

State of Alaska PERS/TRS Defined Contribution Retirement Plan

FINANCIAL FOOTNOTES

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A retirement planning newsletter brought to you by Great-West Retirement Services® and Alaska Division of Retirement and Benefits

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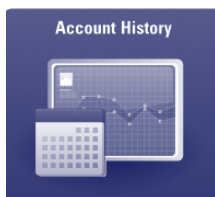
Getting to Know the Plan Website: Advisory Services and Account History



Advisory Services Tile

We all plan for retirement in our own unique way. Some of us want the support of investment experts; others have the confidence to research and choose investments on their own. Whichever approach you choose, you can find the resources you need on the Advisory Services tile at www.akdrrb.com¹, where you can:

- Learn more about Reality Investing® Advisory Services
- Enroll in a Managed Account
- Access features such as Online Investment Advice and Online Investment Guidance



Account History Tile

If you want to check in on the performance of your State of Alaska retirement plan but you don't want to wait for your quarterly statement, www.akdrrb.com has a convenient solution. From the Account History tile on the website, you have quick access to the following:

- **Rate of Return** – See an estimated rate of return for the period you specify.
- **Balance Over Time** – Track the changes in your account balance.
- **Transaction History** – Review the activity affecting your account, including contributions, transfers, and distributions.

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. 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.

Should You Rebalance?

A strategy that can help you keep your asset mix intact

The market's ups and downs can have a profound effect on your retirement savings. Your asset allocation—the way you originally divided your money among stock funds, bond funds and cash investments based on your financial goals and years until retirement—may have shifted off course. You can correct that by rebalancing, typically by going online and resetting your allocations back to their original targets.

Asset allocation and rebalancing do not ensure a profit and do not protect against loss in declining markets.

(Continued on page 2)





Should You Rebalance? (continued)

Get back on track

Rebalancing involves transferring money out of some investments that are performing better than others, and into some investments that aren't performing as well. That may feel counterintuitive, but consider the benefits.

When you sell some of your best-performing shares, you lock in your gains, assuming there were positive returns. And when you buy additional shares of an asset that has lagged, you may be getting them at a bargain price, increasing your potential return if that investment recovers. For example, in 2008, investors who rebalanced their portfolios by moving money from high-performing bond funds into poorly performing stock funds were rewarded the following year. In 2009, stocks rebounded, gaining 26.5%, while bonds fell 2.4%.²

Do an annual review

Some retirement plans rebalance automatically. If yours doesn't, check your allocation annually. Many financial professionals recommend rebalancing when your portfolio mix strays by 5% or more from its original targets.

Past performance is no guarantee of future results. Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Beneficiary Update

When you first filled out the documents for your State of Alaska retirement plan, you probably listed your account beneficiaries—that is, the people who will receive the assets in your plan after you pass away. Be sure to revisit these designations every year in case you need to make a change; in most cases, *beneficiary listings override wills*.

Beyond your spouse

It's also a good idea to name secondary beneficiaries. For example, listing your children as secondary beneficiaries allows your assets to pass to your kids in the unlikely event that something happens to both you and your spouse.

Staying current with your beneficiaries will ensure that your money will go to the right people when the time comes. You can select or change your beneficiary(ies) online by logging on to www.akdrrb.com.¹ You can also click on the Forms button to download a beneficiary form. You can also obtain a form by calling KeyTalk® at 1-800-232-0859.

Smart Tax Moves

What to do with a tax refund

Nearly eight out of 10 U.S. tax filers received a refund in 2012, and the average refund was about \$3,000. Used wisely, that kind of cash can make a big difference in your financial future. You could:

- **Boost retirement contributions.** Getting a refund means you gave the government an interest-free loan for the year. Consider decreasing the tax withheld from your paycheck by adjusting your W-2 and contributing that money into a retirement savings account. Saving an extra \$2,000 every year would boost your nest egg by nearly \$168,256 over 30 years, assuming your investments averaged an 6% annual return.
- **Open a 529 college savings plan.** Already on track for retirement? Get a head start on saving for your child's future college costs. A 529 account allows you to make withdrawals tax-free as long as the money is used to pay for college-related expenses. Most states have their own plans, and you may invest through any of them. Savingforcollege.com and other sites can help you research the different plans.

You owe. Now what?

If you face a tax bill you can't pay by mid-April, you can opt to pay in monthly installments by filing IRS form 9465. However, you'll have to pay a fee plus interest.

