



The South Carolina Deferred Compensation Program

FIRST QUARTER 2011

news

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BROKER BEWARE

When someone leaves employment or retires from a South Carolina Deferred Compensation Program (Program) participating employer, it's not uncommon for brokers or investment companies to approach them about moving the money in their Program account into the broker's "outstanding" investments. In many cases, though, those new investments can mean higher fees and lucrative commissions for those brokers.

If you're ever in this situation, be sure to compare your current Program fees with the broker's fee structure. Ask yourself who really benefits from making the change. Consider all your options. The lower your costs and fees, the more money that stays in your portfolio working for you.

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You can always leave your money in the Program after you terminate service. You can also roll pre-tax monies into the Program after you terminate service if you have an account balance.

ALWAYS REMEMBER: It's your money. You wisely saved it during your employment with a participating employer of the Program and should exercise the same diligence when expending it during your retirement years.

DID YOU REVIEW THE BENEFICIARY LISTED ON THIS QUARTER'S STATEMENT?

Great-West Retirement Services® (Great-West) is working to complete the beneficiary records project to convert historical beneficiary records from paper format to electronic format. These paper records have now been loaded into the recordkeeping system and are visible in your account (if you had a paper record on file and in good order). Now is the perfect time to check the beneficiary listed on your quarterly statement to ensure that the information is accurate. You can also verify and change your beneficiary by logging into your Program account at www.southcarolinadcp.com¹ and clicking on "Personal Information" and then "Beneficiary."



**NOTHING COULD BE SWEETER... THAN RETIREMENT:
JOIN US FOR AN EDUCATIONAL SEMINAR IN YOUR AREA**

Whether you're already retired, nearing retirement or in transition, you know there's more to retirement than leaving the demands of work behind. There's a different world of choices and challenges, not to mention an ever-changing economic, legislative and regulatory environment that may present new options and issues.

To help you navigate the journey to and through retirement, the Program and Great-West will host free seminars – presented by Retiree Advocate Ron Nichols – from May 17 through May 20 in four locations around the state.

Mr. Nichols will address issues you may face in retirement and how to take advantage of the Program's benefits and features during and after your working years. A retiree since 2004, Mr. Nichols is a 40-year veteran of the financial services and retirement plan industry.

He built a business focused on public-sector retirement plans, which grew to encompass more than 450 public entities with more than 100,000 participants. A 1971 graduate of Santa Barbara College, Ron is one of the founding members of the National Association of Government Defined Contribution Administrators, Inc. (NAGDCA). He is a sought-after speaker on retiree issues who brings an informed perspective to the needs of public-sector retirees and those contemplating 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.

Topics of the two-hour educational seminar will include:

- » Preparing for and transitioning to retirement
- » Understanding post-retirement options in the Program
- » Using the Program in your retirement years
- » Comparing fees among investment vehicles
- » Managing healthcare and other expenses in the post-work years

Retire Crossroads is an additional resource available at www.southcarolinadcp.com.¹ The Retiree Crossroads is a website that reinforces the notion that retirement planning doesn't end on your last day of work. It includes sections on retiree money matters and lifestyles, as well as pre-retirement planning. The site offers educational tools and resources, quick tips, and updated interactive graphics. The enhanced content is designed to help you face the social, emotional and financial challenges of the journey from the working world to retirement and beyond.

Date	Time	City/Location	Address	Room
Tuesday, May 17	10 a.m.	DHEC (Columbia)	2600 Bull St.	Peoples Auditorium, Third Floor
Wednesday, May 18	10 a.m. & 1 p.m.	Greenville Technical College (Greenville)	620 S. Pleasantburg Dr.	University Transfer Bldg. (Bldg. 104, Rm. 136)
Thursday, May 19	10 a.m.	PD DHEC-HD Office (Florence)	145 E. Cheves St.	First Floor Auditorium
Friday, May 20	10 a.m.	Trident Technical College (North Charleston)	7000 Rivers Ave.	Bldg. 910, Rm. 122

SIMPLIFY YOUR RETIREMENT INCOME STRATEGY

Retirement planning doesn't end at retirement. Even after a lifetime of saving and investing, you still need answers to questions such as:

- » Have I saved enough for the income I'll need?
- » Could I outlive my savings?
- » Will my current investment strategy get me to my income goals?

