



# Perspectives

FALL 2007

## National Save for Retirement Week

October 21 to October 27, 2007, is National Save for Retirement Week, which has been proclaimed for the State of Colorado by Governor Bill Ritter. Now is the perfect time to increase your contribution, review your account or have your facility invite a Great-West Retirement Services® representative to come and provide a meeting or presentation.

### A Week Dedicated to Saving

How important is it to save for retirement? Important enough that the Senate passed a resolution for a National Save for Retirement Week, which was introduced into the Senate by Senators Gordon Smith (R-OR) and Kent Conrad (D-ND).

How are you going to celebrate National Save for Retirement Week? If you're not sure, here are some suggestions to help you party like your retirement depends on it.

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| 1. Visit <a href="http://www.save4retirement.net">www.save4retirement.net</a>   | 5. Take the quiz again to see if your results have improved   |
| 2. Click on the Employee link   | 6. Tell your friends to take the quiz and then make their results their personal nicknames for the rest of their lives                  |
| 3. Take a fun quiz to test your retirement knowledge and see if you're a rocket scientist, bigfoot or an accordion player | 7. Continue taking the quiz until you've learned all of the different results (here's a hint, there are six different results possible) |
| 4. Review the virtual learning presentations  | 8. Check out all the other great information the site has to offer  |

Besides the [www.save4retirement.net](http://www.save4retirement.net) Web site, you may also access more information about saving for retirement on the State of Colorado 457 Plan Web site at [www.colorado457.com](http://www.colorado457.com).



## Retiree News

### Savvy Ways to Withdraw What You've Saved

If you're ready to retire, be sure to weigh your distribution options. Your investments have enjoyed years of tax-deferred growth, but as you begin to take withdrawals, you'll need to be aware of tax consequences.

### Keep taking advantage of tax deferral

Earnings on nonretirement assets are generally taxed at the maximum capital gains rate, which is currently 15%. If you begin taking small withdrawals (financial experts generally agree on 4% in your first year of retirement, with 3% increases each year after that), your remaining savings can potentially continue to enjoy the benefits of tax-deferred growth. Tap nonretirement assets first, so that your retirement savings account can potentially continue to enjoy tax-deferred growth.

### Postpone retirement Plan withdrawals for as long as you can

Withdrawals from your retirement savings Plan will likely be taxed at your ordinary income tax rate. And if you leave those assets alone, you're likely to pay smaller fees than you would if you invested on your own. Remember to begin taking required minimum distributions by age 70½ in order to avoid further tax penalties.

Issues of importance to retirees will appear regularly in this newsletter and on your Plan Web site. Ron Nichols, the Retiree Advocate, also welcomes your input on issues of concern to you. He may be reached by phone at (877) RET-GWRS (738-4977) or by e-mail at [retireeadvocate@gwrs.com](mailto:retireeadvocate@gwrs.com).



## 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 salaries 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.

<sup>1</sup> 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.

### Have Questions? Need Information?

Visit the Web site at [www.colorado457.com](http://www.colorado457.com) or call KeyTalk<sup>®</sup> at (800) 838-0457, option 2.<sup>2</sup> Visit the Deferred Compensation Plan Service Center: 1775 Sherman Street, Suite 2820, Denver, CO 80203.

Hours: 8:00 a.m.–5:00 p.m.,  
Monday through Friday

<sup>2</sup> 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.