Source: irs.gov. 2012

Great-West FinancialSM is not responsible for, nor does it endorse the content contained in the additional websites provided. These websites are for general education and information only and are provided as a benefit to the users of the sites.

² Morningstar, Inc., Ibbotson® SBBI® 2012 Classic Yearbook.



Time for the Talk

Thanks to longer life expectancies, you may find yourself caring for or financially supporting your aging parents and paying for your own retirement at the same time. A survey of baby boomers—those born between 1946 and 1964—found that 71% have at least one living parent, and 29% of them have provided that parent with some financial assistance.³ So help your parents plan ahead. Regardless of what generation you're in, when you help your parents plan ahead to adequately finance their aging years, you're also helping to make your own retirement more secure.

Discuss the future

Raising the topic of money and aging requires sensitivity and tact. The best time to talk with your parents about the future is while they're still healthy and independent. Plan together for emergency situations. In a crisis, it will be helpful if you have the names and telephone numbers of their doctors, lawyer and financial advisers, for example.

Ask your parents about any important legal documents, such as a durable power of attorney and a health care proxy. Using those documents, your parents can give you the authority to write checks from their accounts to pay their bills, to file their insurance claims and to authorize their medical treatments if they're no longer able to do so.

Stress your concern for their welfare

This talk is about helping your parents. You want them to know you'll be there for them if they're ever incapacitated. Knowing about their assets and their preferences will help you help them. You may find that they are more ready for this talk than you are. In fact, there's often a disconnect between what parents and their adult children believe is the reality of the parents' financial situation. In a recent survey, parents believed their adult children knew more about their (parental) income and expenses than the children actually did.⁴

Revocably yours

As part of your parents' estate planning, they may want to consider transferring their assets to a revocable trust. There are no particular tax benefits, but the trust allows them to retain full control of their money and also name a co-trustee to help manage their financial affairs, if necessary. They can dissolve the trust at any time or alter aspects of it, including their choice of co-trustee and beneficiaries to inherit the trust assets when they die. You'll need an estate-planning attorney to set up the trust and advise you on your state's specific requirements.

The sooner you have the talk, the easier it will be to plan for both your parents'—and your own—future.



³ "Baby Boomers: From the Age of Aquarius to the Age of Responsibility," Pew Research Center, December 8, 2005.

⁴ "2010 Health Confidence Survey," Employee Benefit Research Institute and Mathew Greenwald & Associates."



Keep Your Identity Safe

How to avoid ID theft and what to do if you're a victim

What can you do to protect yourself from identity theft? Here's how to cover your back—and how to bounce back if you're victimized:

- **Safeguard your Social Security number.** Don't carry your card around in your wallet. If your employer or health plan ID card has the number on it, request that it be replaced with a different "identifier."
- **Request password protection** for your credit card and all bank accounts—including online and teller transactions.
- **Check your credit reports** for suspicious activity every six months. The three big credit-reporting agencies—TransUnion, Experian and Equifax—will provide you with one free credit report every 12 months. Steer clear of third-party Web sites that offer free credit reports; you may end up being charged for a monthly service that you don't want.
- **Stop dangerous junk mail** by "opting out" of receiving pre-approved credit offers. To get off the credit bureaus' marketing lists, call 888-567-8688.

If you've been scammed:

- **Initiate fraud alerts** by phoning the three major credit agencies.
- **Spread the word** to any creditors where the thieves have run up bills.
- **Get a police report.** Some creditors require it as evidence that you're a victim.

GWFS Equities, Inc. is not affiliated with TransUnion, Experian, or Equifax.

A New Look and Feel

Our logo and brand name has changed, but the business stays the same

We at Great-West Retirement Services® are proud to share our new brand and logo, which we have changed to be consistent with our newly launched corporate brand of the Great-West companies. The Great-West Retirement Services business segment is unchanged, other than that it will use our new corporate brand logo.

Our new brand name, Great-West FinancialSM, and logo are reflected on your statement and on the Website at www.akdrb.com. Great-West remains the same strong, stable company committed to its employees, customers and markets. We're excited to be able to share the new name and logo with you, and we look forward to continuing to serve your retirement planning needs.



Contacts/Account Maintenance

Alaska Division of Retirement and Benefits	1-800-821-2251
From Juneau	1-907-465-4460
Website	www.doa.alaska.gov/drbb
Account information online	www.akdrb.com ¹
KeyTalk®—account inquiries and maintenance	1-800-232-0859 ¹

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