



Downtown Los Angeles

Your Retirement Simplified | Horizons

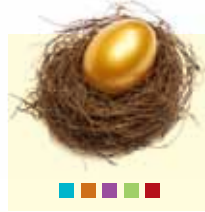
Making a Smart and Smooth

Transition to Retirement

You've been saving and planning for years and, suddenly, retirement is no longer a distant dream. What was once decades in the future is now just a few years or months away. Are you ready?

Your retirement isn't an end. It's a new beginning, and retirement planning doesn't end with retirement. You still have decisions to make about how best to use the nest egg you've spent years accumulating.

This issue of the Horizons newsletter focuses on retirement readiness. It examines the different withdrawal options available to you with your Horizons account.



It highlights how you can continue to access the Plan's investment options and education and planning tools long after you leave the workplace. It also discusses how you may be eligible to contribute even more to your account in the years leading up to your retirement date.

Even a small boost in your contribution amount can translate into a significantly bigger retirement nest egg.

Even if you're just starting your career and your retirement is years away, it's a good idea to

understand your options and to start planning how your Horizons account will help provide you with the income you'll need to have a more financially comfortable retirement.

When Retirement Dreams Become Retirement Reality:

Understanding Your Withdrawal Options

So much of the retirement planning process focuses on saving and investing that it's easy to forget the ultimate goal: using the money you save as income for your life after work.

Whether you're on the verge of retirement or still decades away, it's a good idea to think about how you'll want to use the funds you've accumulated in your Horizons account. Before we look at the different withdrawal options available to you, let's examine some of the factors you may want to consider.

The Impact of Taxes

The Horizons Plan lets you save on a tax-deferred basis, meaning that you don't pay taxes on the money you contribute or any earnings your contributions generate until you make a withdrawal. Whether you withdraw a little or a lot from your account, you'll have to pay state and federal taxes, just like you would on wages from a job. The good news is that your annual tax burden may be

lower in retirement than in your working years.

Keeping Your Horizons Account in Retirement

One misconception is that your participation in the Horizons Plan ends when you retire. The truth is that the same Plan that helped you build your retirement savings can continue to help you manage your retirement income. Even though you can't make any more payroll contributions after you retire, you can still keep

your account open, change your investment mix, and take advantage of the planning tools and educational resources available online, in person, and over the phone.* You can also roll other retirement monies you have accumulated (such as money from an IRA or a former employer's 457 or 401(k) plan) into the Horizons Plan and take advantage of our professionally managed investment options and competitive fees.

Continued on page 2

Understanding Your Withdrawal Options (continued)

Buyer Beware

When you do retire, you're likely to encounter insurance brokers and investment professionals eager to have you roll over your County-related retirement assets to purchase an annuity or other investment products. If you're happy with your Horizons account and the service you receive, you can keep your money where it is. If you do decide that an annuity or other product is right for you, do your homework on any fees and associated costs. Remember, all investments include fees of some sort. Those that claim to have no fees may charge their fees in the form of lower returns.

* 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. 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.

Your Withdrawal Options

There is no single, expert-approved method for how you access your Horizons funds in retirement. It all depends on your unique retirement goals and your mix of retirement income sources (including your Horizons account, pension benefits, and personal savings). Your options include:

■ A Full or Partial Lump Sum—

Withdraw all or only a portion of your account balance.

■ Periodic Payments for a Fixed

Amount—Designate a specific dollar amount and the frequency at which you'd like to receive payments.

■ Periodic Payments for a Fixed

Number of Years—Choose a payment duration (up to 20 years), and the amount you receive is calculated based on your account balance.

■ Purchasing an Annuity—Purchase an annuity through one of the approved insurance carriers. You can choose payments for a specific period (up to 15 years), for your lifetime, or, if you are married, for the lifetime of you and your spouse beneficiary.



