Something for Everyone

This edition of the 401(k) Savings Plan newsletter contains a smorgasbord of information. There is something for everyone. After all, planning for retirement is a personal process, and we all have unique goals and circumstances. Even people who are the same age and plan to retire around the same time can have different approaches to saving and investing. One of the great things about the 401(k) Savings Plan is that it accommodates those differences. You can plan, save and invest in a way that fits your unique needs and goals. Whatever your situation, you’ll find something of interest in this quarter’s newsletter.

The DOMA Decision and Your 401(k) Savings Account

Recently, the U.S. Supreme Court struck down Section 3 of the Defense of Marriage Act (DOMA). If you are a Horizons and/or 401(k) Savings Plan participant in a same-sex marriage and you work or live in a state that recognizes same-sex marriage, the decision may affect some aspects of your account(s) and your decisions about retirement planning. The Plan Administrative Committee (PAC) wants participants to know that we are working to interpret and address this change. Although the regulations are still being finalized, we are committed to sharing what we know when we know it. Current factors to consider include:

- **Residency**
  The Internal Revenue Service (IRS) recently ruled that same-sex married couples will be recognized as legally married for all federal tax purposes, regardless of where they live, so long as they were married in a jurisdiction that recognizes such marriages as legal. The ruling does not apply to registered domestic partnerships, civil unions or similar formal relationships recognized under state law. The ruling can be found at: [http://op.bna.com/dt.nsf/id/sdoe-9b2pz/$File/Revrul201317.RT.pdf](http://op.bna.com/dt.nsf/id/sdoe-9b2pz/$File/Revrul201317.RT.pdf).

- **Beneficiary Designation(s)**
  Participants and retirees in a same-sex marriage may want to re-evaluate and update their Horizons and/or 401(k) Savings Plan beneficiary designation(s). A same-sex spouse has community property rights to an employee's retirement benefits, and in order to waive those rights, he or she must consent to any non-spouse beneficiary designation. In the absence of a valid beneficiary designation, your beneficiary(ies) will be designated as:
  - Your spouse (or registered domestic partner), if living 30 days after the date of your death
  - If the above doesn’t apply, then your children, by blood or adoption, sharing equally (with children of a deceased child sharing equally the deceased child’s portion)
  - Your estate, if your beneficiary(ies) cannot be determined under this provision

To view or update your beneficiary designation(s), log in to your account at [www.countyla.com](http://www.countyla.com), click on the My Profile tile, and click Beneficiary. Follow the prompts to review and update your designation. Or call Great-West FinancialSM at (800) 947-0845 to request a Beneficiary Designation form*.

- **Other Changes**
  Same-sex spouses are now eligible to receive a spousal rollover, postpone required minimum distributions, and receive benefits under a Qualified Domestic Relations Order. Participants can also receive a hardship distribution if a same-sex spouse experiences a qualifying event.

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

PT183347 (10/13)
The DOMA Decision and Your 401(k) Savings Account (continued)

As more information becomes available, updates will be posted on www.countyla.com. You can also obtain DOMA-related information in the following ways:

1. Watch for articles in future issues of this newsletter. Copies of the newsletters are also available at www.countyla.com.
   From the landing page, click on Resource Center, then Newsletters and Meeting Schedules, and make your selection.

2. You can speak to a Great-West Financial client service representative at (800) 947-0845. Representatives are available to assist you Monday through Friday from 7:00 a.m. to 5:00 p.m. Pacific Time.

And the Award Goes To ...

Retirement Rex isn’t the County’s only recent award winner. The PAC regularly submits its work to industry competitions to see how it compares to the efforts of similar organizations. We’re proud to announce that 2013 has been a banner year! This year’s awards include:

- The APEX Award of Excellence in the Brochures, Manuals and Reports category for the County’s loan brochure (www.apexawards.com)

- A National Association of Government Defined Contribution Administrators Leadership Award in the Effective Communication category, first place for the County’s Increasing Contributions Campaign (www.nagdca.org)

- The Communicator Awards’ Silver Award of Distinction for the Retirement Rex e-commercial (www.communicatorawards.com)

- A Hermes Platinum Award for the Retirement Rex e-commercial (www.hermesawards.com)

- A National Association of Counties 2013 Achievement Award in the category of Personnel Management, also for the Retirement Rex e-commercial (www.naco.org)

The awards are more than a nice pat on the back. They’re also evidence that the PAC’s commitment to quality communications is paying off. To find out more about the awards and the sponsoring organizations, visit the websites listed with each award. Congratulations to everyone who contributed to the winning projects!
Retirement Planning Doesn’t Have to Be a Puzzle

Your Savings Plan 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 below in the puzzle to the right.

