State of Alaska PERS/TRS Defined Contribution Retirement Plan

FINANCIAL FOOTNOTES

SPRING 2010

A retirement planning newsletter brought to you by Great-West Retirement Services® and Alaska Division of Retirement and Benefits

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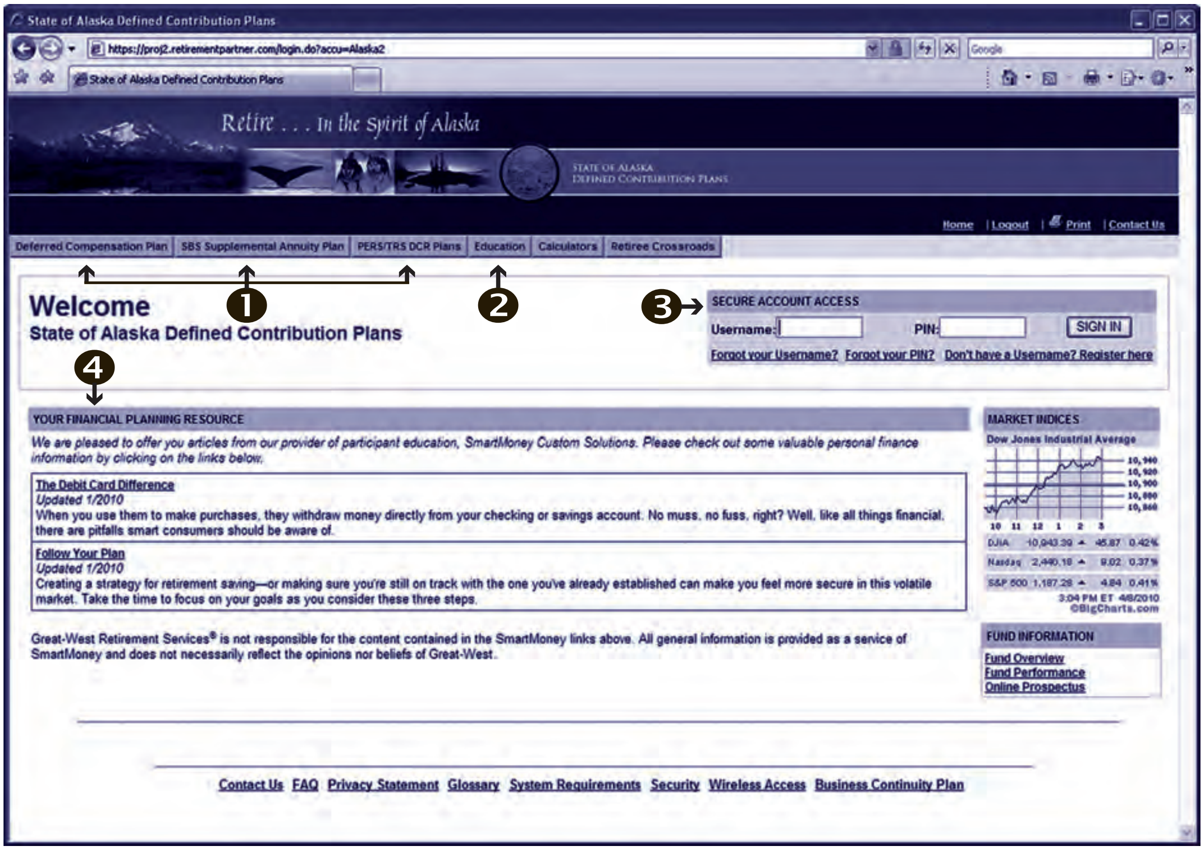
New Look for www.akdrb.com[1]

A new look for the State of Alaska defined contribution plans' account site was rolled out on April 1, 2010. The change was made to put more information at your fingertips and to mirror other State of Alaska Websites. You will now find Plan information (including investment option details and performance) and education features without having to log in to your account.



❶ Plan Information—Click here for Plan features and investment option information.

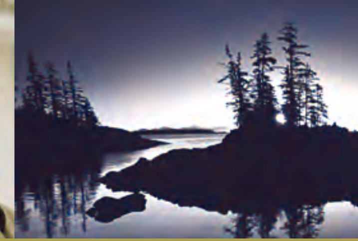
❷ Education —Click here for online seminars, calculators and tools to help you learn more about saving for retirement.

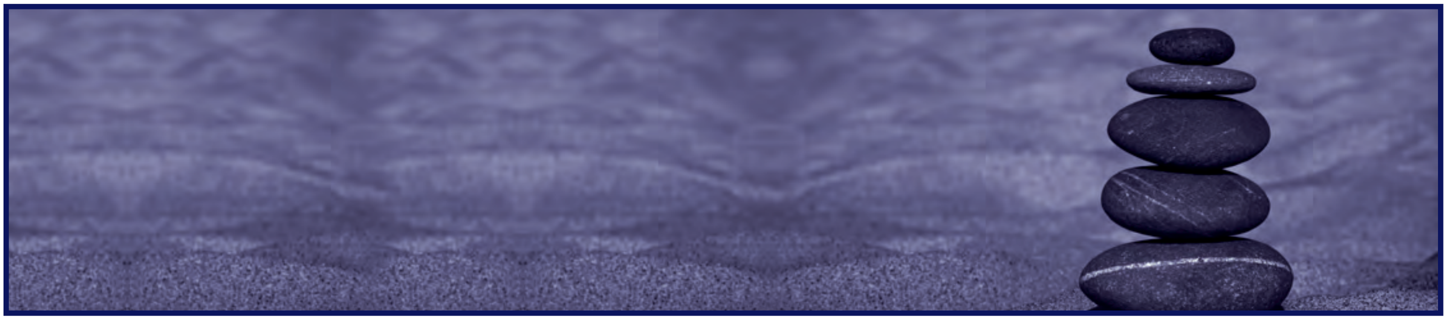
❸ Login Box—Click here to log in to your account.