Want more information on your different withdrawal options and which option or mix of options is right for you? Contact the County of Los Angeles Service Center at (800) 947-0845.*

The Special Three-Year Catch-Up Provision:

A Great Opportunity to Bolster Your Retirement Nest Egg

If you're nearing retirement age and want to make the most of your remaining working years to increase your retirement savings, the Plan's Special Three-Year Catch-Up provision may be just what you're looking for.

Internal Revenue Service (IRS) regulations allow participants within three calendar years of Normal Retirement Age[†] (NRA) (as generally established by the Los Angeles County Employees Retirement Association (LACERA)) to make contributions that exceed the normal maximum contribution. The normal maximum contribution is \$17,000 for 2012. If you are age 50 or older, your contribution limit is \$22,500 for 2012. With the Special Three-Year Catch-Up, the maximum is \$34,000 a year for three consecutive calendar years. If you're eligible, IRS regulations allow you to contribute up to 100% of your taxable income up to the maximum limits if you are within the last three taxable calendar years ending prior to your NRA.

Determining Your Eligibility

You may be eligible for the Special Three-Year Catch-Up provision if:

- You're within three years of your NRA;
- You have under-contributed in prior years when you were eligible to participate in the Plan; and
- You haven't participated in the catch-up provision with the County of Los Angeles or any other employer that offered a governmental 457(b) plan.

Other rules apply. For example, you cannot participate in the 50+ Catch-Up (contributing \$22,500 per year) and the Special Three-Year Catch-Up in the same year. You would need to choose one or the other. Your local Great-West Retirement Services® (Great-West) representative can also explain the eligibility requirements in detail and give you additional information.

You can contact your local Great-West representative at (800) 382-8924 to confirm your eligibility and enroll in the Special Three-Year Catch-Up.

† Qualified firefighters, police officers and emergency medical technicians employed by the Sheriff's Department or Fire Department may select an NRA as low as age 40.

Cyber Smarts Web Tip:

Accessing Retirement Forms

Getting ready to retire? You can make the transition easier by completing and submitting the following forms to the County before your retirement date:

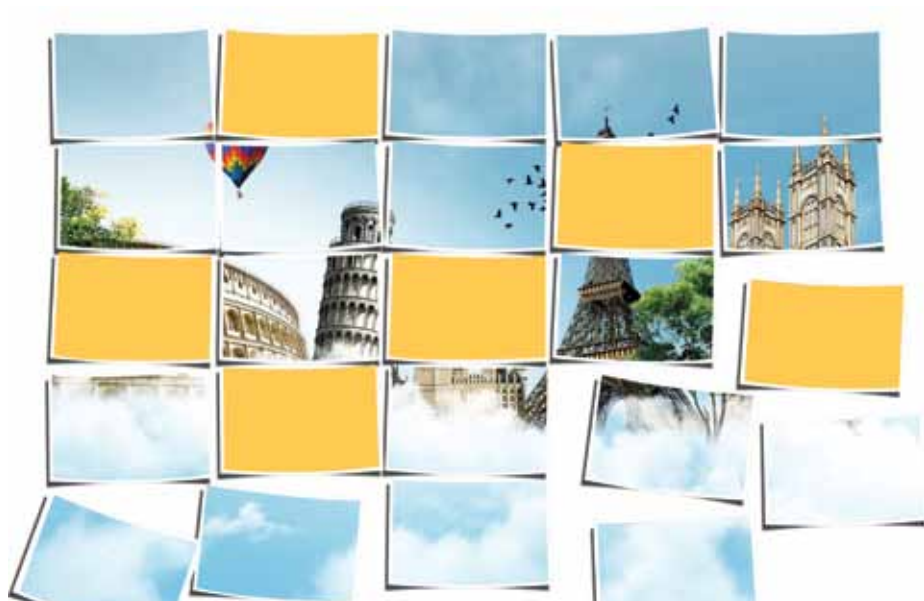
- **Beneficiary Designation** (to ensure that your loved ones and heirs will have simpler access to your Plan assets in the event of your death)
- **Incoming Transfer/Rollover** (to consolidate other eligible retirement accounts with your Horizons account, if you choose)
- **Distribution/Direct Rollover Form** (to initiate a withdrawal; contact the County of Los Angeles Service Center at (800) 947-0845)

