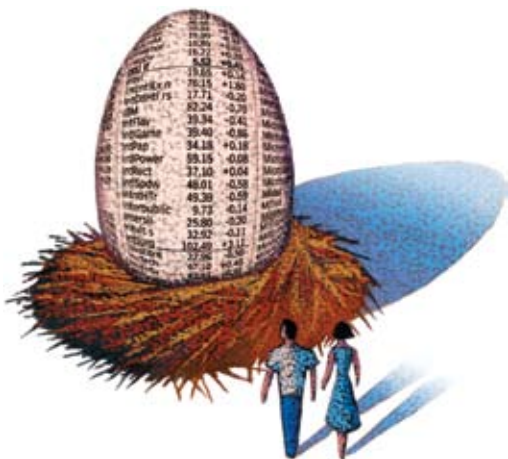


# FINANCIAL Footnotes

A retirement planning newsletter brought to you by Great-West Retirement Services®

## Getting on Track to Retire

*Combining two retirement plans can help you make up lost savings time.*



John and Cindy,<sup>1</sup> both 53, have been married for 28 years and can't believe how quickly the time has gone by. They spent much of it raising three sons and pursuing their respective careers. John is a sales representative, and Cindy is a part-time nurse. They have few regrets, but they do wish they had started saving for retirement sooner. The couple has saved roughly \$60,000 over the years in their retirement accounts, and they currently each contribute \$100 a month to their company-sponsored retirement

plans. Still, they figure that's not enough. They'll have to make some changes, but John and Cindy can still sail smoothly into retirement.

### Figure Out What to Do

Fortunately, John and Cindy are taking steps to catch up. They recently calculated how much they're likely to need to supplement John's military pension and their combined Social Security benefits when they retire. They discovered they'll need to accumulate an additional combined total of \$140,000. They also figured out that they'll need to save roughly \$150 a month—another \$75 each—to meet that goal in 12 years, when they'll both turn 65.

### Then Follow Through

After assessing their needs, John and Cindy created a budget that helped them identify areas of overspending. They set reasonable limits in those categories to free up money to save. Meanwhile, they each arranged to have an additional \$75 transferred from their paychecks into their retirement plans each month. They'll invest the money in growth-oriented mutual funds that may help their money grow faster than inflation during the coming years. The upshot: John and Cindy feel a new confidence that they are on track to meet their retirement goals. ●

1. This hypothetical profile is for illustrative purposes only and does not represent any specific investment products or advice. Forecasts and model results are inherently limited and should not be relied upon as an indicator of future performance.

Life-Stage Investing:  
Party of Two  
SEE REVERSE

## Track Your Retirement Savings Online

*DreamTracker<sup>SM</sup> can help you make the most of your savings.*

Reaching your retirement goals requires a long-term strategy. Great-West Retirement Services® has a powerful online tool to help you create one. DreamTracker estimates your retirement nest egg and analyzes whether it's big enough. Use it to:

- Assess your current savings strategy to see if you'll meet your goal.
- Understand how rate of return and age at retirement can affect your savings.
- Determine a new savings strategy if it looks like you'll fall short of your goal.
- Make adjustments to your account as your circumstances change.

Log onto [www.gwrs.com](http://www.gwrs.com). Click on "Planning Tools," then "DreamTracker." You'll be asked to provide basic information about your income, current level of savings and retirement income needs. Then you'll begin planning for your financial future. ●

## Myth vs. Retirement Reality

*Don't let misperceptions of retirement cloud your thinking.*

### Myth: Retirement means decline.

According to a recent survey, young Americans think of retired people as lonely, bored or in ill health. But the vast majority of retirees describe themselves as engaged in life, active and in good health.<sup>2</sup>

### Myth: Retirement means moving to either a retirement community or a nursing home.

The vast majority of older people maintain independent households in the communities where they've lived for many years, often near their friends and children.<sup>3</sup>

### Myth: Social Security income will suffice.

For many retirees, Social Security provides only half of their financial needs, so make sure you're taking full advantage of your retirement savings plan. ●

2. AARP/USC Survey, *Images of Aging*, November 2004.

3. Mike Leavitt, Secretary of Health and Human Services, March 15, 2007.

For questions  
related to your  
account or  
investments,  
contact:

KeyTalk®\*  
866-678-2457

Web site\*  
[www.austindcp.com](http://www.austindcp.com)

Please note: This newsletter does not constitute investment or financial planning advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

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**Great-West**  
RETIREMENT SERVICES®

## Life-Stage Investing

### Party of Two

*Combine the best features of two plans to make the most of your investments.*

If you have two retirement savings plans in your household, you're lucky! Consider treating your two plans as part of a single retirement portfolio. That way, you can combine their best features to maximize your investment return and minimize your risk, no matter where you and your partner are in your careers.

#### Start Out Strong

If you're in your 20s or 30s, you'll want to start by learning as much as you can about both plans and checking their important features. When you enroll, be sure to ask these questions:

1. **Is there a company matching contribution?**
2. **If so, when do I get to keep the match?**
3. **Can I borrow from the plan for emergencies, and how quickly must I repay the loan?**

Then, compare both plans' investment options and their historical performance. Ideally, the two plans together will allow you to invest in a mix of different types of stock funds (see *Dictionary of Stock Terms, sidebar*), corporate bond funds, a stable value fund or guaranteed investment contract (GIC), and a money market fund. Look at the options for both plans, and pick funds with objectives suited to your goals and the best long-term performance in their categories. A five-year record is more significant than a one-year record, though past performance is not indicative of future results.

#### Stay Invested

Couples in their 40s are in their peak earning years. If you're in this group, check to see when you last increased your contribution amount. You may have other obligations, such as a mortgage or children to care for, but remember that only **you** can fund a comfortable retirement. And if you haven't looked at your asset allocation recently, you and your partner may want to take a fresh look at your investment options.

#### Make the Best Decisions

As you enter your 50s and approach retirement, think about your respective job situations. Maybe one partner has worked for his or her employer long enough to fully own the company contributions—in other words, is vested—but the other hasn't. Maybe one plans to work long enough to be vested in the company match and the other doesn't intend to work that long. It's great if you can contribute the maximum to both plans. But if that's not possible, concentrate on the plan that allows you the best opportunity to save the most. For example, one plan might have a larger match or feature investments that have historically outperformed those offered by the other plan.

With careful planning and coordination, your retirement plans can work together to provide a comfortable retirement—for two. ●

#### Dictionary of Stock Terms

**Large-cap:** Stocks issued by companies with a market capitalization (value) of \$10 billion or more.

**Mid-cap:** Stocks issued by companies with a market capitalization between \$2 billion and \$10 billion.

**Small-cap:** Stocks issued by companies with a market capitalization of less than \$2 billion.

**International:** Stocks issued by companies located outside of the United States.

## Retiree Corner

### Great-West Retirement Services Introduces New Retiree Advocate



**“It is now time to focus more attention on the retirement income portion of the market, and the unique and growing needs of public sector employees.”**

—Ron Nichols

Great-West Retirement Services is pleased to announce the creation of a new position: Retiree Advocate. The primary purpose of the Retiree Advocate is to receive and organize input from plan participants and retirees to better serve those participants nearing retirement and those in retirement.

Your Retiree Advocate is Ron Nichols—a 1971 graduate of Santa Barbara College and a 40-year veteran of the financial services and retirement plan business. Ron built a business focused on public sector retirement plans, which grew to encompass more than 450 public entities, with more than 100,000 participants. He is one of the founding members of the National Association of Government Defined Contribution Administrators (NAGDCA).

A retiree since 2004, Ron's experience in the public sector pension business, plus his experience as a retiree, gives him an informed perspective. He is keenly focused on the needs of public sector retirees and those nearing retirement. “For the past 40 years, the public and private sectors have focused most of their efforts on the accumulation phase of retirement savings. It is now time to focus more attention on the retirement income portion of the market, and the unique and growing needs of public sector employees,” Ron says.

Issues of importance to retirees will appear regularly in this newsletter and on your plan Web site. Ron also welcomes your comments and questions. You can call him at (877) RET-GWRS (738-4977) or e-mail him at [retireeadvocate@gwrs.com](mailto:retireeadvocate@gwrs.com). ●