



Your Retirement  
Simplified

# 401(k) SAVINGS

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## Achieving the Ideal Retirement— Part 3: Maintaining Appropriate Asset Allocation

Part 1 of this series discussed how focusing on the regular retirement income stream you'll need—versus the lump sum you need to save—can be a smarter, more practical approach to retirement planning. Part 2 looked at how you can build that income stream to reach the 80% income replacement level that many experts recommend we'll need in retirement<sup>1</sup>.

In this final installment of the series, we'll look at another key to achieving your ideal retirement: maintaining an appropriate asset allocation<sup>2</sup>.

### What Is Asset Allocation?

Many investment and finance professionals believe that asset allocation is a vitally important part of a portfolio's success. In simple terms, asset allocation refers to the mix of stocks, bonds and cash equivalents in your portfolio. As a general rule, this mix should grow gradually more conservative as you near retirement.

Think of asset allocation as a way to manage investment risk. Younger investors who don't need retirement income anytime soon can afford to hold a mix of riskier investments with higher growth potential. This is because younger investors have more time to recover from potential losses. In contrast, older investors who are closer to

retirement have less time to recover from losses. They may want to shift their investments toward a more conservative mix to lessen the impact of a market downturn.

### Plan Smart with the 401(k) Savings Plan: Take Charge of Your Asset Allocation

Remember, your investment risk tolerance should change as you approach retirement age, so your asset allocation needs to change as well. If it's been a while since you've looked at the mix of investments in your 401(k) Savings and Horizons Plan accounts, refer to the **Cyber Smarts Web Tip** on page 3 for instructions on how to review and change your asset allocation(s).

If you're interested in an investment option that offers hassle-free asset allocation and diversification in a single fund, check out the **Eye on Investments** article on page 4 to learn more about the *Savings Target Date Funds*.

Great-West Retirement Services® local representatives can also answer your questions about asset allocation and the core investment options available in your 401(k) Savings and Horizons Plans<sup>3</sup>. Call (800) 947-0845 to set up a one-on-one or group meeting, or drop by one of the customer service on-site locations reflected on page 4.

1 Source: Center for Retirement Research at Boston College, "How Much to Save for a Secure Retirement," 2011.

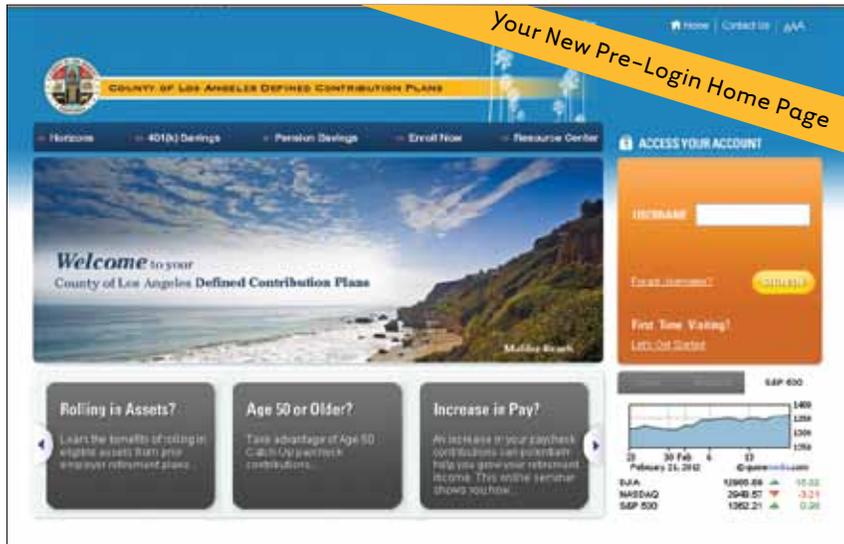
2 Asset allocation does not ensure a profit and does not protect against loss in declining markets.

3 Representatives of GWFS Equities, Inc. are not registered investment advisors, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

## Fiscal Year 2012-2013: Plan Fees Remain 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 401(k) Savings Plan will stay the same. Your monthly Plan administrative fee will remain \$3.65, and the County administrative fee will remain \$4.94. The total annual administrative fee charged to your account for fiscal year 2012-13 will not exceed \$103.18.

# COMING SOON! The New 401(k) Savings Plan Website Debuts in January 2013



Your New Pre-Login Home Page

In January 2013, your 401(k) Savings Plan website will be redesigned and will include many enhancements. The new site will make it:

- **Easier to find information** – The new site offers streamlined access to the most popular tools and information.
- **Easier to learn** – The new site will make it easier to be an informed 401(k) Savings Plan participant, providing a range of calculators (such as the popular [Paycheck](#) and [Contribution calculators](#)) and quick online courses on investment fundamentals.
- **Easier to take action** – Changing and managing your account is quicker and easier than ever.