❹ News—Check here for retirement savings articles and recent news about the Plans.

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







Even-Keel Investing

It's easy to become flustered when the financial markets gyrate. But stay calm; reacting emotionally can put a damper on your investment returns. Studies by the research firm DALBAR, Inc. have found that individual investors tend to jump in and out of the market at exactly the wrong times—buying when stocks are at their peak and selling when they're at their lows—dramatically reducing their long-term returns. During the 20 years through December 31, 2008, the Standard & Poor's 500® Index[2] earned an average return of 8.4% per year, compared with individual investor returns of 1.9%.[3]

Try to adopt a long-term view when managing your investments. Choose an investment strategy that's appropriate for your financial goals, risk tolerance and time frame—and stick with it.

2 The S&P 500® Index, a trademark of the McGraw-Hill Co., is an unmanaged index considered indicative of the domestic large-cap equity market.
3 DALBAR, Inc.,"Quantitative Analysis of Investor Behavior 2009." GWFS Equities, Inc. is not affiliated with DALBAR, Inc. Past performance is not a guarantee or prediction of future results.

Make the Most of Your Tax Refund[4]

Nearly eight out of 10 tax filers will receive a tax refund this year, and according to the Internal Revenue Service, the average refund in 2008 was more than $2,700 per household.[5] If you are among those lucky ones due a check from Uncle Sam, consider three suggestions on how to maximize the power of your hard-earned money.

1. **Pay off credit card debt.** Paying down high-interest credit card debt with money you receive from a tax refund could go a long way to helping you financially. For example, say you have a $5,000 balance on a credit card that charges 14% interest per year. Pay just the monthly minimum and you won't eliminate that debt for about 11 years after paying more than $2,000 in interest. By contrast, sinking $2,000 into the debt now will slash more than one year and over $1,000 off your payments.[6]

2. **Make an extra mortgage payment.** If you're one of the few Americans who doesn't have credit card debt, make an extra mortgage payment every year and decrease the amount of interest you'll pay over the life of your loan. Say you have a $200,000, 30-year fixed-rate mortgage that carries a 6% interest rate and requires a monthly payment of almost $1,200. One extra payment per year could save you almost $50,000 in total interest over the life of the loan—and you'll own the home outright five years sooner.[6] Strive to pay off your mortgage either before or soon after you retire to bring down your living costs at a time when your income is likely to drop.

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Make the Most of Your Tax Refund (cont.)

3. **Give the kids a head start.** Open a 529 college savings plan.[7] When you pay for qualified higher education expenses, withdrawals will be entirely tax-free. Each state has its own plan, and you may invest in any of them. Your own state's 529 may offer state-tax benefits, but do your homework before making your selection. Costs, investment options and other features vary, so it pays to do some research at Websites such as www.savingforcollege.com.[8]

A tax refund can feel like found money—tempting to spend outright as a reward for your hard work. But by using it instead as a way to save now, you could end up with more money in your pocket down the road.

4 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.
5 http://www.irs.gov/newsroom/article/0,,id=214853,00.html [See Filing Statistics at bottom, Total Refunds, Average Refund in the 2009 column]
6 Source: Great-West Retirement Services, 2010.
7 To learn about 529 Plans and their objectives, risks and costs, read the Official Statement. Check with your home state to see if it offers tax or other benefits for investing in its own 529 Plan. 529 Plans are federally tax-advantaged, but certain conditions may apply.
8 Great-West Retirement Services is not responsible for, nor does it endorse the content contained in the additional Website provided. This Website is for general education and information only and is provided as a benefit to the users of the site.

Revisiting Your Nest Egg

In 2008 and 2009, the United States experienced its worst recession in 80 years.[9] Chances are, the slump took a bite out of your retirement savings account. If you had intended to retire soon, you may be wondering what you should do to make sure your savings last through your golden years. Here are three things to consider:

Work a little longer. Not only will you continue earning income for more years, you can also keep making tax-deferred contributions to your retirement savings plan. What's more, you can delay collecting Social Security benefits. You could start receiving them at age 62, but they will be larger if you work until your full retirement age—and larger still if you work until age 70. In fact, your Social Security benefit increases 8% each year you put off retirement between ages 65 and 70.[10]

Be realistic. Balance your expectations for retirement with reality. Think in terms of postponing retirement, scaling back planned expenses, and shifting priorities to get the lifestyle you envision in retirement in line with what you can currently afford.

9 National Bureau of Economic Research, 2009.
10 ssa.gov



Contacts/Account Maintenance

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Account information online	www.akdrb.com[1]
KeyTalk®—account inquiries and maintenance	1-800-232-0859[1]

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Form# CB1092N (04/2010) PT#