When you participate in any of the Reality Investing® Advisory Services (Advisory Services) options (Online Investment Guidance, Online Investment Advice or the Managed Account), you are provided with the added benefit of Spend-Down Advice at no additional cost, which assists you when you retire and begin taking distributions from your retirement accounts.



The Spend-Down Advice feature illustrates how long your desired income will last in retirement and determines how much sustainable income you can spend throughout your retirement years based on your wealth, your spouse's wealth, and each of your respective retirement time horizons.

Best of all, you don't have to be an expert – financial or technical – to take advantage of Spend-Down Advice:

- » It's simple – Advisory Services, online or via phone representative, walks you through a simple process of entering information online,

analyzing your situation, and making recommendations.

- » It's professional – The analysis and recommendations you get are based on the expertise of Advised Assets Group, LLC (AAG), a federally registered investment adviser and a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.
- » It's customized to your situation – The online tool analyzes your unique goals and financial situation and makes personalized recommendations.

A SIMPLER WAY TO PLAN YOUR RETIREMENT INCOME STRATEGY

Advisory Services Spend-Down Advice is a simple way to get professional recommendations on your retirement income strategy – customized to your unique goals. If you are already enrolled in Advisory Services, the Spend-Down Advice feature automatically begins when you reach your desired retirement age. It's also simple to get started. To begin planning your retirement future, visit www.southcarolinadcp.com.¹

For more information on Spend-Down Advice, contact:

- » An AAG Adviser Representative at (877) 457-6263, or
- » Your local education counselor.²

Life changes...so should your retirement account.

ARE YOU OVER-CONTRIBUTING?

Consistently contributing to your Program account is one way to help reach your retirement goals. But, it's important to be aware of your annual contribution limits and monitor your account to ensure you are not exceeding those limits. If you fail to stay within the contribution limits, the money you over-contributed will be returned to you as a taxable event and you will have to pay taxes on this amount, plus any earnings you may have received.

You can monitor your own contribution amounts in the following ways:

- » Call KeyTalk® at (877) 457-6263 and ask the representative for your year-to-date contribution total.^{1,2}
- » Review your account statement quarterly.
- » Verify your contribution amount on your paycheck stub regularly.
- » Work with your local education counselor to calculate your contribution maximum and any catch-up amounts or additional contributions for which you may be eligible.

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BROKER BEWARE (CONTINUED)

Before making any decisions, you need to ask the tough questions and demand up-front answers:

- » Why is a broker/company suddenly interested in me?
- » Who benefits if I make a change?
- » What charges/fees are applicable?
- » What happens if I make a withdrawal?
- » How will this impact my beneficiaries?

You may also want to consider the following strategies:

- » Consider rolling over another retirement account or IRA into the Program (it might save you on fees).
- » Make sure your beneficiary information is up-to-date.
- » Review your asset allocation – and rebalance if necessary.³
- » Take advantage of Reality Investing® Advisory Services (Advisory Services) if you need help with your investments.⁴ There is no guarantee that participation in Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.



ADDITIONAL RETIREE SEMINARS IN YOUR AREA

RETIREMENT STRATEGIES FOR RETIREES

Mark your calendar for additional retiree seminars presented by a Program education counselor in your area.

