



The South Carolina Deferred Compensation Program

FIRST QUARTER 2010

news

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GREAT-WEST RETIREMENT SERVICES® IS THE NEW RECORD KEEPER OF THE SOUTH CAROLINA DEFERRED COMPENSATION PROGRAM

On January 1, 2010, your South Carolina Deferred Compensation Program (Program or SCDCP) account was transferred from ING to Great-West Retirement Services (Great-West). Over the next several months, we'll be working hard to conduct group meetings to introduce Great-West, the services it provides, and how to enroll.

Your new retirement provider, Great-West, is a business unit of Great-West Life & Annuity Insurance Company®. With more than a century of experience in providing financial security for Americans, Great-West Life & Annuity serves millions of customers through a range of retirement savings products and services. Headquartered in the metro Denver area and with offices around the country – including local representatives to provide you with on-site service – Great-West is a leading provider of employer-sponsored retirement savings plans.

Great-West Life & Annuity is rated by a number of nationally recognized rating agencies. The ratings represent the opinion of the rating agencies regarding the financial strength of the company and its ability to meet ongoing obligations to policyholders.¹

Great-West Life & Annuity's current ratings, which have been in effect since July 2003, are:

- » **A.M. Best Company, Inc.:** A+ (Superior; highest of 10 categories) for financial strength, operating performance and business profile. (Affirmed January 22, 2009)
- » **Fitch Ratings:** AA+ (Very Strong; second highest of nine categories) for financial strength. (Affirmed April 20, 2009)
- » **Moody's Investors Service:** Aa3 (Excellent; second highest of nine categories) for financial strength. (Affirmed February 12, 2009)
- » **Standard & Poor's:** AA (Very Strong; second highest of nine categories) for financial strength. (Affirmed February 12, 2009)

¹ Great-West Life & Annuity Insurance Company ratings do not pertain to the investment performance of the underlying funds. Ratings are subject to change.

To schedule an individual appointment or a group meeting, call KeyTalk® at (877) 457-6263² to speak with an Education Counselor.

IS YOUR BENEFICIARY INFORMATION CORRECT?

A recent U.S. Supreme Court case demonstrates the importance of ensuring that beneficiary designations are current on your retirement plan accounts. In the case of *Kennedy v. Plan Administrator for DuPont Savings and Investment Plan*, a couple had divorced in 1994. The man, who participated in a 401(k) plan, died in 2001. He had never changed his beneficiary designation in the plan documents after the divorce, so the court affirmed his ex-wife's rights to his retirement plan benefits – even though she had waived all claims to the benefits in the divorce decree. The entire 401(k) account balance went to his ex-wife. His daughter, who had petitioned for the benefits, saying her father wanted her to have the money, didn't receive a cent.

It is vitally important to double-check your beneficiary information. This information can now be found on your statement or you can log on to the Program Web site at www.southcarolinadcp.com.² The potential for misunderstanding and confusion also stresses the importance of reviewing – and then updating – your beneficiary designations.

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² 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 Web site 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.

PROGRAM INFORMATION LINE: (877) 457-6263
PROGRAM WEB SITE: WWW.SOUTHCAROLINADCP.COM



SAMPLE LIFE EVENTS THAT MAY TRIGGER BENEFICIARY UPDATES:

- » Marriage, divorce, remarriage
- » Birth or adoption of a child
- » Empty nest
- » Retirement
- » Death of a beneficiary

IS YOUR BENEFICIARY INFORMATION CORRECT? (CONTINUED)

While this appears to be a simple and logical step, reviews of retirement plan accounts indicate many individuals don't keep their designations current and many don't even have a designation on file. Keep in mind that if you don't have a beneficiary on file, your assets can get caught in the lengthy and often complicated legal process of probate.

Also remember to be specific and include full names when you complete a beneficiary designation form. For example, if you have stepchildren or children from a previous marriage, you shouldn't write "all my children." This phrase may raise the question, "which children?" While you know what you mean, it becomes a different issue with the plan administrator or trustee handling the distribution.

LIFE EVENTS

Life events present an opportunity to review beneficiary information. There are certain times in your life when it makes sense to revisit your important documents. For example, marriage, divorce and remarriage all present opportunities to review and update key materials, including beneficiary designations. Similarly, the birth or adoption of a child presents another opportunity, as does the time when adult children become financially independent and move away from home. As you approach retirement, it's another ideal time to revisit key documents.

Such life events present an excellent opportunity for you to help ensure that your beneficiary designations reflect your current wishes. Income tax time and open enrollment also are natural periods to review your

beneficiary information. These annual events are convenient reminders for you to review your beneficiary information on your retirement plan accounts, as well as on other benefits such as group life insurance policies.

You can select or change your beneficiary(ies) online by logging on to www.southcarolinadcp.com². You can also click on the Forms button to download a beneficiary form.

