburg	2/2	2 p.m.	Orangeburg Calhoun Technical College 3250 St. Matthews Road Building S, Room 216-A
Spartanburg	2/22	10 a.m. 1 p.m.	Spartanburg Community College 295 New Cut Road Tracy Gaines Auditorium
Beaufort	3/2	2 p.m.	Technical College of the Lowcountry 921 Ribaut Road Building 23
Florence	3/3	10 a.m.	Florence-Darlington Technical College 2715 W. Lucas Street Building 100, Room 109
Greenville	3/25	10 a.m. 1 p.m.	Mauldin Public Library 800 West Butler Road
North Charleston	4/6	2 p.m.	Trident Technical College 7000 Rivers Avenue Building 910
Sumter	4/21	10 a.m.	Central Carolina Technical College 506 N. Guignard Drive Building 500, Room 533
Greenwood	4/22	10 a.m. 1 p.m.	Piedmont Technical College 620 N. Emerald Road Building C, Room 222-C
Columbia	2/8 3/15 4/5	10 a.m.	DHEC 2600 Bull Street Peoples Auditorium, 3 rd floor

You can also find retiree seminars in your area by visiting the website at www.southcarolinadcp.com. Then click on Local Staff, or call KeyTalk at (877) 457-6263², option 2, to be connected to the local office.

ELECTRONIC BENEFICIARY RECORD UPDATES WITH GREAT-WEST

A project is underway to convert historical beneficiary records kept in paper format to electronic format. Once the records are converted to electronic format, you will see your beneficiary on your statement each quarter. As always, we encourage you to review your current named beneficiary and update it if needed. If you have had a major life event such as the birth of a child, the loss of a loved one or a change in marital status since you opened your Deferred Compensation account, please review your beneficiary designation. You can update or change your beneficiary online by logging into your secure retirement account at www.southcarolinadcp.com, or you can request a beneficiary update form from KeyTalk at (877) 457-6263².

COMING SOON IN 2011

ROTH 457 OPTION

The South Carolina Deferred Compensation Commission (Commission) has recently elected to offer a new option for contributions in the Program – the Roth 457. Similar to the Roth 401(k) currently available, the Roth 457 option allows you to make contributions to your 457 account with after-tax dollars. This means that any Roth money, including contributions and potential earnings, will grow in your account tax free. Also, since you are contributing with after-tax dollars, all qualified distributions are entirely income tax and penalty free.

Although the Commission has elected to make this feature available, your employer must also choose to adopt this option before it will become available to you. Throughout the coming months, the Roth 457 option will be added to accounts as employers elect to offer it.

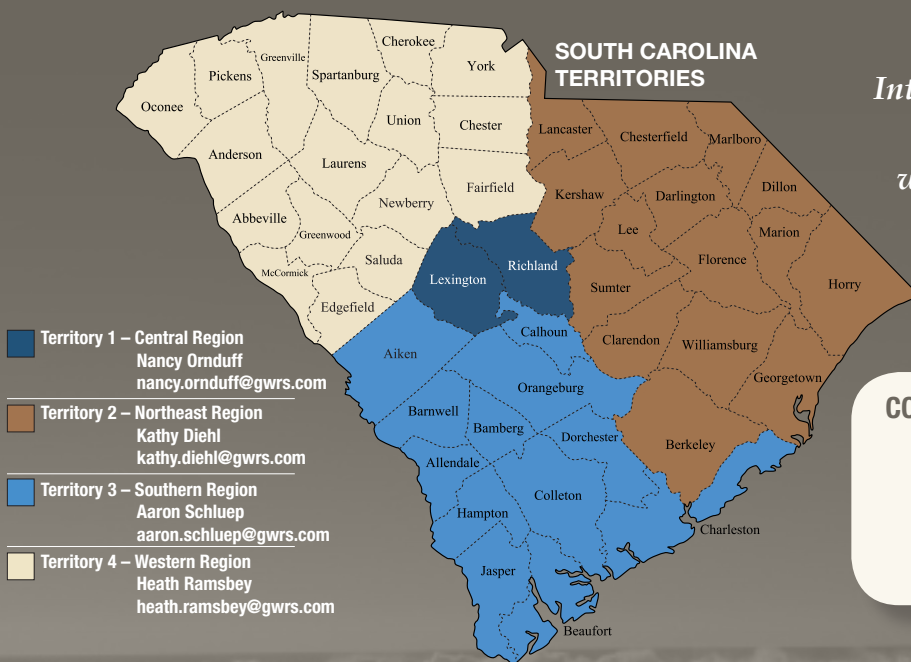
For more information about the Roth 457 option, visit the Program website at www.southcarolinadcp.com². A list of participating employers offering the Roth 457 option will be posted to the Program website by the end of the first quarter of 2011. This list will be updated periodically as more employers elect to offer this option.

KEYTALK® ENHANCEMENTS

During the first quarter of 2011, KeyTalk will be enhanced with speech recognition capabilities. When calling KeyTalk, you will now have the option of speaking or using the touchtone keypad to navigate through the prompts. Along with this new functionality, other highlights include new authentication alternatives in the event you do not have a PIN number. You will also have the ability to request a statement or form through KeyTalk.

The enhancements will begin February 2011 with the rollout being completed by the end of March 2011. The KeyTalk number for the Program, (877) 457-6263², will remain the same.

CONTACT A LOCAL EDUCATION COUNSELOR IN YOUR AREA!



Interested in attending a group meeting?

Visit the Program website at www.southcarolinadcp.com² to find a group meeting in your area.

CONTACT THE GREAT-WEST LOCAL OFFICE AT:

200 Arbor Lake Dr., Suite 115
Columbia, SC 29223

Phone: (877) 457-6263, option 2
Office Hours: 8:00 a.m. to 4:30 p.m.
Monday through Friday

¹ Rebalancing does not ensure a profit and does not protect against loss in declining markets.

² Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

³ Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

Securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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