



Traffic through downtown Los Angeles

Your Retirement
Simplified

Horizons

Achieving the Ideal Retirement Part 1: Focusing on Retirement Income

How do you imagine your retirement? It's an important question. Without a clear picture of how you plan to live in your retirement years, it can be hard to make specific choices about saving and investing. Maybe you plan to travel around the world. Maybe you want to spend more time with your grandchildren. Maybe your goal is to downsize and simplify.



DID YOU KNOW? Some experts believe we'll need to replace 80% of our working income to maintain a similar lifestyle in retirement.*

When you're specific about your retirement plans, you can begin to estimate your future expenses and income needs more realistically—which in turn can help you decide how much you need to save and invest today to reach your future goals.

Ask Yourself the Right Question: How Much Income Will I Need After I Retire?

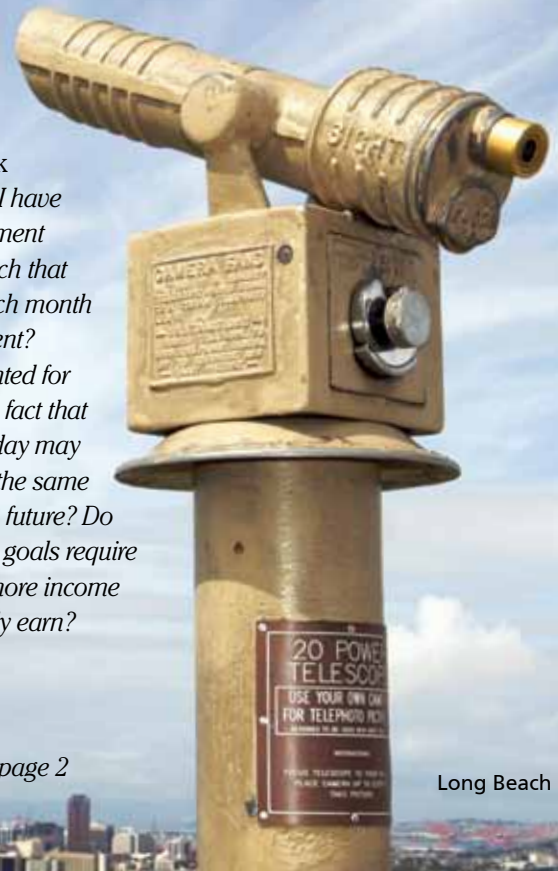
Most of us plan to retire one day. Whether your retirement is five to 10 years away or much further down the line, hopefully you are part of the 72% of County employees paying yourself first by carving out a portion of each paycheck and contributing it to the Horizons Plan. If you are, congratulations on making a smart sacrifice today to help build a more financially secure retirement. But planning for retirement doesn't stop there. When was the last time you asked yourself, "Am I on track to building the retirement nest egg I'll need in order to live comfortably after I stop working? Are my semi-monthly payroll contributions to Horizons enough?" Instead of thinking in terms of a certain account balance that you need to reach before you can retire, try thinking in terms of how much retirement income you'll need each month to live the lifestyle you want. After all, you probably do your current financial planning around a monthly budget by matching your income with your anticipated expenses. That pattern will likely continue into retirement.

* AON Consulting/Georgia State University 2004 Retirement Income Replacement Ratio Study

One common rule of thumb is that we'll need to replace 80% of our working income to maintain a similar lifestyle in retirement.* For most people, that 80% will come from multiple sources. These can include pension benefits from LACERA, income from tax-deferred accounts such as the Horizons Plan and IRAs, wages from part-time work, personal

savings, and, for some people it could also include Social Security benefits.

Now, think back to your retirement plans, and ask yourself: *Will I have enough retirement income to reach that 80% mark each month of my retirement? Have I accounted for inflation—the fact that my dollars today may not be worth the same amount in the future? Do my retirement goals require significantly more income than I currently earn?*



Continued on page 2

Long Beach

Achieving the Ideal Retirement Part 1: Focusing on Retirement Income (continued)

If so, you may need to save more—or take other action, such as delaying your planned retirement date or changing your current investment strategy.