REALITY INVESTING® ADVISORY SERVICES

A Suite of Advisory Service Tools to Help You Achieve Your Retirement Goals

These days, Program participants as investors are becoming increasingly unsure of how to save and invest for their future retirement. Once certain of their investment strategy, investors now are often hesitant to even open their account statement. Some investors may even take the approach of selling everything to put it into a "safer" investment, such as a money market investment option. *An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.*

These kinds of strategies have the potential to leave you short of the financially secure retirement you seek. What can you as a participant and investor do? The SCDCP, through its Reality Investing Advisory Services (Advisory Services) program, provides a suite of advisory services that will help you plan for your future. Advisory Services is offered by Advised Assets Group, LLC, a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. The Program allows

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REALITY INVESTING® ADVISORY SERVICES (CONTINUED)

you to choose the level of support that is right for you, including Online Investment Guidance, Online Investment Advice and a Managed Account service.

LONG-TERM VIEW

Adopting a long-term perspective on retirement planning is essential to surviving the often turbulent market. Advisory Services offers solutions for the long term, taking out the emotional factor that can often influence investment decisions.

The Online Investment Guidance (Guidance) tool provides you with a personalized asset allocation and savings rate recommendation that you can use as a guide when building your investment strategy for the Program. There is no fee to use Guidance.

Online Investment Advice (Advice) is a tool that takes the asset allocation recommendation from Guidance and recommends specific investment options offered within the Program. It suggests how much to allocate to each investment option based on your personal objectives, but it allows you the freedom and flexibility to implement your own choices, manage them online, and generate new recommendations when the need arises. There is no fee to use Advice.

The Managed Account service goes beyond Advice and asset allocation recommendations in that it provides ongoing professional asset management

at the individual participant level. Participants receive a personalized and strategically designed retirement portfolio that is automatically managed quarter-to-quarter and that reflects a participant's own unique time frames and personal retirement information. The Managed Account fee is based on the participant's account balance, as shown in the following table.

MANAGED ACCOUNT SERVICE ANNUAL FEE	
ACCOUNT BALANCE	ANNUAL FEE
LESS THAN \$100,000	0.60%
NEXT \$150,000	0.50%
NEXT \$150,000	0.40%
GREATER THAN \$400,000	0.30%

There is no guarantee that participation in Reality Investing® Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

If you want to enroll in the Program's Advisory Services or would like more detailed information, please call our Customer Service Center at (877) 457-6263², option 3, or contact your local Education Counselor (contact information is on the back page of this newsletter). You can also visit our Web site at www.southcarolinadcp.com.²

ANNUAL RATES OF RETURN FOR THE SECOND QUARTER 2010

SOUTH CAROLINA STABLE VALUE FUND	3.16%
84-MONTH CERTIFICATE FUND	3.80%





NEW INVESTMENT OPTIONS NOW AVAILABLE

With the transition to Great-West, the following investment options have been added to your Program.

ASSET CLASS	INVESTMENT OPTION	TICKER
Inflation Protected Bond ³	BlackRock Inflation Protected Bond Instl. This fund was designed to help protect your portfolio against rising inflation by making a long-term strategic allocation to Treasury Inflation Protected Securities. ⁴	BPRIX
Global Equity ⁵	American Funds New Perspective R6 The fund seeks to provide long-term growth of capital. This fund diversifies among blue chip companies in the United States and abroad, emphasizing multinational or global companies and focusing on opportunities generated by changes in global trade patterns and economic and political relationships.	RNPGX

In addition to these two new investment options, a self-directed brokerage (SDB) account through Charles Schwab is now available. The SDB account allows you to select from numerous mutual funds, individual stocks and bonds for additional fees. These securities are not offered through GWFS Equities, Inc. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

The core minimum needed to open an SDB account is \$2,500. The transfer minimum after opening an account is \$1,000. Contributions are allowed to be made directly to the SDB once the core minimum is met. No in-kind transfers are allowed from the SDB. For more information about the SDB, log in and click on Change Account and then Manage Your Self-Directed Brokerage Account or contact Charles Schwab at (888) 393-7272.

For more information on each fund or the SDB, visit the Fund Overview section under the Investment Options tab on the Program Web site at www.southcarolinadcp.com.²

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses and disclosure documents from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact Charles Schwab at (888) 393-7272. Read prospectuses carefully before investing.

You may request a prospectus for any of the funds by calling KeyTalk at (877) 457-6263.²

³ A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

⁴ U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are neither issued nor guaranteed by the U.S. government.

⁵ Foreign investments involve special risks, including currency fluctuations and political developments.



SAME FUND, DIFFERENT NAME

BRAZOS MICRO CAP GROWTH PORTFOLIO NOW NAMED PINEBRIDGE US MICRO CAP GROWTH

Effective January 29, 2010, the Brazos Micro Cap Growth Portfolio Y (ticker BJMIX) has been renamed the PineBridge US Micro Cap Growth Fund I. The new ticker is PBMBX. While you will see a change in the name of the fund, the investment objective and investment management have not changed. You will not see a change in your account value as a result of this conversion. A new fund overview reflecting this name change is now available in the Investment Options section of the Web site.

