



Your **Horizons** Retirement Plan

Simplified

Saving is Back in Style

One of the outcomes of the economic turmoil during the last few years is that many people have rediscovered the importance of saving. We're redefining "necessity" and "luxury" and reprioritizing our spending as a result. We're learning that indulging our short-term whims can hurt our long-term goals. And more of us are taking a thoughtful look at how we'll build the nest egg we need to provide us with the retirement income we'll want in the future.

This edition of the newsletter takes a look at how your Horizons Plan can help you make saving a priority by providing you with:

- **A different way to save** – There's a difference between saving for retirement on your own on an after-tax basis and saving in a tax-deferred way through the Horizons Plan.
- **A way to save more** – Matching contributions will return soon. Find out how you can take full advantage.
- **A new investment option** – The Horizons Plan features a new investment option—The Horizons Inflation Protection Fund—that can help you counter the negative impact of inflation.
- **A way to save more securely** – Enhanced Authentication—which helps protect against unauthorized access to your account—goes into effect on May 22.

If you're the type who takes pride in making the most of every penny, your Horizons Plan has a lot to offer.

Saving for Retirement Can be Less Taxing

If you'd like to find a way to pay less in taxes with each paycheck and still keep your retirement dreams on track, you should know that your Horizons Plan offers some unique tax advantages compared to saving on your own.

Lower Your Taxable Income by Increasing Your Contribution

Are you looking for a safe—and completely legal—way to lower your current tax burden? Think about contributing more to your Horizons account. Since contributions are deducted from your gross pay, before your state and federal taxes are withheld, your taxable income is actually lower due to your contribution. The more you contribute to your Horizons Plan, the lower your taxable pay.

The graph on the right illustrates how a monthly contribution of \$100 could grow in your tax-deferred Horizons Plan as compared to the growth of the same amount if invested in a taxable investment, such as a retail mutual fund account. That's a difference of \$147,023 over 40 years!

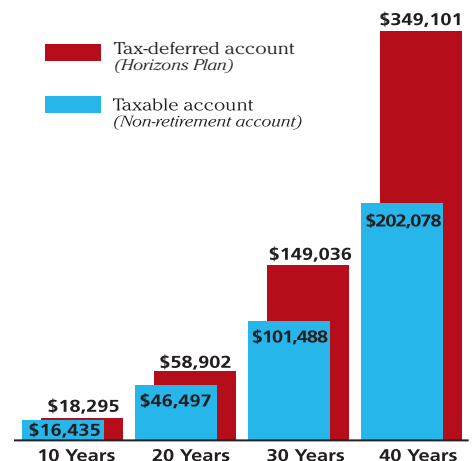
The Potential for Tax-Deferred Growth

The Horizons Plan offers another way for you to potentially lower your current tax bill compared to saving on your own: tax-deferred compounded growth. With your Horizons account, you don't pay taxes on your contributions or any growth they

generate until you take a withdrawal. Also, any earnings are reinvested in the investment options you choose.

If you were to invest money on your own on an after-tax basis, you would pay taxes on the money you invest—and you could also be taxed each year on the earnings your investment generates. With the Horizons Plan, the money you would have paid in taxes can stay in your account working for you.

(continued on page 2)



FOR ILLUSTRATIVE PURPOSES ONLY. Source: Great-West Retirement Services®, 2010. This hypothetical illustration does not represent the performance of any investment options. It assumes an 8% rate of return, a 25% combined federal and state income tax bracket, and reinvestment of earnings, with no withdrawals. Assumes that the taxable account does not hold any investment for more than 12 months. Taxable investments held longer than 12 months may qualify for lower capital gains and/or qualified dividend tax rates, which may make the return on the taxable investments more favorable, thereby reducing the difference in performance between the accounts shown. The illustration does not reflect any charges, expenses or fees associated with Horizons. The tax-deferred accumulation shown above would be reduced if these fees had been deducted.

