



Your Retirement  
Simplified

# 401(k) SAVINGS

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**Financial experts say that we may need about 80% or more of our annual working income each year of our retirement.<sup>1</sup>**

Your Horizons and Savings Plans are designed to help you reach that 80% goal by supplementing other income sources like your County pension benefits from LACERA.

Your Horizons and Savings accounts can play a vital role in achieving a comfortable retirement. That's why it is a good idea to understand how the Plans can work for you and help you achieve your retirement income goals. With all of the demands on our attention these days, it is not always easy to focus on what you need to know. This quarter's newsletter highlights some of the things you need to know about

loans and other important topics related to your accounts.

Knowledge is power. By understanding where and how you can access more information about Horizons and Savings and staying up-to-date on Plan announcements, you can make your accounts even more powerful retirement planning tools.

<sup>1</sup> AON Consulting/Georgia State University 2004 Retirement Income Replacement Ratio Study



Downtown Los Angeles

## Going on Unpaid/Partially Paid Leave? Just Returned to Work? Submit Your Loan Payment Change Form

If you have a loan through the Horizons and/or Savings Plan(s) and are planning to take an unpaid or partially paid leave of absence or find yourself on an unexpected leave, we need to hear from you. Loan payments are expected to continue, whether you are receiving pay or not. If you receive sufficient pay during your leave, loan payments will continue to be deducted from your paychecks.

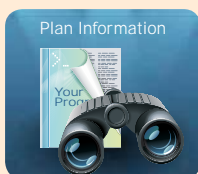
If you do not receive enough pay during your leave to make your loan payments through payroll deductions, you need to contact Great-West Retirement Services®, a division of Great-West Financial<sup>SM</sup> (Great-West Financial), to make alternative payment arrangements during your leave of absence. You can send payments directly to Great-West Financial or temporarily suspend making loan payments for up to 12 months (longer for military leave).

To temporarily suspend payments while on an unpaid or partially paid leave of absence, you must submit a Loan Payment Change form to Great-West Financial at the beginning of your leave. You can find the form online at **www.countyla.com**. Click on the Resource Center then select Forms and look for the Loan Payment Change Form link. You can also request the form by calling (800) 947-0845. You must also submit a second Loan Payment Change form when you return to work to ensure your loan repayment payroll deductions resume in a timely manner.

To learn more about repaying your loan while on an unpaid or partially paid leave of absence, log in to your account at **www.countyla.com**, click on the *Plan Information* tile, and then click on the Loan Brochure.

### Cyber Smarts **Web Tip:**

## Getting to Know the Plan Information Tile



The Horizons and 401(k) Savings Plans are great resources for helping you reach your retirement income goals. The more you know about how the Horizons and 401(k) Savings Plans work, the better you can use them to save for the retirement you want.

This quarter's Cyber Smarts Web Tip offers a quick tour of the *Plan Information* tile. After logging in to your account at **www.countyla.com**, click on the *Plan Information* tile, where you will find the following valuable information about the features and inner workings of the Horizons and 401(k) Savings Plans.

- **Retirement Planning Guide** – Read up on all that the Horizons and 401(k) Savings Plans have to offer, including the different investment routes available for different types of investors.
- **Termination Pay Contribution** – Before you leave County service, you can elect to contribute unused vacation, sick leave, and holiday pay to your Horizons and 401(k) Savings Plans. Find out how this feature can help bolster your retirement nest eggs.
- **Loan Brochure** – If you would like to learn more about the Horizons and 401(k) Savings loan program, download a copy of the loan brochure here.
- **Plan Administrative Committee (PAC) Meeting Schedules** – PAC members meet monthly to discuss Plan business. Meeting schedules and locations are updated from time to time, so be sure to check here for the latest information. Meetings are open to the public.
- **Plan Document** – The legal structure supporting the Plans can be found here.
- **Legal Documents** – A divorce could affect your Horizons and 401(k) Savings Plans. You can read more about this topic here.

## A reminder about how to log in to your account at **www.countyla.com**:

- 1 To log in to your account, enter your Username here and then click "Sign In."
- 2 If you forgot your Username or Personal Identification Number (PIN), click on this link and follow the instructions.<sup>2</sup>
- 3 If this is your first time visiting the website, click on this link and follow the instructions.

<sup>2</sup> The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Financial immediately if you suspect any unauthorized use.