AIKEN - Aiken Tech College, Graniteville - 2276 Jefferson Davis Hwy	Wed. 8/3 - 2 p.m.
BEAUFORT - Technical College of the Lowcountry, Bldg. 23 921 Ribaut Rd.	Wed. 6/1 - 10 a.m. Wed. 9/7 - 10 a.m.
COLUMBIA - DHEC, Peoples Auditorium, 3 rd Floor 2600 Bull St.	Tues. 5/17 - 10 a.m. Tues. 8/16 - 10 a.m. Tues. 6/14 - 10 a.m. Tues. 9/20 - 10 a.m. Tues. 7/19 - 10 a.m. Tues. 10/18 - 10 a.m.
CONWAY - Horry County Government Complex, Multi-Purpose Room D, 2 nd Floor 1301 2 nd Ave	Tues. 6/7 - 10 a.m. Tues. 9/6 - 10 a.m.
FLORENCE - PD DHEC-HD Office, 1 st Floor Auditorium 145 E. Cheves St.	Thurs. 5/19 - 10 a.m. Tues. 8/9 - 1 p.m.
GREENVILLE - Mauldin Public Library 800 W. Butler Rd.	Fri. 8/26 - 10 a.m.
GREENVILLE - Greenville Technical College, UT Bldg. #104, Rm. 136 620 Pleasantburg Dr.	Wed. 5/18 - 10 a.m. & 1 p.m. Fri. 9/30 - 10 a.m. & 1 p.m.
GREENWOOD - Piedmont Technical College, Bldg. C, Rm. 222-C 620 N. Emerald Rd.	Fri. 4/22 - 10 a.m. & 1 p.m. Fri. 10/28 - 10 a.m. & 1 p.m.
LANCASTER - Lancaster County Government Building, Council Chambers, 2 nd Floor 101 N. Main St.	Thurs. 7/7 - 10 a.m. Tues. 10/4 - 10 a.m.
NORTH CHARLESTON - Trident Technical College, Bldg. 910 7000 Rivers Ave.	Fri. 5/20 - 10 a.m.
ORANGEBURG - Orangeburg Calhoun Technical College, Bldg. A 3250 St. Matthews Rd.	Thurs. 7/7 - 2 p.m. Tues. 10/4 - 2 p.m.
ROCK HILL - York Technical College, Rm L100 (Library) 452 S. Anderson Rd.	Wed. 6/3 - 10 a.m.
SPARTANBURG - Spartanburg Community College, Tracy Gaines Auditorium 800 Brisack Rd.	Fri. 7/22 - 10 a.m. & 1 p.m.
SUMTER - Central Carolina Technical College, Bldg. 500, Rm. 533 506 N. Guignard Dr.	Thurs. 4/21 - 10 a.m.

ANNUAL RATES OF RETURN FOR THE SECOND QUARTER 2011

SOUTH CAROLINA STABLE VALUE FUND	4.15%
84-MONTH CERTIFICATE FUND	3.00%



NEW INVESTMENT OPTION AVAILABLE MAY 2, 2011

TIAA-CREF SMALL-CAP BLEND IDX INST⁵ (TISBX)

The South Carolina Deferred Compensation Commission (Commission) regularly monitors the investment options available to the Program. After a thorough search with the Program's investment consultant, the Commission has elected to add a new small-cap fund to the already diverse array of investment options available in the Program. Effective Monday, May 2, 2011, you will be able to transfer funds or direct new contributions to the TIAA-CREF Small-Cap Blend Index Institutional fund.

INVESTMENT OBJECTIVE

This investment seeks a favorable long-term total return. The fund invests primarily in a portfolio of equity securities in smaller domestic companies based on a market index. Under normal circumstances, it invests at least 80 percent of assets (net assets, plus the amount of any borrowings for investment purposes) in securities of its benchmark index (the Russell 2000[®] Index) and in small-cap securities.

Additional information about this investment option, including a detailed fund fact sheet and prospectus, will be available online and via KeyTalk on May 2, 2011. Should you wish to change your future contribution allocations or move your existing account balance to this new investment option, log into your account at www.southcarolinadcp.com or call KeyTalk at (877) 457-6263.¹

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 local education counselor or Great-West Retirement Services[®] representative. Read them carefully before investing.