You still log in to your account at [www.countyla.com](http://www.countyla.com) and enter your Username. If you can't remember, click on "Forgot Your Username?" If it's your first time logging in, choose "Let's Get Started!"

Easily select the Plan you want to view by clicking the dropdown menu.

## Using the New Website

### 1. Where is my account balance?

The new "At-A-Glance" tile will reflect your:

- Daily Balance
- Rate of Return
- Last Contribution Amount

### 2. How do I get more information?

Explore the tiles below the "At-A-Glance" section, such as "My Account" or "Investments." Once you've clicked on a tile, you'll also see suggested links for next steps that you might consider.

### 3. How can I make asset allocation and contribution changes to my account?

Click on the "Transactions" tile. From here, you can perform tasks such as transferring an investment balance or increasing your semi-monthly paycheck contributions. The suggested links may help you determine where to go next.

### 4. How can I update my personal information?

Click on the "My Profile" tile to view and make changes to your contact information, beneficiaries, and other items.

### 5. What if I have questions?

Click on the "Help & Contact" tile for your Plan contact information. Additionally, you can call the County of Los Angeles Service Center at **(800) 947-0845** to speak with a representative about your account.



Check out "My Action Plan" for important information and suggestions – customized for you.

Your New Post-Login Home Page

## Internal Revenue Service Increases Annual Contribution Limits

	2012	2013
CONTRIBUTION LIMIT (UNDER AGE 50)	\$17,000	\$17,500
AGE 50 AND OVER CATCH-UP	\$22,500	\$23,000

If you are interested in participating in the age 50 and over catch-up, simply increase your contribution percentage online at [www.countyla.com](http://www.countyla.com), or contact Great-West at **(800) 947-0845**.

## Introducing Retirement Rex



There's no need to "bug out" about your 401(k) Savings and Horizons Plans. Retirement Rex is here to help! You've probably heard that ants are highly intelligent – and if you remember Aesop's fables, you know that they're great at planning for the future (just search the Internet for "The Ant and the Grasshopper").

Retirement Rex recently played a starring role in the 1% pledge video. He will be featured in upcoming

401(k) Savings and Horizons Plan newsletters and other communications, so we thought a formal introduction was in order. Rex's job is to remind you that small changes, like increasing your 401(k) Savings and Horizons contributions by 1%, can make a big difference in reaching your retirement income goals. Check out the one minute video at [www.countyla.com](http://www.countyla.com), get inspired and increase your contributions today. Your future will thank you.

Cyber Smarts **Web Tip:**

## How to Review and Change Your Asset Allocation

It's important to review your asset allocation from time to time to make sure your payroll contributions and account balance are being invested in a way that complements your investment goals. Viewing your asset allocation is easy to do online at [www.countyla.com](http://www.countyla.com).

- Log in to your account
- Click on View Account
- Choose Current Allocation to see your asset allocation breakdown for future payroll deposits
- Select Asset Allocation to see a percentage breakdown of your account balance by asset class

To change how your payroll contributions are invested, click "Change Account" from the top menu then select "Redirect Future Contribution."

To reallocate your account balance, click "Change Account" then select either "Fund Transfer" to move a portion or all of an investment(s) to a different investment(s) or click "Rebalancer" to redirect portions of each investment in order to maintain your original asset allocation.<sup>4</sup>

To review or change your asset allocation on the new website (after January 1, 2013), refer to the simple steps outlined on page 2.

<sup>4</sup> Rebalancing does not ensure a profit and does not protect against loss in declining markets.

Watch for the **participant satisfaction survey** early next year.

Watch for Trivia questions next quarter!



**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
<b>TARGET DATE FUNDS<sup>1,2,3</sup></b>								
Savings Retirement Income Fund	4.90%	11.48%	16.48%	10.35%	N/A	13.18%	0.61%	11/07/08
Savings 2010 Target Date Fund	5.28%	11.52%	18.14%	10.07%	N/A	13.23%	0.59%	11/03/08
Savings 2015 Target Date Fund	5.56%	11.89%	19.74%	10.12%	N/A	13.07%	0.61%	11/03/08
Savings 2020 Target Date Fund	5.78%	12.18%	20.88%	10.07%	N/A	13.04%	0.60%	11/03/08
Savings 2025 Target Date Fund	5.90%	12.69%	21.95%	10.24%	N/A	12.78%	0.59%	11/03/08
Savings 2030 Target Date Fund	5.98%	12.82%	22.40%	10.35%	N/A	12.91%	0.59%	11/07/08
Savings 2035 Target Date Fund	5.98%	12.81%	22.41%	10.33%	N/A	13.02%	0.59%	11/11/08
Savings 2040 Target Date Fund	5.97%	12.83%	22.43%	10.35%	N/A	12.93%	0.59%	11/11/08
Savings 2045 Target Date Fund	5.97%	12.83%	22.40%	10.33%	N/A	13.09%	0.59%	11/07/08
Savings 2050 Target Date Fund	5.94%	12.82%	22.26%	N/A	N/A	10.70%	0.59%	08/02/10