### ANSWERS TO THE CROSSWORD PUZZLE:

#### ACROSS

8. Administrative  
9. Corporation

#### DOWN

1. Diversification  
2. Portfolio  
3. Information  
4. Government  
5. Maturity  
6. Interest  
7. Payment





## Eye on Investments: The Savings Bond Fund

### What type of investment is it?

Bonds are loans made by investors to governments, agencies and corporations (issuers) under the assumption that the issuer will pay back the loan to the investor along with regular interest payments. These interest payments are compensation to the investor for the loan. The advantages of this arrangement are that investors receive a stream of income from the interest payments and the issuer is able to use the loan for a variety of purposes.

The ability of an issuer to repay the loan depends on the issuer's financial health. If an issuer is in poor financial shape, the ability to repay the loan may be in jeopardy. In order to assess the volatility of bonds and bond issuers, investors can look at the bonds' credit ratings, which are based on the financial viability of the issuer. The more questionable an issuer's financial status, the higher the default risk and the lower the credit rating it will receive. The U.S. government is an example of a very stable issuer with almost no chance of defaulting on its obligations. The result is that government bonds receive a high credit rating. High yield bonds (or junk bonds) represent the opposite side of the spectrum. These bonds tend to have a higher default risk and, therefore, receive a lower quality rating. In order to entice investors to buy lower quality bonds, typically a higher rate of interest is paid to the investor. As with other areas of investing, the higher the risk, the greater the potential for reward.

Another pillar of fundamental bond knowledge is the relationship between bond prices and interest rates. Bond prices and interest rates have an inverse relationship. In other words, when interest rates go up, bond prices go down and vice versa. Therefore, one could lose money on bond investments if interest rates were to rise.

Finally, another factor to consider when pondering an investment in bonds is the relationship between stocks and bonds. Many investors see stocks and bonds as opposites:

As stocks go up in value, bonds go down and vice versa. At times, though, when stock prices go up, bond prices may go up as well, and when stock prices go down, bond prices may also go down. While stocks and bonds often move in similar directions, bonds rarely move up and down in value as much as stocks. This differential in movement provides some level of diversification between stocks and bonds.

### What do I need to know?

Credit ratings, interest rates, and the stock/bond relationship represent the fundamental issues governing the workings and use of bonds within a properly diversified portfolio. When used properly, bonds can reduce volatility, lower risk, and enhance the overall performance of a portfolio. When using bonds, however, make sure that they represent a portion of your portfolio that will most effectively help you meet your goals. Make sure that you are buying bonds for the right reasons. You can lose money in bond funds—maybe not as much as stocks, but bond funds can drop in value.<sup>3</sup> As an investor, one should try to assess whether stocks, bonds or a combination thereof offer the best chance to meet long-term goals.

The bond fund in the Savings Plan is professionally managed. The fund invests mostly in a combination of corporate, U.S. government and agency bonds. In general, the bonds have an average effective maturity of 10 years or less. The "maturity date" is when the full principal of the bond is due and interest payments stop.

### Where can I find out more?

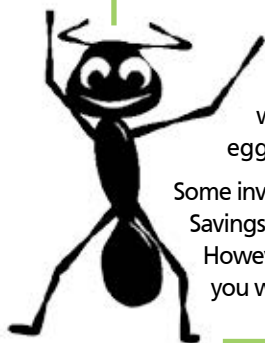
You can learn more about the Savings Bond fund at **[www.countyla.com](http://www.countyla.com)**. Log in to your account, go to the *Investments* tile, click on the *Investment Options* link, and scroll down to the Savings Bond Fund.

### Retirement Rex with a Reminder on Diversification

Remember, diversification<sup>4</sup> is an important part of your retirement plan strategy. It's a way for you to manage risk by not relying too much on any single investment option. In other words, it keeps you from putting too many eggs in one basket.

Some investment options, such as the Horizons and Savings Target Date Funds, offer built-in diversification. However, if you choose your own investment portfolio, you will want to keep diversification in mind.

A good place to start learning about risk management and diversification is the Horizons and 401(k) Savings Plan website at **[www.countyla.com](http://www.countyla.com)**. From the landing page, click on *Horizons* or *401(k) Savings* and then select *Investment Information and Determine Your Risk Comfort Level*. There you can answer a few questions to help determine the investment mix that may be right for you. You can also click on *Resource Center* near the top-right side of the landing page, then select *eLearning*, where you will find a pre-recorded seminar on *Investment Fundamentals* and much more.



<sup>3</sup> 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.