Knowledge Is Power

The DreamTrackerSM tool available on the Horizons Plan website can help you determine whether you're saving enough to reach your retirement income goals—and help you understand the impact of other factors such as inflation and investment performance. You can find DreamTracker under the Tools tab on www.countyla.com.†

The assets you accumulate in your Horizons Plan will help bridge the gap between the income you'll receive from LACERA and the working income you are used to receiving each month. ■■■■

† Access to the Los Angeles County Service Center and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.



Above and below the waters in Malibu

Cyber Smarts **Web Tip:**



Increasing Your Contribution Amount

Regularly increasing the amount you save through your Horizons Plan is one of the smartest ways to work toward your retirement income goals. With features such as pre-tax contributions and compounded growth potential, the Plan not only allows you to delay paying taxes on the money you contribute, but it also may allow you to potentially accumulate a bigger retirement nest egg than you could by putting money in an after-tax savings account.

Retirement Planning Doesn't Have to Be a Puzzle

Your Horizons Plan can make retirement planning less puzzling. But if you're the type who still enjoys a puzzle now and then, see if you can spot the eight retirement-related terms to the right in the puzzle below.

HINT: A few of the terms would normally be hyphenated.
Answers on page 4

- CONTRIBUTE
- DIVERSIFY
- PRETAX
- REBALANCE
- RETIRE
- RETIREMENT GOAL
- RISK MANAGEMENT
- TAX DEFERRED

T A L M E F V X O W N X G L P W J
 J A L A R C A I Y T R C A O B I J
 L Q X C I C Q E L D I O J T D E P
 K T P D T U S F I E G N G X E B L
 H Q U Y E Z E V T T S T E M H R R
 T M E Q R F E G N I F R G J D D P
 K I E S V R E E U U F I V Q X Y K
 Q X H R S K M R K S F B U L D E G
 E U E I U E G V R R V U Y Q N L L
 F Y F C R B S I F E E T N W E A E
 W Y S I X V T L W C D E D K B O Z
 I X T E C N A L A B E R F L U I V
 K E T A J W F K F Z L G Y U D H B
 R I S K M A N A G E M E N T A U H
 K G S Z C A X Y U R J U V X O R E
 E F Y C Q I B I D M Z P R I K A S
 G M H M O A P K R H B C O Y L J R



www.countyla.com†

To increase your contribution amount, just follow these simple steps:

- Log in to your account at www.countyla.com†.
- Click on the **Change Account** tab.
- Choose **Deferral** from the list of options.
- Enter your new contribution percentage.

Piece Together Your Financial Picture

The chart below shows you how increasing your semi-monthly payroll contributions, even by a small percentage, can have a big impact on your retirement nest egg—especially when you save enough to take full advantage of the County’s matching contribution. And the earlier you start, the bigger the effect.



Accumulated pre-tax account balance at age 65:

Age you begin contributing	1% contribution	3% contribution	4% contribution
55	\$8,208	\$24,623	\$32,830
45	\$23,151	\$69,454	\$92,606
35	\$50,361	\$151,082	\$201,443
25	\$99,902	\$299,706	\$399,608

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes \$30,000 in annual eligible pay, a 6% annual pre-tax rate of return, and the County’s dollar-for-dollar match up to 4%[†].

[†] The County’s 4% match resumes on July 1, 2012.

THIS QUARTER’S TIP

1. Evaluate your spending habits and regular expenses to find ways to save a little more each month.
2. Visit the Paycheck Comparison calculator under the Tools tab on the website at www.countyla.com to see how saving more will affect your take-home pay.
3. See this month’s Cyber Smarts Web Tip for instructions on increasing your contribution percentage.

Keep Your Retirement Plans on Track: Check Your Paystub to Verify Your Contributions

It’s a good idea to check the taxes and deduction section of your paystub periodically to confirm that your Horizons Plan contribution is at the percentage you’ve designated. If it’s not, please call

Great-West Retirement Services® right away at **(800) 947-0845**[†]. If you’d like to increase your contribution percentage, see the Cyber Smarts Web Tip in this newsletter for instructions on how to make a change.