Hollywood Beach

The Investments Tile

If knowledge is power, then log in to your account at www.countyla.com* and click on the Investments tile. It gives you access to a wealth of information that can help build your knowledge about the Horizons and 401(k) Savings Plans’ investment options. The available information includes:

- **Investment Options** – The details on the core investments available through the Plan
- **Investment Performance** – A look at the recent performance of the Plan’s investment options
- **Fixed Rate Investments** – The rate of return on the Plan’s fixed-rate investment options
- **Investment Trends** – A tool for researching the historical value of the Plan’s investment options
- **Investment Values** – A way to evaluate investment options on a per-unit/share basis
- **Self-Directed Accounts** – Information about the self-directed brokerage account for knowledgeable investors

The more you know about your Plan’s investment options, the better you can find the options that fit your retirement planning goals. Log in to your account today at www.countyla.com to take a tour of the Investments tile.*
### VARIABLE INVESTMENT OPTIONS AVERAGE ANNUAL RETURN

#### TARGET DATE FUNDS

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Last 3 Months</th>
<th>Year to Date</th>
<th>1 YEAR</th>
<th>3 YEARS</th>
<th>5 YEARS</th>
<th>Since Inception</th>
<th>Total Fund Expense</th>
<th>Inception Date of Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Retirement Income Fund</td>
<td>3.66%</td>
<td>4.72%</td>
<td>7.31%</td>
<td>8.33%</td>
<td>N/A</td>
<td>11.96%</td>
<td>0.60%</td>
<td>11/07/08</td>
</tr>
<tr>
<td>Savings 2010 Target Date Fund</td>
<td>5.02%</td>
<td>7.93%</td>
<td>10.89%</td>
<td>9.50%</td>
<td>N/A</td>
<td>12.75%</td>
<td>0.59%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings 2015 Target Date Fund</td>
<td>5.99%</td>
<td>10.27%</td>
<td>13.57%</td>
<td>10.63%</td>
<td>N/A</td>
<td>13.17%</td>
<td>0.60%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings 2020 Target Date Fund</td>
<td>7.08%</td>
<td>13.01%</td>
<td>16.51%</td>
<td>11.70%</td>
<td>N/A</td>
<td>13.74%</td>
<td>0.59%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings 2025 Target Date Fund</td>
<td>7.67%</td>
<td>14.51%</td>
<td>18.08%</td>
<td>12.47%</td>
<td>N/A</td>
<td>13.84%</td>
<td>0.58%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings 2030 Target Date Fund</td>
<td>8.03%</td>
<td>15.44%</td>
<td>19.05%</td>
<td>12.91%</td>
<td>N/A</td>
<td>14.13%</td>
<td>0.58%</td>
<td>11/07/08</td>
</tr>
<tr>
<td>Savings 2035 Target Date Fund</td>
<td>8.03%</td>
<td>15.46%</td>
<td>19.06%</td>
<td>12.90%</td>
<td>N/A</td>
<td>14.22%</td>
<td>0.58%</td>
<td>11/11/08</td>
</tr>
<tr>
<td>Savings 2040 Target Date Fund</td>
<td>8.02%</td>
<td>15.49%</td>
<td>19.07%</td>
<td>12.91%</td>
<td>N/A</td>
<td>14.15%</td>
<td>0.58%</td>
<td>11/11/08</td>
</tr>
<tr>
<td>Savings 2045 Target Date Fund</td>
<td>8.03%</td>
<td>15.50%</td>
<td>19.08%</td>
<td>12.90%</td>
<td>N/A</td>
<td>14.29%</td>
<td>0.58%</td>
<td>11/07/08</td>
</tr>
<tr>
<td>Savings 2050 Target Date Fund</td>
<td>8.01%</td>
<td>15.52%</td>
<td>19.04%</td>
<td>12.87%</td>
<td>N/A</td>
<td>13.27%</td>
<td>0.58%</td>
<td>08/02/10</td>
</tr>
</tbody>
</table>