You can access these forms online in the following way:

- **Log on to your Horizons account.**
- **Click on the "Forms" tab.**
- **Click on the form you want to open and then print, complete, mail or fax it to Great-West.**

Piece Together Your Financial Picture

Boosting your retirement readiness isn't just for people on the verge of retirement. Here are four things you can add to your retirement planning to-do list, whatever your age.



■ ■ ■ ■ ■ THIS QUARTER'S TIP

1. Increase your contributions – It's simple, but it's true: The more you save today, the more likely you are to make your retirement plans a reality.

2. Review your asset allocation and make adjustments – Our tolerance for risk changes over time. Review your portfolio and make any adjustments to make sure the mix of investments matches your personal risk tolerance and retirement income goals.

3. Roll in assets from previous plans to your Horizons Plan – If you have IRAs or retirement accounts from previous employers, consider rolling over eligible assets into your Horizons Plan. Consolidating your assets in one account may make it easier to apply a consistent retirement plan strategy and track your progress.

4. Make catch-up contributions (if applicable) – Are you age 50 or older? If so, take advantage of your catch-up contribution. In 2012, you can contribute an extra \$5,500 above the current IRS limit of \$17,000.

Make Your Termination Pay Part of Your Retirement Nest Egg



Did you know that you may be able to deposit the termination payout (which includes unused vacation, sick leave, and holiday pay) from your final paycheck into your Horizons account? It's a great way to add to your future retirement income, and it gives you the potential for tax-deferred compounded growth on money you would otherwise pay taxes on immediately.

You can contribute up to 100% of your termination payout, but the annual Horizons contribution limits still apply. The County will issue you a check for any amount that exceeds your annual contribution limit.

However, you'll need to start taking action at least three months before your retirement date to take advantage of this great Plan feature. Your to-do list is as follows:

- Contact your payroll department to obtain the amount of your termination pay.
- Complete the Termination Pay form for the Horizons and/or Savings Plan.

■ Determine whether you should adjust your regular ongoing Horizons contribution amount.

Great-West requires that you submit your request a minimum of one month prior to the first day of the month in which you plan to retire—and no later than one month prior to your severance of employment. If you're eligible for the Special Three-Year Catch-Up program, you need to act even sooner and submit the paperwork to Great-West at least two months prior to the month in which you plan to retire. If you are eligible and want to participate for all three years, you must submit the paperwork to Great-West four years prior to the year in which you plan to retire.

Your local Great-West representative can provide you with more information and the necessary forms, as well as answer your questions about annual contribution limits, your eligibility, and the timing of your termination payout contribution. Call (800) 382-8924 to discuss your options.✦

✦ 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.



Union Station in Los Angeles

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

The IRS has announced the 2012 Annual Contribution Limits

CONTRIBUTION LIMIT	\$17,000
AGE 50+ CATCH-UP	\$22,500
SPECIAL 457 CATCH-UP	\$34,000

If you are 50 or older, you may contribute toward either the Age 50+ Catch-Up or the Special 457 Catch-Up, but not both at the same time. If you are interested in participating in the Special 457 Catch-Up option, you must submit an application for pre-approval. Contact Great-West at **(800) 947-0845** to get the process started.

Enhanced Authentication:

Responding to Your Concerns

In the recent Horizons survey, the new Enhanced Authentication security feature was a hot topic. Many respondents questioned whether Enhanced Authentication was necessary, especially in comparison to other websites that don't maintain the same level of security.

Although Enhanced Authentication requires a few additional steps in the initial setup, you should still be able to access your Horizons account quickly and easily—provided you take the time to record your security image, phrase, and question/answer and keep them in a safe place with your website PIN[‡].

