

Perspectives

FIRST QUARTER 2011



RFP for Recordkeeping Services

In late 2010, Colorado PERA issued a Request for Proposal (RFP) for the recordkeeping services of its 401(k), DC, and 457 Plans.

Since 2009, PERA's 401(k)/DC Plans and its 457 Plan have used two different recordkeepers. PERA's goal is to consolidate all of the Plans under a single recordkeeper.

At its March Board meeting, the PERA Board of Trustees voted to negotiate an agreement with ING as the new recordkeeper, effective October 1, 2011. PERA is currently working on the details to transition the Plans under this recordkeeper. More information will be mailed to you in the coming months.

What's in a Name?

Choosing how to invest for retirement can be overwhelming. Often, participants choose their investments in plans like Colorado PERA's 457 Plan based on their familiarity with the company that created the mutual fund.

In reality, how the fund invests the money may be more important to your total investment portfolio than the name of the fund.

One way to choose investments is to base your choice on the type of investment (stocks, bonds, or short-term funds). In fact, plans like Colorado PERA's 457 Plan are increasingly allowing participants to choose investments based on asset class, and are eliminating fund names altogether.

Take some time today to look closely at your investment options. Do you have the right allocation in stocks, bonds, and short-term funds? When choosing your investments, ask yourself three questions:

- What are my financial goals? (Or, how much money will I need in retirement?)
- What level of risk am I comfortable with?
- How many years do I have to attain my financial goals?

Your answers to these questions will help you determine what types of funds you should consider investing in, not based on the name of the fund, but rather based on the fund's investment style.



Have Questions? Need Information?

Visit the Web site at www.colorado457.com or call KeyTalk® at 1-800-838-0457, option 2.¹

Visit the Rocky Mountain Regional Service Center: 8525 E. Orchard Rd., 10T3, Greenwood Village, CO 80111

Hours: 8:00 a.m.–4:30 p.m. Mountain time, Monday through Friday

Need to Rebalance?

Your asset allocation changes over time due to the ups and downs of the financial markets. Consider rebalancing at least once a year to get back to your original mix.² Let's say you had an original allocation of 60 percent stock funds, 35 percent bond funds, and 5 percent cash equivalents, but stock fund prices fell, turning your mix to 50/45/5. With the Colorado PERA 457 Plan, there are three ways in which you can rebalance:

- 1 Transfer money from your bond investments to your stock investments.¹
- or -
- 2 Direct increased contributions to your stock investments.
- or -
- 3 Use the online Rebalancer feature by logging in to your Colorado PERA 457 account at www.colorado457.com and choosing "Account Changes" and then "Rebalancer."

The online Rebalancer feature allows you to design a portfolio with a certain percentage in each fund and will periodically rebalance to make sure the portfolio maintains the same asset allocation. You choose how frequently your portfolio is rebalanced: one time, quarterly, semi-annually, or annually.

Rebalancer does not affect your future contributions. You may elect to have your future contribution allocations match your selections by checking the "Direct Future Contributions" box and then clicking on the "Continue" button.

Note: If you set up the Rebalancer on a quarterly, semi-annual, or annual basis and want to make a subsequent fund transfer, you must first cancel the Rebalancer, which is considered a pending transaction, by selecting the Cancel Transfer menu option and following the instructions.

Your Colorado PERA 457 Plan Accepts Rollovers

Follow these tips to ensure an expedited process

The Colorado PERA 457 Plan accepts approved rollovers from 401(a), 401(k), 403(b), or eligible governmental 457(b) plans or IRAs. Complete the following steps to roll over money from another plan.

Roll over from a previous employer's plan:

1. Request an *Incoming Rollover Form* from a Great-West Retirement Services® (Great-West) education counselor by calling **1-800-838-0457**, option 2. You can also log in to your account at www.colorado457.com and click on Forms to download the *Incoming Rollover Form*.¹
2. Provide proof from the previous employer that you have had a qualifying event to distribute the money, such as reaching age 59½ or 65 (if applicable) or termination from service with date provided.
3. Provide proof that the money is before-tax—such as a statement from the employer or plan carrier or a copy of a retirement statement clearly stating before-tax monies.

Roll over from an IRA:

1. Request an *Incoming Rollover Form* from a Great-West education counselor by calling **1-800-838-0457**, option 2. You can also log in to your account at www.colorado457.com and click on Forms to download the *Incoming Rollover Form*.
- 2a. Provide a statement from the provider that the money is before-tax.
Or, if the provider is not able to confirm the tax status of the money:
- 2b. Provide a statement from the provider that they do not know if the money is before-tax, as well as a signed statement from you that the money is before-tax.

After your paperwork has been submitted, Great-West will package the forms with a letter of acceptance and forward this information to your previous provider, requesting the funds be transferred.



¹ Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (2:00 p.m. Mountain time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

² Rebalancing does not ensure a profit and does not protect against loss in declining markets.

Core securities (except those offered through 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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