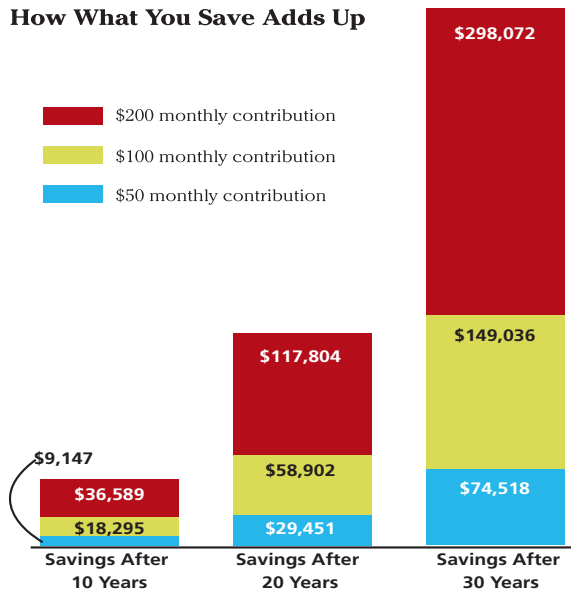
Saving for Retirement Can be Less Taxing *(continued)*

Eventually, Uncle Sam will want his cut, and you'll pay taxes on your contributions and any earnings when you eventually take a withdrawal. But with your Horizons Plan, more of your money can stay in your account, and work for you for a longer time, compared to after-tax savings options.

Small Change, Big Difference

Even a small boost in your contribution amount can translate into a significantly bigger retirement nest egg. This chart shows how just a small increase in your contribution level, and the power of compounding, could add up to thousands of dollars more over time.

How What You Save Adds Up



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Pay Yourself First

Boost your Horizons contribution today by logging on to www.countyla.com or calling the County of Los Angeles Service Center at **(800) 947-0845**.¹² Don't think you can afford to increase your contribution? Try bringing your lunch from home instead of eating out. Increasing your contribution by 1% today can have a big impact on the size of your retirement nest egg down the road. Don't wait—increase your contribution today. It only takes a couple of minutes.

Automating the Habit

As with any good habit, saving more on your own can be a challenge. It's easy to forget to set money aside, or to use that money for other things. The Horizons Plan makes the savings habit automatic. Your contributions are deducted from your paycheck before other deductions and tax withholdings. That's one thing you can take off your to-do list.

Cyber Smarts Web Tip:

How to Get a PIN

To have a new PIN mailed to you -

Go to www.countyla.com, click on "Forgot your PIN?" in the Login area and enter the required information. You'll receive your new PIN in seven to 10 business days.*

For immediate account access -

Contact the County of Los Angeles Service Center at **(800) 947-0845**.

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



The Match Is Back!

Good news for Horizons savers!
A reduced match returns beginning with the July 30, 2011 paycheck.

If you already contribute to the Horizons Plan, no action is required. However, if you discontinued your deferrals when the match was suspended, or if you want to increase your deferral before the match resumes, you must change your deferral between June 16 and June 30, 2011. **Deferral changes typically take two payroll periods to take effect.**

Changing Your Deferral

Changing your deferral is quick and easy. Visit www.countyla.com, click on the "Change Account" tab and then the "Deferral" link. Or call the County of Los Angeles Service Center at **(800) 947-0845**.

Crunching the Numbers

How much should you save to receive the entire County match? There's no one answer for everyone, but the Horizons Deferral Percentage Calculator can help you determine the proper deferral percentage for your specific situation.

This recently updated calculator is designed to help you answer two key questions:

- How much should I contribute to ensure that I receive the entire County match?
- How much should I contribute to reach the IRS' maximum allowable annual contribution, while receiving the full County match?

Starting May 23, 2011, you can find the new calculator under the "Tools" tab on www.countyla.com.

Horizons Deferral Percentage Calculator Goal

To complete the following calculations, you need a current pay receipt issued on the 15th of the month to identify the corresponding earnings and deductions codes.