Reminder: PSP Account Holders Can Roll Assets into Horizons

If you currently have a Pension Savings Plan (PSP) account from earlier in your career with the County, you have the option of transferring that money into your existing Horizons account. By transferring your PSP assets to your Horizons account, you can select from a wider range of investment options, and you’ll have fewer accounts to track and manage on the way to reaching your retirement income goals.

Rolling over your PSP assets is easy, and it’s free. There are no processing or transaction costs. You can find the rollover form at www.countyla.com[†]. After logging in to your account, click on the Forms tab and then on “Incoming Transfer/Direct Rollover Form.” Complete and submit the form as instructed, and the transfer will be processed in about two weeks.



Fiscal Year 2012-2013: Plan Fees Decreasing

Good news for savers! For the period of July 1, 2012, through June 30, 2013, the total annual cost of participating in the Horizons Plan will decrease.

The Plan Administrative Committee (PAC) works diligently to ensure that Horizons Plan fees remain competitive with the fees you might pay for investment options you could purchase on an after-tax basis. Your monthly Plan administrative fee will be \$3.27 and the County administrative fee will be \$1.80. The total annual administrative fee charged to you for fiscal year 2012-13 will not exceed \$60.80.

Horizons Plan Administrative Committee Members

SID KIKKAWA, CHAIR

LISA M. GARRETT	RAMON RUBALCAVA
WILLIAM PRYOR	MARK J. SALADINO
LYNN REITNOUER	SANDRA TEASLEY
STEVEN REMIGE	WENDY L. WATANABE



Eye on Investments: Changes to the Bank Depository Fund

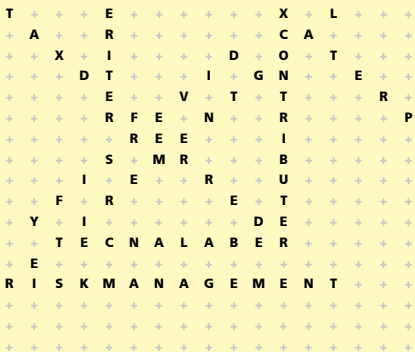
In 2008, the PAC capped individual investments in the Bank Depository Fund (BDF) at \$250,000, which is the maximum amount insured by the Federal Deposit Insurance Corporation. Recently, the PAC worked with the fund's bank provider to obtain additional security on BDF account balances that exceed \$250,000. As a result of this added protection, there is no longer a \$250,000 cap on BDF account balances.

For more information on the BDF and the other investment options available to you, log in to www.countyla.com and click on the "Fund Options" tab in the top menu.

Fund Data Booklet at the Click of a Mouse

The Fund Data Booklet is now available from the Horizons website at www.countyla.com. Log in to your account and click on the "Fund Data Booklet Now Available" link under the News section.

You can also access each investment's Fund Data Sheet by clicking on the "Fund Options" tab and selecting the "Fund Data Sheets" link.



Answers to page 2 puzzle

CONTRIBUTE	RETIREMENT GOAL
DIVERSIFY	RISK MANAGEMENT
PRETAX	TAX DEFERRED
REBALANCE	
RETIRE	

Customer Service On-Site Locations

MARTIN LUTHER KING/DREW MEDICAL CENTER

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

LAC/USC MAIN HOSPITAL

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

KENNETH HAHN HALL OF ADMINISTRATION

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

RANCHO LOS AMIGOS REHABILITATION CENTER

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

HALL OF RECORDS

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

PUBLIC WORKS

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

OLIVE VIEW MEDICAL CENTER

14445 Olive View Dr., Sylmar
Fourth 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

REGISTRAR RECORDER

12400 Imperial Hwy., Norwalk
First Thursday of each month in the south lobby

HIGH DESERT HOSPITAL

44900 N. 60th Street, Lancaster
First Tuesday of the month in the cafeteria
If Tuesday falls on the first day of the month, customer service would be available the following Tuesday

ISD (NEW)