#### ASSET CLASS FUNDS

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Last 3 Months</th>
<th>Year to Date</th>
<th>1 YEAR</th>
<th>3 YEARS</th>
<th>5 YEARS</th>
<th>Since Inception</th>
<th>Total Fund Expense</th>
<th>Inception Date of Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Inflation Protection Fund</td>
<td>0.64%</td>
<td>-6.91%</td>
<td>-6.32%</td>
<td>N/A</td>
<td>N/A</td>
<td>2.69%</td>
<td>0.06%</td>
<td>05/02/11</td>
</tr>
<tr>
<td>Savings Bond Fund</td>
<td>0.83%</td>
<td>-0.93%</td>
<td>0.83%</td>
<td>5.35%</td>
<td>N/A</td>
<td>13.36%</td>
<td>0.30%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings Balanced Fund</td>
<td>5.20%</td>
<td>18.50%</td>
<td>21.38%</td>
<td>14.35%</td>
<td>N/A</td>
<td>14.46%</td>
<td>0.43%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings Large Cap Equity Fund</td>
<td>8.21%</td>
<td>20.86%</td>
<td>22.14%</td>
<td>16.61%</td>
<td>N/A</td>
<td>15.68%</td>
<td>0.37%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings Non-U.S. Equity Fund</td>
<td>10.34%</td>
<td>12.86%</td>
<td>21.14%</td>
<td>10.17%</td>
<td>N/A</td>
<td>13.20%</td>
<td>0.58%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings Mid Cap Equity Fund</td>
<td>7.50%</td>
<td>23.05%</td>
<td>27.45%</td>
<td>17.18%</td>
<td>N/A</td>
<td>19.03%</td>
<td>0.06%</td>
<td>11/03/08</td>
</tr>
<tr>
<td>Savings Small Cap Equity Fund</td>
<td>12.36%</td>
<td>31.24%</td>
<td>32.98%</td>
<td>21.98%</td>
<td>N/A</td>
<td>21.38%</td>
<td>0.71%</td>
<td>11/03/08</td>
</tr>
</tbody>
</table>

#### FIXED INVESTMENT OPTIONS

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>4th Qtr '13</th>
<th>3rd Qtr '13</th>
<th>2nd Qtr '13</th>
<th>1st Qtr '13</th>
<th>4th Qtr '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Stable Value Fund</td>
<td>1.77%</td>
<td>1.98%</td>
<td>2.13%</td>
<td>2.30%</td>
<td>2.49%</td>
</tr>
<tr>
<td>Bank Depository Fund</td>
<td>0.20%</td>
<td>0.22%</td>
<td>0.23%</td>
<td>0.26%</td>
<td>0.32%</td>
</tr>
</tbody>
</table>

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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. 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.

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.county1.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 or the Charles Schwab SDBA. 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 or the Charles Schwab SDBA. 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 or the Charles Schwab SDBA 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, 2013, through June 30, 2014, the monthly Plan administrative fee will be $3.65. For the period July 1, 2013, through September 30, 2013, the monthly County administrative fee will be $4.94. For the period October 1, 2013, through June 30, 2014, the monthly County administrative fee will increase to $5.55. The total annual administrative fee charged to you for fiscal year 2013-2014 will not exceed $108.67.

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

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.

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Savings Plan Fees to Increase in October 2013

Reminder: The 401(k) Savings Plan's County Administrative Fee increased in October 2013. This fee covers the County’s direct costs for administering the 401(k) Savings Plan, including contractor and County department costs. The fee from October 2013 through June 2014 will be $5.55 per month, up from its prior level of $4.94 per month. The increase is needed mainly to cover the Plan's legal and consulting costs to maintain compliance with IRS guidelines and the Plan's qualified tax-exempt status.