Input - Paycheck Information

Current Earnings:	<input type="text" value="0"/>	➔
Imputed Income:	<input type="text" value="0"/>	➔
Regular Earnings (code PP099):	<input type="text" value="0"/>	➔
Earnings reported but not withheld:	(code PP022) 100% IA	<input type="text" value="0"/>
	(code PP031) 70% IA	<input type="text" value="0"/>
	(code PP062) MEGA IA	<input type="text" value="0"/>
	(code PP067) ADV DIS RET	<input type="text" value="0"/>
	(code PM008) MISC EARN 2-PEN	<input type="text" value="0"/>
LACERA or Judges' Retirement Plan (code ER001 - ER308):	<input type="text" value="0"/>	➔

Click the "Calculate" button to determine your minimum semi-monthly deferral percentage required to receive the County matching contribution.

You'll need to enter information from your most recent paystub issued on the 15th of the month. **Please note:** Use a paystub issued on the 15th of the month as it includes the data needed by the calculator.

The matching contribution is a great way for you to save more than you could save on your own. And when it comes to building your retirement nest egg, every little bit helps.

Introducing the Horizons Inflation Protection Fund

Last quarter's newsletter included an article announcing the Plan Administrative Committee's (PAC) decision to add a Treasury Inflation-Protected Securities (TIPS) investment option to the Plan's core investment lineup. The new fund is called the Horizons Inflation Protection Fund, and beginning May 2, 2011, you'll have the opportunity to add this fund to your Horizon's account by visiting www.countyla.com and clicking on the "Change Account" tab and then selecting your desired action.

Fund Objectives and Investment Strategy

The Horizons Inflation Protection Fund seeks to offer broad, low-cost exposure to U.S. Treasury bonds that automatically adjust to protect from increases in inflation. It also seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Barclays Capital U.S. TIPS Index over the long term.

The Fund is managed using a "passive" or "indexing" investment approach that attempts to replicate, before expenses, the performance of the Index mentioned above. The Fund may attempt to invest in the securities making up the Index and in the same proportions as the Index. However, the Fund may not be able to purchase some of the same securities. In such cases, the Fund managers will select securities that they believe will closely resemble the characteristics of the Index. For this reason, the Fund's returns may vary from the returns of the Index.

Who Is It For?

After the market turmoil of the past few years, many people are looking for ways to protect the money they save for retirement. But investors who prefer safer investments still face a risk to their future retirement income: the threat of rising inflation. Inflation can eat away at the purchasing power of the money you save. The interest earned and the principal value of your investment in the Horizons Inflation Protection Fund changes with the rate of inflation. So as inflation increases, the value of your investment can increase with it—helping you counter the negative impact of rising inflation on the money you're saving for retirement.

Remember, a well-diversified portfolio that includes stock funds, bond funds and cash equivalents can help you find the balance of risk and potential return that best matches your personal risk tolerance and investment goals.[^] The Horizons Inflation Protection Fund is another investment option that can help you build a well-diversified portfolio that improves your retirement readiness.

For more information on the Horizons Inflation Protection Fund, visit www.countyla.com, click on "Fund Data Sheets," and then "Horizons Inflation Protection Fund."

Please consider the investment objectives and risks, as well as fees and expenses, carefully before investing. For this and other important information, you may obtain fund fact sheets and disclosure documents from your registered representative at (800) 947-0845 or through the Web site at www.countyla.com. Read them carefully before investing.

[^] Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.



Horizons Plan Administrative Committee Members

Sid Kikkawa, *Chair*

Lynn Reitnouer
Lisa M. Garrett
William Pryor
Steven Remige

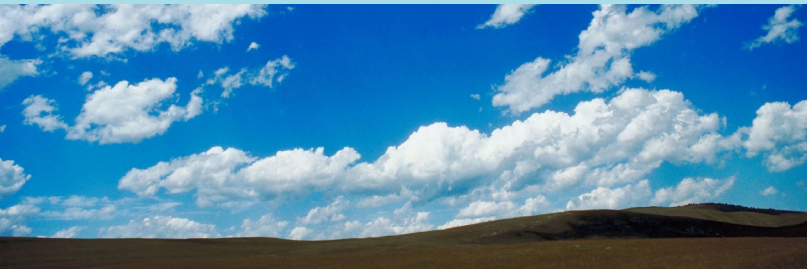
Mark J. Saladino
Ramon Rubalcava
Wendy L. Watanabe
Sandra Teasley

What's on Your Mind? The Horizons Plan Survey Wants to Know.