<sup>4</sup> Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.



## 401(k) SAVINGS Investment Option Performance

Investment Option Returns  
for the Period Ending  
March 31, 2013

## 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 <sup>1,2,3</sup>								
Savings Retirement Income Fund	3.02%	3.02%	9.78%	9.90%	N/A	12.98%	0.60%	11/07/08
Savings 2010 Target Date Fund	4.27%	4.27%	10.27%	9.76%	N/A	13.40%	0.59%	11/03/08
Savings 2015 Target Date Fund	5.09%	5.09%	10.65%	9.98%	N/A	13.52%	0.61%	11/03/08
Savings 2020 Target Date Fund	6.13%	6.13%	11.04%	10.18%	N/A	13.78%	0.59%	11/03/08
Savings 2025 Target Date Fund	6.74%	6.74%	11.20%	10.47%	N/A	13.69%	0.58%	11/03/08
Savings 2030 Target Date Fund	7.08%	7.08%	11.35%	10.68%	N/A	13.90%	0.58%	11/07/08
Savings 2035 Target Date Fund	7.09%	7.09%	11.34%	10.67%	N/A	14.00%	0.58%	11/11/08
Savings 2040 Target Date Fund	7.11%	7.11%	11.36%	10.69%	N/A	13.92%	0.58%	11/11/08
Savings 2045 Target Date Fund	7.12%	7.12%	11.37%	10.67%	N/A	14.07%	0.58%	11/07/08
Savings 2050 Target Date Fund	7.11%	7.11%	11.36%	N/A	N/A	12.71%	0.58%	08/02/10

ASSET CLASS FUNDS<sup>1,2</sup>

Savings Inflation Protection Fund	-0.42%	-0.42%	5.45%	N/A	N/A	7.10%	0.06%	05/02/11
Savings Bond Fund <sup>4</sup>	0.93%	0.93%	9.42%	9.01%	N/A	15.47%	0.30%	11/03/08
Savings Balanced Fund	8.85%	8.85%	16.20%	10.49%	N/A	14.01%	0.43%	11/03/08
Savings Large Cap Equity Fund	9.86%	9.86%	12.25%	12.71%	N/A	15.09%	0.37%	11/03/08
Savings Non-U.S. Equity Fund <sup>5</sup>	3.98%	3.98%	11.07%	7.92%	N/A	12.69%	0.59%	11/03/08
Savings Mid Cap Equity Fund <sup>6</sup>	13.37%	13.37%	17.87%	14.60%	N/A	19.17%	0.06%	11/03/08
Savings Small Cap Equity Fund <sup>7</sup>	12.47%	12.47%	14.13%	16.12%	N/A	19.81%	0.71%	11/03/08

FIXED INVESTMENT OPTIONS<sup>1,2</sup>

ANNUALIZED CREDITING RATE					
	2nd Qtr '13	1st Qtr '13	4th Qtr '12	3rd Qtr '12	2nd Qtr '12
Savings Stable Value Fund <sup>8</sup>	2.13%	2.30%	2.49%	2.65%	2.78%
Bank Depository Fund <sup>8,9</sup>	0.23%	0.26%	0.32%	0.41%	0.42%

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](http://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](http://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.<sup>10</sup> 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](http://www.countyla.com).

## About the Investment Options

The Plan Administrative Committee (PAC), with the consultation of outside advisors not affiliated with Great-West Financial, 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.

### <sup>1</sup> 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](http://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 at any time, 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

Monies cannot be transferred directly from the Stable Value Fund to the Bank Depository Fund. Instead, any monies transferred from the Stable Value 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 the core funds for 90 calendar days before they can be transferred into the Bank Depository Fund. In addition, once a transfer out of the Stable Value Fund is initiated, all investment options are restricted from transferring into the Bank Depository Fund for 90 calendar days.

## 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, 2012, through June 30, 2013, the 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 2012-2013 will not exceed \$103.18.

The Savings Target Date Funds are invested in units/shares of all or some of the following underlying funds: Savings Inflation Protection Fund, 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, Wellington Unconstrained Themes, Dimensional Fund Advisors Emerging Markets Value Fund and Standish Emerging Market Debt.

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 Intl 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, T. Rowe Price New Horizon, and SSgA Small Cap Index.

\* Access to the voice response system and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or the 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.

