

PLAN ENHANCEMENTS FOR 2013

The Employees Retirement System of Texas (ERS) and the Texa\$aver Program are always looking for ways to improve your Program and make it easier for you to reach your savings goals.

The Texa\$aver Program has many exciting changes for you. Read on to find out more!

FEE REDUCTIONS

In September 2010, the Program lowered your fees. Now, it is lowering fees even more! The new fees go into effect January 2, 2013.

ADMINISTRATIVE FEES – REDUCED FOR ACCOUNTS OF OVER \$48,000

The administrative fees have been reduced for participants with account balances of more than \$48,000. Administrative fees are applied separately to the 401(k) and 457 Plans and are assessed to before tax and Roth assets separately, using the same fee schedule.

ROTH FEE – ELIMINATED

The \$5 per account Roth fixed fee for all Roth participants has been eliminated.

As of January 2, the new fee structure shown in the chart below will be applied to your account.

| Account Balance | Monthly Fee per Participant per Account per Contribution Type |
|-------------------------------------|---|
| \$10.00 or less | No fee |
| Between \$10.01 and \$1,000.00 | \$1.18 |
| Between \$1,000.01 and \$16,000.00 | \$3.99 |
| Between \$16,000.01 and \$32,000.00 | \$6.32 |
| Between \$32,000.01 and \$48,000.00 | \$9.49 |
| Between \$48,000.01 and \$64,000.00 | \$12.24 |
| \$64,000.01 or more | \$15.30 |

Visit www.texasaver.com and click either 401(k) or 457 to view the Fees section of the Plan Highlights.¹

¹ Access to the Texa\$aver Information Line and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

AN INCREASE TO CONTRIBUTION LIMITS FOR 2013

The yearly Texa\$aver 401(k) and 457 Plan contribution limits for 2013 have increased to \$17,500 for each Plan, up from the \$17,000 limit in 2012.

The Age 50 and Over Catch-up contribution limit remains the same for 2013 at \$5,500 per Plan (for a total of \$23,000 when combined with the regular limit).

For the Texa\$aver 457 Plan, the Special 457 Catch-up contribution limit for 2013 is \$17,500 (for a total possible contribution of \$35,000).

You may not use the Age 50 and Over Catch-up and Special 457 Catch-up options at the same time.

Please note that all contribution amounts are for both before-tax and Roth after-tax contributions combined.



FUND ADDITIONS TO TEXA\$AVER

Texa\$aver will add the following two funds to the Program in January 2013.

| Fund Name | Asset Class | Fund Objective | Ticker |
|---|----------------------------------|---|--------------------------------|
| AllianceBernstein Real Asset Strategy Fund ² | Specialty Fund | The fund seeks to maximize real return over inflation. | AMTIX |
| Barclays Capital 1-3 Year Government Bond Index Fund F ³ | Short-Term Bond/ High Quality | The fund seeks to provide investment results that correspond to the total return of the bonds in the Barclays Capital 1-3 Year Government Index. ⁴ | N/A (Collective Trust Fund) |

The **AllianceBernstein Real Asset Strategy Fund²**, a mutual fund, is an actively managed global portfolio of real assets (such as real estate, energy, metals, and agriculture). The fund's investment team expects this fund to outperform stock markets during periods of rising inflation. Also, the fund may invest in Treasury Inflation Protection Securities (TIPS) and foreign currencies to hedge inflation risk.

The fund managers of mutual funds invest the pooled money in many investments (such as stocks and bonds). Mutual funds aim to reach a certain investment objective that can be found in the fund's prospectus. The fund is registered with and regulated by the Securities and Exchange Commission (SEC).

Barclays Capital 1-3 Year Government Bond Index Fund F³, a collective investment trust (CIT) fund, is an index fund that seeks to match the performance of the Barclays Capital 1-3 Year Government Index by investing in a diversified sample of short-term bonds that make up the index.⁴ The index includes mostly U.S. Treasury and federal agency bonds with maturities ranging between one and three years. Bonds with shorter maturities generally have less risk than bonds with intermediate or long-term maturities.

CIT funds are investments for institutional investors, including large retirement plans like the Texa\$aver Program. Like mutual funds, CITs are made up of pooled assets of companies that meet the funds' investment strategy and objectives. The fund is registered with the U.S. Office of the Comptroller of Currency and Department of Labor.

CITs combine the purchasing power of a large group of investors to help lower fund expenses. As a result, CITs generally have simple fee structures and low operating costs. This means you may pay less money in fees.

To find out more, visit www.texasaver.com and click the Investments tab and then the Core Funds link.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 for registered investment options and/or disclosure documents from www.texasaver.com under "Investments" or by requesting one from your Texa\$aver representative. For prospectuses related to investments in your Schwab PCRA, contact Schwab at (888) 393-7272. Read prospectuses carefully before investing.

² Specialty funds invest in a limited number of companies and are generally non-diversified. As a result, changes in market value of a single issuer could cause greater volatility than with a more diversified fund.

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 A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

FIND A MEETING IN YOUR AREA

If you like to get your information face-to-face, you'll find the full schedule of available informational meetings on www.texasaver.com.¹



CONTACT US

Call: (800) 634-5091⁴

Website: www.texasaver.com⁴

Email: texasaver@gwrs.com



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. Core securities, when offered, are offered by Texa\$aver Program through GWFS Equities, Inc. GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. ©2013 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1110N (01/13) PT163386