It's time for the annual Horizons Plan Survey. Last year, nearly 20% of Web users shared their insights about what they liked about the Horizons Plan and how it could be improved. Throughout the year, the PAC used the Horizons newsletter to address your survey suggestions and feature topics you said you wanted to hear more about.

Communication is a two-way street, and the PAC uses the survey to take the pulse of Horizons Plan participants and uses the results to help set the agenda for the coming year. The bottom line: we listen to your feedback and we respond.

Your opinion matters, so please take about 10 minutes to complete this confidential, anonymous online survey. Visit the Horizons website at www.countyla.com and click on the survey link. Thank you in advance for helping us make your Horizons Plan a more valuable retirement planning resource.



Q&A: Enhanced Authentication

- **Who is affected?** Anyone who wants to access their Horizons account online.
- **What do you need to do?** Select a security image, phrase, and question that helps prevent others from accessing your account and lets you know you're accessing the authentic County website.
- **When does it take effect?** Enhanced Authentication goes into effect on May 22, 2011.
- **Where will you see it?** Each time you log in from a computer the County website doesn't recognize.
- **Why is it important?** Enhanced Authentication helps guard the online security of your Horizons account. It's also mandatory to set up your security question and choose your image/phrase if you'd like to continue to access your Horizons account information online.

Have questions on Enhanced Authentication? Call the County of Los Angeles Service Center at **(800) 947-0845**.

Customer Service On-Site Locations

Hall of Records

320 W. Temple Street, Los Angeles
Fourth Thursday of every odd-numbered month in the main lobby

Kenneth Hahn Hall of Administration

500 W. Temple St., Los Angeles
Third Thursday of each month, second floor lobby entrance from mall

Martin Luther King/Drew Medical Center

12021 S. Wilmington Ave., Los Angeles
First Monday of every even-numbered month in main lobby

High Desert Hospital (NEW)

44900 N. 60th Street, Lancaster
First Tuesday of the month in the cafeteria
If Tuesday falls on the 1st day of the month, the meeting would be held the following Tuesday

Registrar Recorder

12400 Imperial Hwy., Norwalk
Fourth Thursday of each month in the south end of the main lobby

Rancho Los Amigos Rehabilitation Center

7601 E. Imperial Hwy., Downey
Second Thursday of each month in Jacquelyn Perry Clinic lobby

Olive View Medical Center

14445 Olive View Dr., Sylmar
Fourth Wednesday of each month in cafeteria

LAC/USC Main Hospital

1200 N. State St., Los Angeles
Second and fourth Friday of each month in cafeteria

Public Works

900 S. Fremont Ave., Alhambra
Third Wednesday of each month in cafeteria

Harbor/UCLA Medical Center

1000 W. Carson St., Torrance
Second Thursday of each month in elevator lobby

Health Services

313 N. Figueroa St., Los Angeles
Fourth Thursday of every even-numbered month in the main lobby

County of Los Angeles Service Center

655 N. Central Ave., Suite 1520 | Glendale, CA 91203
Office hours: 8:30 a.m. to 5:00 p.m.

Phone: **(800) 947-0845**

Account Management Tools

You can make changes to your account, research investment options, and stay updated on Plan changes using either of the two convenient methods available to you.