ARE YOU LOANING MONEY FOR FREE?

Receiving a tax refund means you are loaning your money to Uncle Sam interest free. Contribute a little more to your Program account to prevent these interest-free loans and put more in your retirement savings.

ARE YOU OVER-CONTRIBUTING? (CONTINUED)

NEED TO CHANGE YOUR CONTRIBUTION AMOUNT TO COMPLY WITH THE ANNUAL CONTRIBUTION LIMITS?

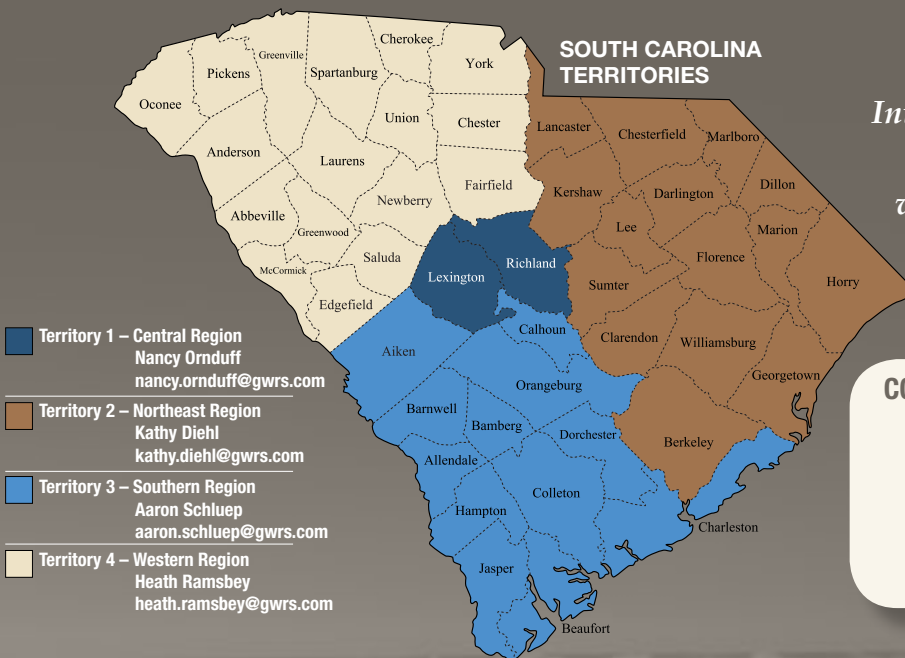
Log into your Program account at www.southcarolinadcp.com and click on "Manage Account" and then "Your Contribution Amount." You can also call KeyTalk at (877) 457-6263¹ or contact your local education counselor for assistance.² Please note that 401(k) contribution changes will be effective within one to two pay periods depending on your employer's payroll cycle, and 457 contribution changes will be effective the following month based on your employer's payroll cycle. Due to 457 regulations, contribution changes in the 457 plan cannot be made effective the same month in which you make the change and they cannot be overridden by your employer.

2011 CONTRIBUTION LIMITS

	401(k)	457(b)
Annual Maximum Contribution Limit	\$16,500	
Age 50 and Over Catch-Up Contributions	Additional \$5,500	
Special Catch-Up		Additional \$16,500

Stay on top of your contributions to help maximize the tax-deferred benefits of the Program.

CONTACT A LOCAL EDUCATION COUNSELOR IN YOUR AREA!



*Interested in attending a group meeting?
Visit the Program website at
www.southcarolinadcp.com¹ to find a
group meeting in your area.*

CONTACT THE GREAT-WEST LOCAL OFFICE AT:

200 Arbor Lake Dr., Suite 115
Columbia, SC 29223
Phone: (877) 457-6263, option 2
Office Hours: 8:00 a.m. to 4:30 p.m.
Monday through Friday

¹ Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

² 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.

³ Rebalancing does not ensure a profit and does not protect against loss in declining markets.

⁴ 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.

⁵ Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

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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