STABLE VALUE FUND MANAGER CHANGE

Effective May 7, 2010, the South Carolina Custom Stable Value Fund will change fund managers from DB Advisors to Great-West. Although the underlying investments will change, the investment objective will remain the same. This change will result in a fund management fee reduction for the stable value fund. In addition, the restriction on transferring money directly into the 84-month certificate or SDB account will no longer apply.⁶

As a result of the fund manager change, you may be temporarily unable to access the Reality Investing[®] Advisory Services while Ibbotson Associates analyzes the Program's new investment option lineup. The inaccessibility periods for this fund manager change may tentatively occur Friday, May 7, 2010, through Friday, May 21, 2010. A notification will appear if you enter the Reality Investing section of the Web site during these times. You will still be able to access your account balance.

⁶ Transfer restrictions may be implemented in the future if market conditions dictate.

RETIREMENT RESOURCES WITH THE CLICK OF A MOUSE

Did you know that you can do all of the following by logging in to www.southcarolinadcp.com?²

- » Access your account.
- » Review your account balance.
- » Make changes to your investment selections.²
- » Request a distribution by clicking on Change Account and then Distribution Request.
- » Initiate loans online by clicking on Change Account and then Loans.
- » Add or change a beneficiary online by clicking on Change Account and then Beneficiary.
- » Update your address online by clicking on Change Account and then Change Personal Profile.

To learn more, visit www.southcarolinadcp.com or call (877) 457-6263² with any questions or schedule an appointment with one of your local Education Counselors⁷. To be connected to the local office, please press 2.

⁷ 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.

GREAT-WEST EDUCATION COUNSELORS ARE HERE FOR YOU!

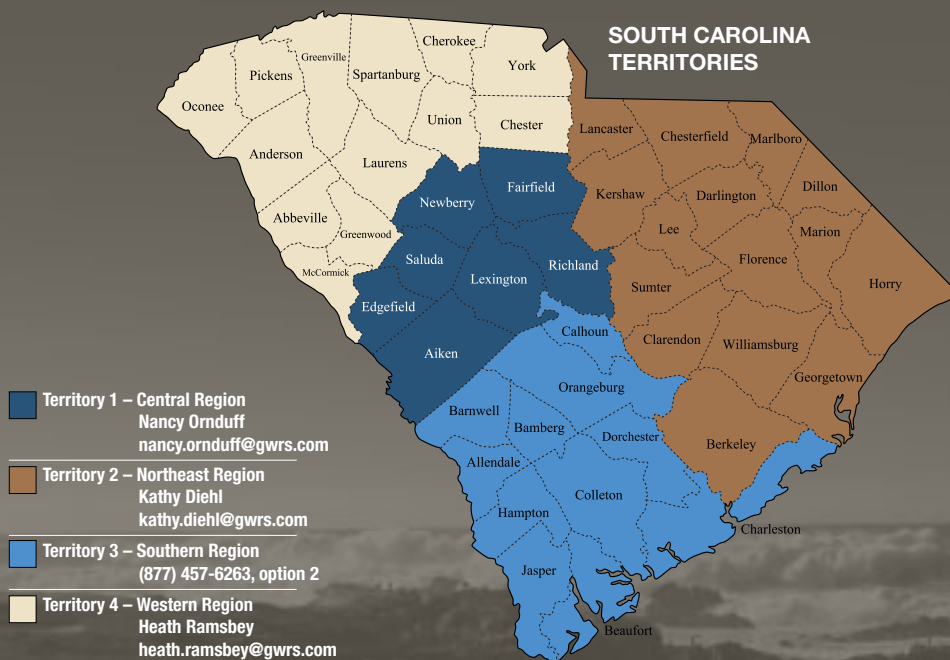
Local (Great-West) Education Counselors are available for one-on-one appointments and group meetings to assist you with your SCDCP account. Are you nearing retirement or leaving employment and not sure what to do with your SCDCP account? Call a Great-West Education Counselor at (877) 457-6263² to learn about your options. Concerned about investing in a volatile market environment? Call a Great-West Education Counselor at (877) 457-6263 for information about risk management tools and long-term investing.⁷ As the new provider of recordkeeping, communication and education services for the Program, Great-West has representatives here at the local office to assist you.

CONTACT THE GREAT-WEST LOCAL OFFICE AT:

200 Arbor Lake Dr., Suite 125
Columbia, SC 29223
Phone: (877) 457-6263
Office Hours: 8:00 a.m. to 4:30 p.m.
Monday through Friday

Interested in attending a group meeting?

Visit the Program Web site at www.southcarolinadcp.com² to find a group meeting in your area.



**The South Carolina
Deferred Compensation Program**

Securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated. Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company. 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. Great-West Retirement Services®, KeyTalk® and Reality Investing® are service marks of Great-West Life & Annuity Insurance Company. ©2010 Great-West Life & Annuity Insurance Company. All rights reserved. Not intended for use in New York.

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