Web: www.countyla.com¹²

Phone: **(800) 947-0845**¹²



Investment Option Returns for the Period Ending March 31, 2011

VARIABLE INVESTMENT OPTIONS AVERAGE ANNUAL RETURN

	Last 3 Months	Year to Date	1 YEAR	3 YEARS	5 YEARS	Since Inception	Total Fund Expense	Inception Date of Fund
SIMPLIFIED INVESTMENT MENU^{1,2,3,4}								
Horizons Retirement Income Fund	3.27%	3.27%	12.35%	N/A	N/A	14.18%	0.63%	11/07/08
Horizons 2010 Target Date Fund	4.17%	4.17%	13.46%	N/A	N/A	14.04%	0.63%	11/03/08
Horizons 2015 Target Date Fund	4.58%	4.58%	14.63%	N/A	N/A	15.88%	0.48%	11/03/08
Horizons 2020 Target Date Fund	4.98%	4.98%	15.78%	N/A	N/A	17.41%	0.45%	11/03/08
Horizons 2025 Target Date Fund	5.34%	5.34%	16.92%	N/A	N/A	18.55%	0.44%	11/03/08
Horizons 2030 Target Date Fund	5.40%	5.40%	17.19%	N/A	N/A	18.38%	0.44%	11/07/08
Horizons 2035 Target Date Fund	5.40%	5.40%	17.19%	N/A	N/A	18.76%	0.44%	11/07/08
Horizons 2040 Target Date Fund	5.40%	5.40%	17.19%	N/A	N/A	18.79%	0.44%	11/07/08
Horizons 2045 Target Date Fund	5.41%	5.41%	17.20%	N/A	N/A	18.39%	0.44%	11/07/08
Horizons 2050 Target Date Fund	5.36%	5.36%	N/A	N/A	N/A	19.39%	0.44%	08/02/10

ADVANCED INVESTMENT MENU^{1,2,3}								
Horizons Bond Fund ⁵	1.47%	1.47%	9.52%	N/A	N/A	21.23%	0.31%	11/03/08
Horizons Balanced Fund	4.85%	4.85%	11.49%	N/A	N/A	17.34%	0.43%	11/03/08
Horizons Large Cap Equity Fund	5.90%	5.90%	15.64%	N/A	N/A	16.66%	0.03%	11/03/08
Horizons Non-U.S. Equity Fund ⁶	4.48%	4.48%	14.50%	N/A	N/A	20.91%	0.45%	11/03/08
Horizons Mid Cap Equity Fund ⁷	8.58%	8.58%	27.49%	N/A	N/A	28.74%	0.56%	11/03/08
Horizons Small Cap Equity Fund ⁸	7.99%	7.99%	28.30%	N/A	N/A	18.14%	0.64%	11/03/08

	ANNUALIZED CREDITING RATE					
	2nd Qtr '11	1st Qtr '11	4th Qtr '10	3rd Qtr '10	2nd Qtr '10	
Horizons Stable Income Fund ^{3,9}	3.38%	3.29%	3.22%	3.42%	3.30%	11/30/90
Bank Depository Fund ^{3,9,10}	0.31%	0.30%	0.29%	0.54%	0.29%	11/30/90

Keep in mind that fees and expenses are only one of several factors that you should consider when making investment decisions. Please consider the investment objectives and risks, as well as fees and expenses, carefully before investing. For this and other important information, you may obtain fund fact sheets and disclosure documents from your registered representative at (800) 947-0845 or through the Web site at www.countyla.com. Read them carefully before investing.

Since most of the funds are brand new, there is the potential for a slight difference in performance results as assets are deposited into the funds. These return differences will be minimal and should normalize once the funds have developed a longer history behind them. Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month end, please visit www.countyla.com. The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost. Although data is gathered from reliable sources, we cannot guarantee completeness and accuracy.

The net returns shown above reflect fund operating expenses, but do not include current administrative fees.¹¹ For more information on how these administrative fees are assessed to your account, please refer to the Schedule of Participant Fees in the Fund Data Booklet or visit the Web site at www.countyla.com.

About the Investment Options

The Plan Administrative Committee (PAC), with the consultation of outside advisors not affiliated with Great-West Retirement Services®, has set the underlying allocation of the Horizons Target Date Funds and the Horizons Asset Class Investment Options (sub-funds). The PAC may change the underlying allocation to the sub-funds at any time, without prior notification, pursuant to the investment guidelines established by the PAC.

¹ About Separately Managed Funds/Accounts

The Horizons investment options are designed exclusively for the Horizons Plan. The PAC has selected underlying fund managers who may manage Plan assets through a separate account, thereby reducing the fund operating expense charged to participants. A separate account means Horizons assets are invested separately from other clients of the fund manager. Therefore, performance data is based only on Horizons assets. Registration with the Securities and Exchange Commission is not required for any of the Horizons investment options.

² Transfer Restrictions

Transfers of \$10,000 or more into an investment option on a single day must remain invested in that option for a minimum of 10 business days. The last assets transferred into an investment option will be the first assets transferred out of the investment option. After any transfer of assets out of an investment option, no assets may be transferred into that investment option for 30 calendar days. Non-compliant transactions may result in the restriction of a participant's ability to make transfers. Additional information is available on the website at www.countyla.com.

