



Your Retirement
Simplified

401(k) SAVINGS

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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. 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.



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

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 one of the more than 70% of County employees paying yourself first by carving out a portion of each paycheck and contributing it to the Horizons and Savings Plans. 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 and Savings 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.

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 and Savings Plans 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



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

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 and Savings Plan websites 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 and Savings Plans 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.



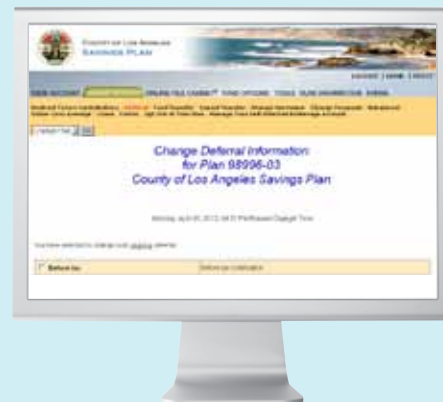
A view in Malibu

Cyber Smarts Web Tip:



Increasing Your Contribution Amount

Regularly increasing the amount you save through your Horizons and Savings Plans 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 Plans not only allow you to delay paying taxes on the money you contribute, but they may also allow you to potentially accumulate a bigger retirement nest egg than you could by putting money in an after-tax savings account.



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.

Retirement Planning Doesn't Have to Be a Puzzle

Your Horizons and Savings Plans 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

DELAY TAXES
RETIREMENT INCOME
HORIZONS
CONTRIBUTE MORE
CATCH UP
NEST EGG
FINANCIAL PLAN
INFLATION

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

Save Early, Save More, Save Smart

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.

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.

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 and Savings Plan contributions are at the percentage you've designated.

If they're not, please call Great-West Retirement Services® right away at **(800) 947-0845**.[†] If you'd like to increase your contribution percentages, see the Cyber Smarts Web Tip in this newsletter for instructions on how to make a change.



Fiscal Year 2012-2013: Plan Fees Stay the Same

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

The Plan Administrative Committee (PAC) works diligently to ensure that Savings 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 \$3.65 and the County administrative fee will be \$4.94. The total annual administrative fee charged to you for fiscal year 2012-13 will not exceed \$103.18.



California's Sierra Nevada Mountain Range



Your Retirement
Simplified

401(k)



SAVINGS

Investment Option Performance

COUNTY OF LOS ANGELES 401(K) SAVINGS PLAN

Investment Option Returns
for the Period Ending
March 31, 2012

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
TARGET DATE FUNDS ^{1,2,3}								
Savings Retirement Income Fund	7.20%	7.20%	6.64%	17.79%	N/A	13.93%	0.61%	11/07/08
Savings 2010 Target Date Fund	8.34%	8.34%	4.63%	19.10%	N/A	14.33%	0.60%	11/03/08
Savings 2015 Target Date Fund	9.44%	9.44%	3.97%	20.09%	N/A	14.37%	0.61%	11/03/08
Savings 2020 Target Date Fund	10.56%	10.56%	3.60%	20.98%	N/A	14.59%	0.60%	11/03/08
Savings 2025 Target Date Fund	11.53%	11.53%	3.72%	21.67%	N/A	14.43%	0.59%	11/03/08
Savings 2030 Target Date Fund	11.88%	11.88%	4.03%	21.88%	N/A	14.66%	0.59%	11/07/08
Savings 2035 Target Date Fund	11.89%	11.89%	4.02%	21.91%	N/A	14.79%	0.59%	11/11/08
Savings 2040 Target Date Fund	11.88%	11.88%	4.04%	21.96%	N/A	14.67%	0.59%	11/11/08
Savings 2045 Target Date Fund	11.89%	11.89%	4.01%	21.99%	N/A	14.87%	0.59%	11/07/08
Savings 2050 Target Date Fund	11.82%	11.82%	4.02%	N/A	N/A	13.52%	0.59%	08/02/10

ASSET CLASS FUNDS^{1,2}

Savings Inflation Protection Fund	0.81%	0.81%	N/A	N/A	N/A	8.16%	0.06%	05/02/11
Savings Bond Fund ⁴	4.43%	4.43%	8.14%	17.34%	N/A	17.30%	0.30%	11/03/08
Savings Balanced Fund	10.85%	10.85%	3.92%	20.60%	N/A	13.37%	0.43%	11/03/08
Savings Large Cap Equity Fund	14.01%	14.01%	9.23%	23.87%	N/A	15.93%	0.38%	11/03/08
Savings Non-U.S. Equity Fund ⁵	13.05%	13.05%	0.03%	20.24%	N/A	13.17%	0.60%	11/03/08
Savings Mid Cap Equity Fund ⁶	13.34%	13.34%	2.13%	27.19%	N/A	19.55%	0.06%	11/03/08
Savings Small Cap Equity Fund ⁷	14.81%	14.81%	7.46%	32.66%	N/A	21.52%	0.74%	11/03/08

FIXED INVESTMENT OPTIONS^{1,2}

ANNUALIZED CREDITING RATE

	1st Qtr '12	4th Qtr '11	3rd Qtr '11	2nd Qtr '11	1st Qtr '11
Savings Stable Value Fund ⁸	3.00%	3.29%	3.50%	3.56%	N/A
Bank Depository Fund ^{8,9}	0.52%	0.31%	0.20%	0.26%	N/A

Keep in mind that fees and expenses are only two 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 Savings Target Date Funds and the Savings 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 Savings Plan investment options are designed exclusively for the Savings 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 the Savings Plan assets are invested separately from other clients of the fund manager. Therefore, performance data is based only on Savings Plan assets. Registration with the Securities and Exchange Commission is not required for any of the Savings Plan 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 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 Savings 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, including the target date. Review the fund fact sheets for more information.

⁴ 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.

⁵ Foreign investments involve special risks, including currency fluctuations and political developments.

⁶ Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

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

⁸ Fixed Investment Option Transfer Information

Transfers out of the Savings Stable Value Fund must be invested in either a target date fund or asset class fund for a minimum of 90 days prior to investing the transferred amount in the Bank Depository Fund. Transfers

may not be made directly from the Savings Stable Value Fund to the Bank Depository Fund.

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 Bank Depository Fund is the only investment product in the Savings Plan that offers FDIC insurance on account balances. All other Savings 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 \$4.03 and the County administrative fee will be \$4.94. Effective March 2011, the monthly Plan administrative fee will be \$3.66. The total annual administrative fee charged to you for fiscal year 2011-2012 will not exceed \$106.16.

The Savings Target Date Funds are invested in units/shares of the following underlying funds: Savings Bond Fund, Savings Large Cap Fund, Savings Non-U.S. Equity Fund, Savings Mid Cap Fund, Savings 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: Savings Inflation Protection Fund invests in units of SSgA U.S. Inflation Protected Bond Index Fund; Savings Bond Fund invests in units/shares of Loomis, Sayles & Company, L.P. Core Plus Full Discretion and TCW/Metropolitan West Core Bond Fund; Savings Balanced Fund invests in units/shares of Dodge & Cox Balanced Fund; Savings Large Cap Fund invests in units/shares of SSgA S&P 500 Index, TCW Concentrated Core Equities Fund, Sound Shore Value Fund, and MainStay ICAP Equity I; Savings Non-U.S. Equity Fund invests in units/shares of MFS Institutional International Equity Fund; Savings Mid Cap Fund invests in units/shares of SSgA Mid Cap Index; Savings Small Cap Fund invests in units/shares of ICM Small Company and T. Rowe Price New Horizon.

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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