



# County of Los Angeles Savings Plan

July 2010

## Meeting Your Expectations: The 2010 Savings Plan Survey

Recently, Great-West Retirement Services® (Great-West), on behalf of the Plan Administrative Committee (PAC) for the Savings Plan, conducted a survey to find out what you—the participants—think of your Savings Plan. The objective was to find out what you like and what can be improved. The bottom line: the PAC wanted to find out more about how you use the Savings Plan and how they can make it a more effective retirement planning resource.

Many of you took the time to complete the online survey available on the Savings Plan website at [www.countyla.com](http://www.countyla.com).<sup>1</sup> The questions covered a range of topics, from the Plan website to the call center to account statements.

**In general, you told us you were happy with the Savings Plan and Great-West.**

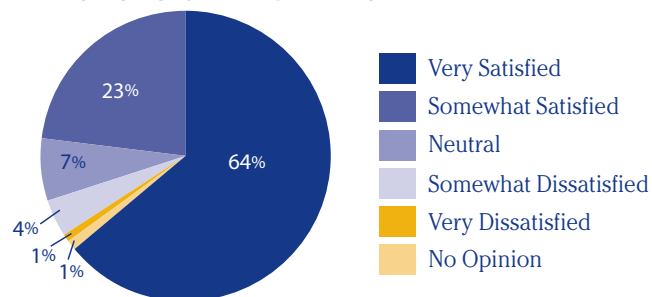
Although your responses to most questions tended to be positive, we do see room for improvement. We'll be spending the coming months analyzing the survey results and evaluating potential changes.

One area where you'll see immediate results is this newsletter. You gave us hundreds of suggestions on topics you'd like to see covered in this publication. This edition of the newsletter is dedicated to some of the most frequently requested topics. In the future, we'll continue to feature articles on other topics you requested.

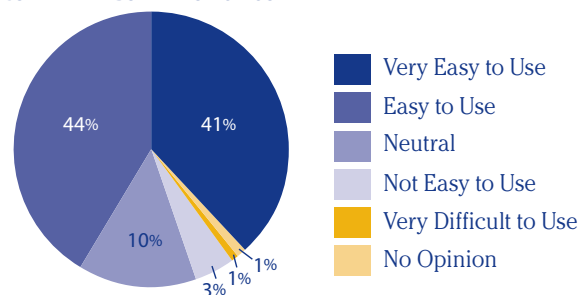
Good communication flows two ways. You hear from the Savings Plan often in the form of statements, newsletters, seminars and more. We use surveys like this one to make sure the Savings Plan hears from you. Thanks for your insight on how we can make the Savings Plan better.

<sup>1</sup> 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 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.

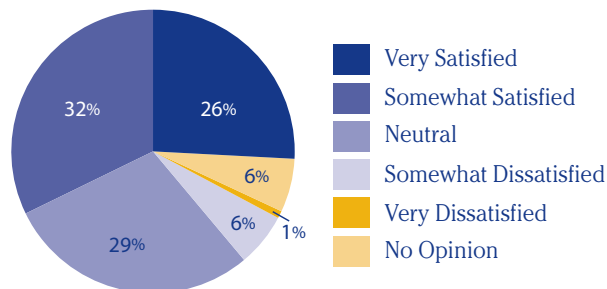
### OVERALL SATISFACTION WITH GREAT-WEST



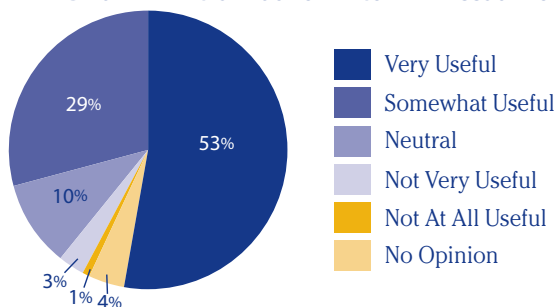
### SAVINGS PLAN WEBSITE EASE OF USE



### SATISFACTION WITH INFORMATION PROVIDED IN QUARTERLY NEWSLETTERS, WITH RESPECT TO INVESTMENT EDUCATION



### CONTENT AND FORMATTING OF YOUR SAVINGS PLAN ACCOUNT STATEMENT





## Your Savings Plan Account: It's Yours to Keep for the Long Term

***"Are there advantages to keeping my Savings Plan account after I leave the County or retire?"***

This was among the most frequently asked questions in the latest Savings Plan survey. A lot of people think that when they retire or change jobs, they have to move their assets out of the Savings Plan. The same Plan that helped you save for retirement can continue to help you long after you retire. The following are some of the reasons you may want to keep your Savings Plan account:

### **Quality investments**

Keep in mind that the Savings Plan is a \$1.4 billion retirement plan that leverages its size to get you access to high quality investments for a much reduced cost compared to the average retail mutual fund. In addition, each underlying fund within the Asset Class and Target Date funds underwent an extensive initial screening process that included performance, investment strategy, fees, and corporate stability, as outlined in the Savings Plan Investment Policy. The Savings Plan's investment professionals continue to regularly analyze each of the underlying funds to make sure they are meeting our high standards.

### **Broker Beware**

When someone leaves County employment or retires, it's not uncommon for brokers or investment companies to approach them about moving the money in their Savings Plan account into their "outstanding" investments. In many cases, though, those new investments can mean higher fees and lucrative commissions for those brokers.

If you're ever in this situation, be sure to compare your current Savings Plan fees with the broker's fee structure. Ask yourself who really benefits from making the change? Consider all your options. The lower your costs and fees, the more money that stays in your portfolio working for you.

### **Distribution/withdrawal flexibility**

The Savings Plan offers a variety of ways to withdraw your money when you retire, including periodic payments and partial withdrawals. You can also change your withdrawal arrangement to meet your needs as long as you begin receiving payments by the later of April 1 of the year following the year your reach age 70½ or you retire.

### **Free, quick, and easy transfers among investment options<sup>1,2</sup>**

There's no paperwork to transfer your assets among the Savings Plan's different investment options. Transfers made online or by phone are processed within 24 hours. Best of all, transfers between your Savings Plan investment options are free!

### **Flexible account management**

When you keep your Savings Plan account, you can continue to call the County of Los Angeles Service Center at **(800) 947-0845** to speak with a representative or schedule a meeting at our local office to discuss your Plan-specific questions.<sup>1,3</sup> You will also still have access to the account management, education, and planning tools on **[www.countyla.com](http://www.countyla.com)**.

If you're happy with the Savings Plan and its features, you can keep your money right where it is.

<sup>2</sup> 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).

<sup>3</sup> 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.

## To Borrow or Not to Borrow: Things to Consider Before You Take a Loan from Your Savings Plan Account

***"Does it make financial sense to use the savings in my Savings Plan account for a loan to pay down other debt?"***

Unfortunately, there's no single answer to that question. Personal financial situations can vary so much that it's virtually impossible to offer a definitive point of view. While it's generally a smart financial

strategy to pay down as much debt as you can, using the money you've saved through your Savings Plan may not be the best approach. Here are a few reasons why:

**T**HE POSSIBILITY OF MISSING OUT ON STRONG MARKET PERFORMANCE—One of the advantages of investing in an employer-sponsored plan like the Savings Plan is the potential for tax-deferred compounded growth. But when you withdraw the money to pay down debt, you lose out on any potential surges in market performance that can add to your retirement nest egg. When your money stays in the Plan, it may continue to benefit from strong investment performance.

**THE RISK OF USING A SAVINGS PLAN LOAN TO SHIFT AROUND DEBT**—Taking a Savings Plan loan to pay off debt can have serious consequences, especially if you've been juggling around your debt payments. Savings Plan loans are automatically repaid through semi-monthly payroll deductions. If you resume using those credit cards, you will find it much harder to juggle payments around since a portion of your paycheck is strictly dedicated to repaying your Savings Plan loan. Before you take any other steps, please consider consulting with a credible consumer credit counseling service about your debt and alternative ways you can develop personal financial discipline.

**THE RISK OF HAVING TO REPAY YOUR SAVINGS PLAN LOAN SOONER THAN YOU PLANNED**—Let's say you've borrowed from your Savings Plan account to pay down credit card bills. What happens if you find yourself in a position where you have to leave County employment? Under the terms of your loan, you may have to pay back the amount you borrowed—generally within one calendar quarter after leaving employment. If you don't, the outstanding balance will be viewed by the Internal Revenue Service as income and you will be required to pay income taxes on that amount. If you're still employed, this additional income could push you into a higher tax bracket which means you'll pay even more taxes!