³ Bank Depository Transfer Information

Effective February 16, 2010, monies cannot be transferred directly from the Stable Income Fund to the Bank Depository Fund. Instead, any monies transferred from the Stable Income Fund must first be transferred to one of the other core funds in the Plan (either the Target Date Funds and/or the Asset Class Funds). The monies must remain in that core fund for 90 calendar days before they can be transferred into the Bank Fund. In addition, once a transfer out of the Stable Income Fund is initiated, all investment options are restricted from transferring into the Bank Fund for 90 calendar days.

⁴ Important Information About the Target Date Funds

The Target Date Funds will be rebalanced automatically each quarter so they maintain their established percentage for each investment option. This automatic rebalancing will take place on the last business day prior to a quarter end, so participant statements will reflect the rebalanced portfolio. On an annual basis, the Horizons 2010 through 2050 Target Date Funds will be adjusted to a more conservative asset allocation. When the Target Date Fund reaches its targeted year, the Target Date Fund will continue to exist as a "transition" fund with continued gradually declining exposure to equities for at least another 10 years beyond the retirement year until it is eventually absorbed into the Retirement Income Fund. The principal value of the funds is not guaranteed. Review the fund fact sheets for more information.

⁵ 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.

⁶ Foreign investments involve special risks, including currency fluctuations and political developments.

⁷ Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

⁸ Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

⁹ Fixed Investment Option Name Changes

Effective November 3, 2008, the LA County Stable Income Fund was renamed to the Horizons Stable Income Fund, and the Washington Mutual Bank Fund was renamed to the Bank Depository Fund.

¹⁰ Bank Depository Fund Insurance of Deposits and Account Balance Limit

Assets invested in the Bank Depository Fund are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The current maximum balance permitted in this Bank Depository Fund is \$250,000. Any amount in excess of this limit will be automatically transferred to the Horizons Stable Income Fund at the end of each month. The Bank Depository Fund is the only investment product in the Horizons Plan that offers FDIC insurance on account balances. All other Horizons Plan investment products offered are not FDIC-insured and may lose value.

¹¹ Administrative Fees

For the period July 1, 2010, through June 30, 2011, the monthly Plan administrative fee will be \$3.27 and the County administrative fee will be \$1.83. The total annual administrative fee charged to you for fiscal year 2010 will not exceed \$61.16.

¹² Access to the automated voice response system and 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 automated voice response system received on business days prior to close of the New York Stock Exchange (1:00 p.m. Pacific 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 Horizons Target Date Funds are invested in units/shares of the following underlying funds: Horizons Stable Income Fund, Horizons Bond Fund, Horizons Large Cap Fund, Horizons Non-U.S. Equity Fund, Horizons Mid Cap Fund, Horizons Small Cap Fund, JPMorgan Property Fund, Mellon Global Alpha I, PIMCO High Yield Fund Institutional, PIMCO All Asset Fund and Wellington Unconstrained Themes.

The Asset Class Funds are comprised of the following: Horizons Bond Fund invests in units/shares of Loomis, Sayles & Company, L.P. Core Plus Full Discretion; Horizons Balanced Fund invests in units/shares of Dodge & Cox Balanced Fund; Horizons Large Cap Fund invests in units/shares of SSGA S&P 500 Index; Horizons Non-U.S. Equity Fund invests in units/shares of Causeway International Value Equity Fund and Capital Guardian International (Non-U.S.); Horizons Mid Cap Fund invests in units/shares of Artisan Mid Cap Growth, Denver Investment Advisors Mid Cap Growth, Sasco Capital Mid Cap Value and WEDGE Capital Management L.L.P. Mid Cap Value; Horizons Small Cap Fund invests in units/shares of Brandywine Small Cap Value, NorthPointe Capital Small Cap Growth Equity and Peregrine Capital Small Cap Growth Equity.

Investment options and their underlying funds have been selected by the PAC. Securities are offered through GWFS Equities, Inc., a Great-West Company and FINRA member firm.

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.

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