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

Savings Inflation Protection Fund	2.09%	6.08%	8.85%	N/A	N/A	9.56%	0.06%	05/02/11
Savings Bond Fund <sup>4</sup>	4.98%	11.24%	13.11%	10.48%	N/A	16.80%	0.30%	11/03/08
Savings Balanced Fund	6.58%	15.53%	25.31%	9.84%	N/A	12.76%	0.43%	11/03/08
Savings Large Cap Equity Fund	6.41%	15.28%	28.02%	12.98%	N/A	14.09%	0.38%	11/03/08
Savings Non-U.S. Equity Fund <sup>5</sup>	6.52%	12.50%	18.52%	6.16%	N/A	11.26%	0.62%	11/03/08
Savings Mid Cap Equity Fund <sup>6</sup>	5.50%	13.78%	28.56%	13.38%	N/A	16.97%	0.06%	11/03/08
Savings Small Cap Equity Fund <sup>7</sup>	4.65%	14.98%	32.57%	16.36%	N/A	18.58%	0.74%	11/03/08

**FIXED INVESTMENT OPTIONS<sup>1,2</sup> ANNUALIZED CREDITING RATE**

	4th Qtr '12	3rd Qtr '12	2nd Qtr '12	1st Qtr '12	4th Qtr '11
Savings Stable Value Fund <sup>8</sup>	2.49%	2.65%	2.78%	3.00%	N/A
Bank Depository Fund <sup>8,9</sup>	0.32%	0.41%	0.42%	0.52%	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](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 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.

#### <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.

#### <sup>2</sup> 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).

#### <sup>3</sup> 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.

<sup>4</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>5</sup> Foreign investments involve special risks, including currency fluctuations and political developments.

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

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

#### <sup>8</sup> 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.

#### <sup>9</sup> 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.

#### <sup>10</sup> 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 KeyTalk® 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 KeyTalk 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 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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## Eye on Investments: Savings Target Date Funds

As you've read in this newsletter, asset allocation and diversification are important parts of any retirement planning strategy, but they can also be a challenge for many people. This quarter's "Eye on Investments" feature takes a look at Savings Target Date Funds, a core investment option that makes asset allocation and diversification automatic.

### Who They're For

Target Date Funds are designed for people who prefer to leave investment selection and ongoing account management to the professionals. If you're looking for a simple way to diversify and allocate your retirement assets, you may want to invest in one of the Target Date Funds. They offer a professionally selected mix of diversified investments with an asset allocation designed for someone who plans to retire at a certain date. For example, if you plan to retire in 2044, the Savings 2045 Target Date Fund would be a consideration since it is the closest Target Date Fund to your projected retirement year.

### How They Work

Each Target Date Fund is a single investment option that offers a diversified portfolio and an age-appropriate asset allocation that gradually becomes more conservative as you approach the date named in the fund (which roughly corresponds to your planned retirement date). Once the year of the Target Date Fund is reached, the fund continues to

rebalance annually for the following 10 years until its asset allocation mirrors that of the Retirement Income Fund. The Savings Retirement Income Fund is the most conservative of all the Target Date Funds and is designed to maintain market exposure in a well diversified and conservative manner, often suited for participants in retirement. The date in a Target Date Fund represents an approximate date when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date.

### Why You Should Invest in Only One Target Date Fund

You only need to select one Target Date Fund to have a diversified portfolio with a professionally selected investment mix and asset allocation. Take a moment to review your 401(k) Savings and Horizons Plan account statements. If you are invested in more than one Target Date Fund, the result could be a mix of investments with a combination of risk and return potential that isn't suited for someone with your planned retirement date. To change your investments or reallocate a portion of your account balance, see the Cyber Smarts Web Tip on page 3 for instructions.

For more information on Target Date Funds, go to **www.countyla.com** and click on "Fund Options" from the top menu, then select "Fund Data Sheets."

## Savings Plan Administrative Committee Members

Jim Adams, *Chair*

Lisa M. Garrett

Mark J. Saladino

John F. Krattli

Wendy L. Watanabe

## 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. 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

## 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