Your Savings Plan gives you the flexibility to use your account balance for a loan, but understand that the loan comes with responsibilities. Also keep in mind that it is still a loan that needs to be repaid and these limitations may make it less attractive than other options that may be available to you. If you decide that a loan is still your best option, be sure you understand the potential impact on your retirement savings plan and personal finances. If you reduce or stop your contributions to the Plan during the period of your loan, you interrupt the steady, long-term accumulation of assets intended for your retirement.

***Loan repayment amounts come out of your paycheck automatically, and you will NOT have the option of voluntarily suspending or discontinuing those repayments, regardless of changes to your financial situation.***

## Great-West Representatives: Your Retirement Information Resources

One of the most surprising findings of the recent Savings Plan survey is that 61% of respondents hadn't met with their local Great-West representatives. Retirement planning can be a confusing process. Great-West and your Savings Plan offer a wide range of self-service tools and information—both printed and online—to help make the process easier. But even in this instant-access, wired world, it's sometimes easier to get answers from an actual human being. That's where the local Great-West representatives come in.

### What kind of questions can they answer?

They can field virtually any question related to the Savings Plan and saving for retirement. Keep in mind that the information your local Great-West representatives provide is for educational purposes only. They cannot provide financial planning, legal or tax advice. You are urged to consult with your financial planner, attorney and/or accountant for this type of information.

### So how can you connect with your local Great-West representative?

**CALL**—Pick up the phone and call the County of Los Angeles Service Center at **(800) 947-0845**.<sup>1</sup>

**SET AN APPOINTMENT**—Set up a time for a face-to-face meeting by calling **(800) 947-0845** and select option 8, then 5.

**DROP BY**—Go to any of the Customer Service On-Site Locations listed on page 4 during business hours on any of the days specified.<sup>4</sup>

#### IF YOU'RE JUST STARTING TO SAVE . . .

Your representative can help you understand how much you need to work toward your retirement income goals and the specific ways the Savings Plan can help—including advantages of tax-deferred investing.

#### IF YOU'VE BEEN SAVING FOR A WHILE . . .

You may want to take a fresh look at your portfolio to evaluate whether your balance between risk and return potential still makes sense for you today. Also, it could be time to increase your contributions. Your Great-West representative can help you understand your options.

#### IF RETIREMENT IS JUST AROUND THE CORNER . . .

Great-West representatives can provide you with information to help you make the smooth transition to retirement, including your distribution/withdrawal options and how you can continue to benefit from the Savings Plan after you leave the workplace.

***Great-West representatives are here to help you understand retirement planning at no additional cost. In addition, representatives are salaried and don't receive commissions, which means you get objective information.***





## Savings Plan Administrative Committee Members

Ellen Sandt, *Chair*

Wendy L. Watanabe  
Mark J. Saladino

Lisa M. Garrett  
Andrea Ordin

## Customer Service On-Site Locations

**Martin Luther King/Drew Medical Center**  
1201 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

**Harbor/UCLA Medical Center**  
1000 W. Carson St., Torrance  
Second Thursday of each month  
in elevator lobby

**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

**Kenneth Hahn Hall of Administration**  
500 W. Temple St., Los Angeles  
Third Thursday of each month,  
second floor lobby entrance from mall

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

**Registrar Recorder (NEW)**  
12400 Imperial Hwy., Norwalk  
Fourth Thursday of each month  
in the south end of the main lobby

## Plan Fees Remain Unchanged

For the period July 1, 2010 through June 30, 2011, the total annual cost for participating in the Savings Plan will remain unchanged.

Fee	Amount	Services Provided
Third-Party Administrator (TPA)	Annual \$48.36 or \$4.03 <sup>5</sup> per month	Recordkeeping, marketing, client services and other services provided by Great-West
County	Annual \$59.28 or \$4.94 per month	County and contractor services

<sup>5</sup> The monthly amount was rounded upward.

## We're Moving! (But Only Four Floors Down)

Your local County of Los Angeles Service Center is moving, but not that far. On approximately August 27, 2010, you can find us in the same building at 655 North Central Avenue in Glendale, but now in suite 1520. Our phone number stays the same—(800) 947-0845. Please call us to confirm this location.

### County of Los Angeles Service Center

655 N. Central Ave., Suite 1520 | Glendale, CA 91203  
Office hours: 8:30 a.m. - 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)<sup>1</sup> | Phone: (800) 947-0845<sup>1</sup>

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. Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Great-West Retirement Services® and KeyTalk® are registered service marks of Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1004N-03 (7/10) PT107584