Where will retirement take you? It’s a good question. And it’s certainly one that Bill Loeffler, Sheet Metal Supervisor for the San Francisco International Airport, asked himself. Early in his career, Loeffler decided that he wanted to retire with confidence in his financial future, and the San Francisco Deferred Compensation Plan (SFDCP) was one way he could give his retirement savings a lift. Not only has Loeffler been contributing toward his future through the SFDCP, but he has also been realizing an immediate benefit along the way—his taxable income was being reduced. And, today, he’s a few years closer to landing confidently in retirement!

Q: What is your name?  
A: Bill Loeffler.

Q: What department do you work for at the City and County of San Francisco (CCSF)?  
A: I work for the San Francisco International Airport.

Q: What is your title?  
A: I’m a Sheet Metal Supervisor II.

Q: How long have you been contributing to the Plan?  
A: I’ve been contributing to the SFDCP for 20 years.

Q: For you, what is the greatest benefit of participating in the Plan?  
A: It’s the fact that I’m building my financial future, and I’m reducing my current taxable income at the same time.

Q: How long have you been an employee with the CCSF?  
A: I’ve been with the CCSF for 24 years now.

Q: How did you first hear about the San Francisco Deferred Compensation Plan?  
A: I heard about the SFDCP through other City and County employees.

Q: What made you decide to enroll in the Plan?  
A: Earlier in my career with the CCSF I’d heard about how long-term employees had been able to build up their deferred compensation accounts through small contributions made over many years. These long-term employees felt very secure with their financial standing as they approached retirement, and I wanted to be in their situation when my retirement date drew near.

SFDCP: NOW BOARDING FOR RETIREMENT

WE NEED YOUR FEEDBACK! TAKE THE SFDCP SURVEY TODAY.

Great-West Retirement Services® (Great-West) is committed to meeting the needs of the participants in the SFDCP. Please take about 10 minutes to complete this confidential online survey.

Visit the SFDCP website at www.sfdcp.org and click on the Survey link. The survey will be available through February 29, 2012.

Thank you in advance for your cooperation in replying promptly to this important survey.

SFDCP STABLE VALUE FUND PORTFOLIO CREDITING RATE: 2.80%

The annualized crediting rate for the SFDCP Stable Value Fund Portfolio1 is set at 2.80% for the period of January 1, 2012, through March 31, 2012.

1 The fund manager of the SFDCP Stable Value Portfolio does reserve the right to limit transfers without prior participant notice following consultation with the City and County of San Francisco Employees’ Retirement System should such action be in the best long-term interest of the fund.
Q: Do you feel this Plan will help you reach your retirement goal?  
A: Yes! That’s the plan.

Q: Do you utilize any of the retirement-planning tools on www.sfdcp.org?  
A: I don’t normally use any of those tools.

Q: What other online features do you use, and how does the website make it easier to manage your account?  
A: The website is really convenient. I use it to monitor my account, change my allocations, and transfer balances into and out of certain funds.*

Q: Do you have any advice for employees who aren’t currently participating in the Plan?  
A: I would tell them to start now! No matter how small the amount you can contribute, you will thank yourself later.

This testimonial may not be representative of the experience of other participants and is no guarantee of future performance or success.

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**SFDCP Payroll Deduction Authorization/Cancellation Form**

Need to restart, increase, decrease or cancel your contributions to your SFDCP account? Complete the Payroll Deduction Authorization/Cancellation Form that is included with your December 31, 2011, statement.

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**Maximize Your Contributions**

For 2012, the limit that employees under age 50 can contribute to the SFDCP has been increased to $17,000 from $16,500 in 2011. Employees age 50 or older are allowed an additional “catch-up” contribution of $5,500, which means you can contribute up to a maximum of $22,500 during the 2012 calendar year.

The special three year catch-up contribution amount will also increase to $17,000 in 2012, which means you can contribute up to a maximum of $34,000 to the Plan if you are within three years of normal retirement age.

The additional amount you may be able to contribute under the special three year catch-up contribution will depend upon the amount that you were able to contribute in previous years but did not. If you are eligible for one of the catch-up options, you may not contribute to both in the same year.

<table>
<thead>
<tr>
<th>2012 Contribution Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Allowable Contribution</td>
</tr>
<tr>
<td>With Age 50+ Catch-Up</td>
</tr>
<tr>
<td>With Special Three-Year Catch-Up</td>
</tr>
</tbody>
</table>

Source: www.irs.gov, October 2011

**Give It a Boost**

Your retirement account contributions are pretax, and they grow tax-deferred. You should consider taking full advantage of this benefit by increasing contributions each year.