Remember, Enhanced Authentication is designed to protect your Horizons account in two different ways:

- It helps prevent others from logging on as you by requiring anyone attempting to log on from an unrecognized computer to answer the security question. Even if someone has your user ID and PIN, they still can't log on without the correct answer to the security question.
- It lets you know that you are accessing the authentic Horizons Plan website by displaying your chosen security image and phrase. This measure helps protect against "phishing"—a tactic where fraudulent websites that look like sites you already know and trust try to get you to enter your personal information, passwords and other sensitive data.

Keeping track of all the user IDs and passwords for the different websites you use can seem like a full-time job of its own. But the better you can protect critical information like your Social Security number and account details, the less likely you are to fall victim to identity theft.

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

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
Fourth Thursday of each month in the south end of the main 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 lunch room, 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	-6.81%	-2.20%	1.36%	N/A	N/A	9.55%	0.64%	11/07/08
Horizons 2010 Target Date Fund	-11.25%	-6.56%	-0.75%	N/A	N/A	7.42%	0.56%	11/03/08
Horizons 2015 Target Date Fund	-12.79%	-7.96%	-1.21%	N/A	N/A	8.15%	0.53%	11/03/08
Horizons 2020 Target Date Fund	-14.71%	-9.83%	-2.12%	N/A	N/A	8.42%	0.49%	11/03/08
Horizons 2025 Target Date Fund	-16.22%	-11.27%	-2.75%	N/A	N/A	8.56%	0.47%	11/03/08
Horizons 2030 Target Date Fund	-16.30%	-11.30%	-2.63%	N/A	N/A	8.40%	0.47%	11/07/08
Horizons 2035 Target Date Fund	-16.28%	-11.29%	-2.61%	N/A	N/A	8.70%	0.47%	11/07/08
Horizons 2040 Target Date Fund	-16.27%	-11.28%	-2.61%	N/A	N/A	8.72%	0.47%	11/07/08
Horizons 2045 Target Date Fund	-16.30%	-11.31%	-2.64%	N/A	N/A	8.40%	0.47%	11/07/08
Horizons 2050 Target Date Fund	-16.15%	-11.17%	-2.53%	N/A	N/A	0.56%	0.47%	08/02/10

ADVANCED INVESTMENT MENU^{1,2,3}

Horizons Inflation Protection Fund	4.40%	N/A	N/A	N/A	N/A	5.71%	0.06%	05/02/11
Horizons Bond Fund ⁵	-0.47%	3.29%	2.53%	N/A	N/A	18.01%	0.30%	11/03/08
Horizons Balanced Fund	-14.17%	-9.41%	-1.88%	N/A	N/A	8.58%	0.43%	11/03/08
Horizons Large Cap Equity Fund	-13.89%	-8.76%	1.05%	N/A	N/A	7.96%	0.03%	11/03/08
Horizons Non-U.S. Equity Fund ⁶	-21.29%	-16.66%	-10.09%	N/A	N/A	8.31%	0.46%	11/03/08
Horizons Mid Cap Equity Fund ⁷	-19.85%	-12.43%	-0.63%	N/A	N/A	14.52%	0.50%	11/03/08
Horizons Small Cap Equity Fund ⁸	-24.61%	-19.10%	-3.38%	N/A	N/A	3.99%	0.65%	11/03/08

FIXED INVESTMENT OPTIONS^{1,2}

	4th Qtr '11	3rd Qtr '11	2nd Qtr '11	1st Qtr '11	4th Qtr '10
Horizons Stable Income Fund ³	3.03%	3.23%	3.38%	3.29%	3.22%
Bank Depository Fund ^{3,9}	0.36%	0.25%	0.31%	0.30%	0.29%

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 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 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 Web site 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. 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 **Medium-sized companies** may suffer more significant losses, as well as realize more substantial growth, than larger capitalized, more established issuers.

⁸ **Equity securities** of companies with relatively small market capitalization 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. 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.

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.

Access to the automated voice response system and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

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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