9150 East Imperial Hwy., Downey
First Wednesday of every odd-numbered month in the employee lunchroom, R34, second floor

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.com

Phone: (800) 947-0845



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	6.24%	6.24%	5.24%	15.23%	N/A	11.49%	0.60%	11/07/08
Horizons 2010 Target Date Fund	8.25%	8.25%	3.18%	15.77%	N/A	10.75%	0.55%	11/03/08
Horizons 2015 Target Date Fund	9.29%	9.29%	3.01%	17.98%	N/A	11.96%	0.55%	11/03/08
Horizons 2020 Target Date Fund	10.38%	10.38%	2.30%	19.54%	N/A	12.77%	0.51%	11/03/08
Horizons 2025 Target Date Fund	11.14%	11.14%	1.56%	20.80%	N/A	13.30%	0.48%	11/03/08
Horizons 2030 Target Date Fund	11.37%	11.37%	1.94%	21.11%	N/A	13.31%	0.48%	11/07/08
Horizons 2035 Target Date Fund	11.36%	11.36%	1.95%	21.12%	N/A	13.58%	0.48%	11/07/08
Horizons 2040 Target Date Fund	11.36%	11.36%	1.98%	21.15%	N/A	13.60%	0.48%	11/07/08
Horizons 2045 Target Date Fund	11.38%	11.38%	1.96%	21.11%	N/A	13.32%	0.48%	11/07/08
Horizons 2050 Target Date Fund	11.30%	11.30%	2.01%	N/A	N/A	12.56%	0.48%	08/02/10

ADVANCED INVESTMENT MENU^{1,2,3}

Horizons Inflation Protection Fund	0.81%	0.81%	N/A	N/A	N/A	9.42%	0.06%	05/02/11
Horizons Bond Fund ⁵	4.49%	4.49%	8.17%	17.37%	N/A	17.25%	0.30%	11/03/08
Horizons Balanced Fund	10.85%	10.85%	3.84%	20.73%	N/A	13.21%	0.43%	11/03/08
Horizons Large Cap Equity Fund	12.57%	12.57%	8.46%	23.34%	N/A	14.20%	0.03%	11/03/08
Horizons Non-U.S. Equity Fund ⁶	13.84%	13.84%	-4.44%	19.65%	N/A	12.86%	0.46%	11/03/08
Horizons Mid Cap Equity Fund ⁷	14.96%	14.96%	5.04%	29.53%	N/A	21.30%	0.48%	11/03/08
Horizons Small Cap Equity Fund ⁸	13.95%	13.95%	-0.81%	25.61%	N/A	12.25%	0.63%	11/03/08

FIXED INVESTMENT OPTIONS^{1,2}

	1st Qtr '12	4th Qtr '11	3rd Qtr '11	2nd Qtr '11	1st Qtr '11
Horizons Stable Income Fund ³	2.59%	3.03%	3.23%	3.38%	3.29%
Bank Depository Fund ^{3,9}	0.57%	0.36%	0.25%	0.31%	0.30%

Keep in mind that fees/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 website at www.countyla.com. Read them carefully before investing.

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.¹⁰ 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 website 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 it 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. 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 at any time, including the target date. 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 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) up to \$250,000. Any amount over \$250,000 will be collateralized at a rate not less than 110%. 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.

¹⁰ Administrative Fees

For the period July 1, 2011, through June 30, 2012, 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 2011-2012 will not exceed \$61.16.

The Horizons Target Date Funds are invested in units/shares of the following underlying funds: 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 Inflation Protection Fund invests in units of SSgA U.S. Inflation Protected Bond Index Fund; Horizons Bond Fund invests in units/shares of Loomis, Sayles & Company, L.P. Core Plus Full Discretion and TCW/Metropolitan West Core Bond Fund; 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 SSgA Mid Cap Index Fund, 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 SSgA Small Cap Index Fund, Brandywine Small Cap Value, NorthPointe Capital Small Cap Growth Equity and Peregrine Capital Small Cap Growth Equity.

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Investment options have been selected by the Plan Administrative Committee. Core securities (except the Self-Directed Brokerage Account) are offered through GWFS Equities, Inc., a Great-West Company and FINRA member firm.

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