**Investment options and their underlying funds 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 Financial Company and Member FINRA/SIPC.**

Great-West Financial<sup>SM</sup> refers to products and services provided by Great-West Life & Annuity Insurance Company (GWLA), Corporate Headquarters: Greenwood Village, CO, its subsidiaries and affiliates. Great-West Retirement Services<sup>®</sup> refers to products and services of Great-West Financial Companies, as applicable, and FAScore, LLC (FAScore Administrators, LLC in California), subsidiaries of GWLA. Not intended for plans whose situs is in New York. Other than those owned by the County of Los Angeles and Charles Schwab and Co, Inc., the trademarks, logos, service marks, and design elements used are owned by GWLA. All rights reserved.

Securities available through Schwab Personal Choice Retirement Account<sup>®</sup> (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. Form# CB1004N-03 (04/13) PT171250





Los Angeles China Town

## Savings Plan Administrative Committee Members

Jim Adams, *Chair*

Lisa M. Garrett

Mark J. Saladino

John F. Krattli

Wendy L. Watanabe

## Solving Your Retirement Puzzle

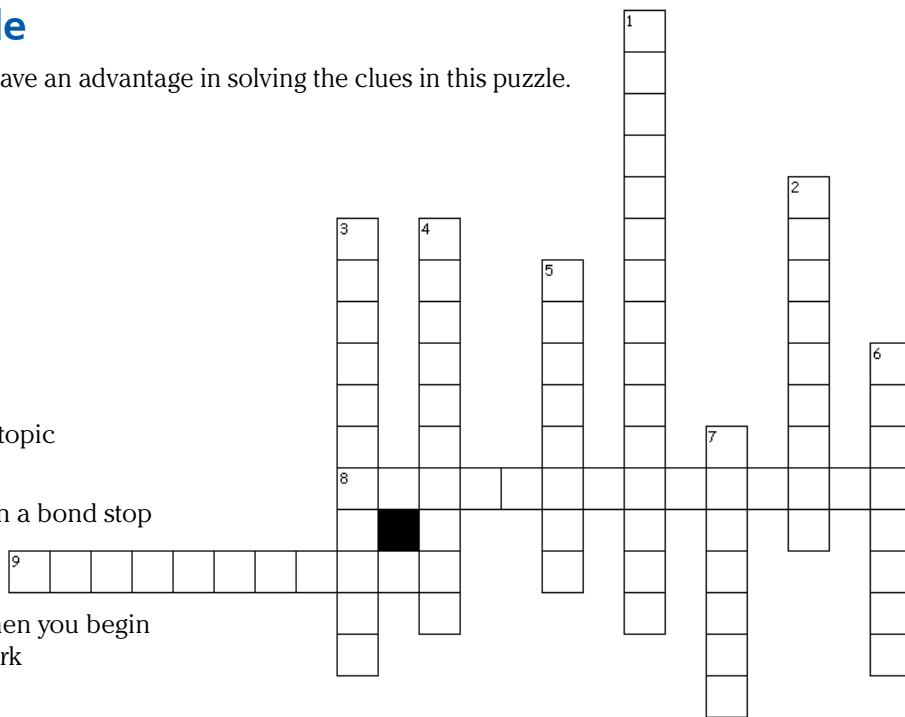
By reading this quarter's newsletter closely, you will have an advantage in solving the clues in this puzzle.

### Across

8. Plan \_\_\_\_\_ Committee  
9. Issuer of a bond (private sector)

### Down

1. The investing equivalent of mixing things up  
2. A collection of investments  
3. The Plan \_\_\_\_\_ tile is this month's Cyber Smarts topic  
4. Issuer of a bond (public sector)  
5. The date when principal and interest payments on a bond stop  
6. Bond issuers pay principal and this to investors  
7. You must submit the Loan \_\_\_\_\_ Change form when you begin your leave of absence and when you return to work



Answers to the crossword puzzle are on page 2.

## 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](http://www.countyla.com)\*

Phone: (800) 947-0845\*

## Customer Service On-Site Locations

**MARTIN LUTHER KING, JR. MULTI-SERVICE AMBULATORY CARE 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. 60<sup>th</sup> 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**  
9150 East Imperial Hwy., Downey  
First Wednesday of every odd-numbered month in the employee lunchroom, R34, second floor

**BARRY NIDORF JUVENILE HALL**  
16350 Filbert St., Sylmar  
First Thursday of every odd-numbered month in the main lobby

**PROBATION HEADQUARTERS**  
9150 East Imperial Hwy., Downey  
Third Thursday of every even-numbered month in the main lunchroom