To make changes to your contribution amount, complete the SFDCP Payroll Deduction Authorization/Cancellation Form. This form is included with your fourth quarter statement or is available at www.sfdcp.org under the “Forms” tab. Please allow at least two (2) pay periods for deduction changes to take effect.
In early 2012, two important enhancements are coming to the SFDCP:

1. Ten new Target Date Funds are being added to the investment menu.
2. The website, www.sfdcp.org, will be upgraded with a new look and new tools to allow for easier navigation.*

**Target Date Fund Features:**

- **One-Stop Shopping** – Each Target Date Fund is a well-diversified mix of assets: stock funds, bond funds and cash investments. The investment mix becomes more “conservative” (less stock funds, more bond funds and cash) as the target date is approached.

**The 10 New SFDCP Target Date Funds**

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Bonds Allocation</th>
<th>Stocks Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFDCP Retirement Fund</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>SFDCP Target Date 2015 Fund</td>
<td>61.5%</td>
<td>38.5%</td>
</tr>
<tr>
<td>SFDCP Target Date 2020 Fund</td>
<td>47.5%</td>
<td>52.5%</td>
</tr>
<tr>
<td>SFDCP Target Date 2025 Fund</td>
<td>39.5%</td>
<td>60.5%</td>
</tr>
<tr>
<td>SFDCP Target Date 2030 Fund</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>SFDCP Target Date 2035 Fund</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>SFDCP Target Date 2040 Fund</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>SFDCP Target Date 2045 Fund</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>SFDCP Target Date 2050 Fund</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>SFDCP Target Date 2055 Fund</td>
<td>10%</td>
<td>90%</td>
</tr>
</tbody>
</table>

The allocations shown here for the SFDCP Target Date Funds are subject to change. Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, participants may obtain prospectuses for any applicable annuity contract and the annuity’s underlying funds and/or disclosure documents from their registered representative. For prospectuses related to investments in the Self-Directed Brokerage (SDB) account, contact the SDB provider. Read them carefully before investing.

**New SFDCP Website Features:**

- **Easier to find information** – Access to tools and information on the website is streamlined.
- **Easier to learn** – Become a more informed investor with a variety of short, easy-to-follow online education resources on investment fundamentals.
- **Easier to take action** – Translate decisions into action by quickly changing personal information, beneficiary designations, or investment choices.

**More Information to Come**

As the effective dates for these new SFDCP enhancements approach in early 2012, participants will receive a detailed brochure in the mail explaining all of the changes. Visit the website at www.sfdcp.org for more information.*
There are two ways to manage and monitor your SFDCP account:

Via the Internet at www.sfdcp.org

-AND-

Via the phone through KeyTalk® at (888) SFDCP4U (888-733-2748)

To access either the website or KeyTalk, you will need your Username and Personal Identification Number (PIN).^

Don’t have a PIN? You can order a new one in two ways:

At www.sfdcp.org; under “Secure Account Access,” click on the “Forgot your PIN?” link and follow the prompts.

-AND-

Through KeyTalk® at (888) SFDCP4U. After you enter your Social Security number, you’ll be asked to enter your PIN or to press option 1 to order your PIN. Follow the prompts to complete the process.

The website and KeyTalk make it easier for you to keep an eye on your account and make transactions anytime you choose, 24 hours a day, seven days a week.

* Access to KeyTalk and the website 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 (4:00 p.m. Eastern 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.

^ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services® immediately if you suspect any unauthorized use.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc. is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services. Great-West Retirement Services® and KeyTalk® are registered trademarks of Great-West Life & Annuity Insurance Company. ©2012 Great-West Life & Annuity Insurance Company. All rights reserved. Not intended for Plans whose situs is in New York. Form# CB1108N (01/12) PT139805

MANAGE AND MONITOR YOUR SFDCP ACCOUNT

TWO FOR TWO: KEEP YOUR BENEFICIARY INFORMATION CURRENT EVERYWHERE

- A camel and a leopard
- An eagle and a canary
- SFDCP and SFERS

Q: What do these pairs have in common?

A: The items in each pair have some similarities, but they’re not the same!

Take the SFDCP and SFERS, for example. They’re both important parts of your retirement strategy—but in other ways, they’re two very different animals. That’s why updating your beneficiary in one system doesn’t also automatically update the other.

Make sure your information is current for both plans! To update your SFDCP beneficiary, complete the Great-West beneficiary designation form. You can get the form in several ways:

- Print it from the website at www.sfdcp.org.*
- Call Great-West at (877) 457-9321 and ask to have one mailed or emailed to you.
- Visit the Great-West office at One Front Street, Suite 810, right off the Embarcadero BART/Muni stop.

To update your SFERS beneficiary in person, go to 30 Van Ness. From there, it’s a convenient step across the hall to the City’s SFDCP office, where you can also make your SFDCP beneficiary change. For more information about updating your SFERS beneficiary, visit the pension office or call (415) 487-7050.

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