



# County of Los Angeles Savings Plan

Fourth Quarter  
2010

## Protecting Your Information and Privacy

Did you know that in 2008 more than 10 million Americans experienced some form of identity theft—and that one in every 10 U.S. consumers has already been a victim?<sup>1</sup> Identity theft is a serious crime that is on the rise, especially as more of us use the Web to manage our personal and financial lives.

The Web makes information easier to access, but it can also make it more vulnerable. At the County of Los Angeles, we're committed to protecting your

personal and financial information, even as we strive to make it easier and more convenient to access and manage your retirement account online. We're constantly evaluating what we can do to prevent any unauthorized access to your information.

This quarter's newsletter focuses on how we're protecting your information and privacy. Please take a few minutes to read about the steps the County of Los Angeles and Great-West Retirement Services® (Great-West) have taken to help

ensure your information is kept secure and private.

Why the emphasis on security? We want you to be able to save and invest for a more comfortable retirement without constantly worrying about whether your most vital information is safe.

1 Javelin Strategy and Research, 2009 (<http://www.spendonlife.com/guide/identity-theft-statistics>)

## Protecting Your Account Through Enhanced Authentication

Beginning May 22, 2011, you'll see some changes to the [www.countyla.com](http://www.countyla.com) website when you log in to access your Savings Plan account.

Enhanced Authentication uses two different methods to help protect your account information. These methods use information known only by you to help protect your account. That means you play an important role in setting up Enhanced Authentication on your Savings Plan account. The process is quick and simple, and your participation is required if you want to continue accessing your account information online.

**FIRST**, you'll be asked to select a security image from several options presented to you. Then, you'll be asked to type in a unique phrase (you'll see both the image and the phrase each time you log on in the future).

**SECOND**, you'll be asked to select a security question, such as "What is the name of your favorite restaurant?" and provide your answer.

In the future, when you log in from a computer that the website doesn't recognize, you'll be asked to answer your security question. Be sure to pick a question with an answer you can easily remember.

### SO JUST HOW DOES ENHANCED AUTHENTICATION HELP PROTECT YOUR SAVINGS ACCOUNT INFORMATION?

#### It helps prevent others from logging in as you

An attempted sign-on from an unrecognized location could be an indication of fraud. By asking you to verify your identity through a security question, we're confirming that you—not someone posing as you—are accessing your account. Even if someone has your username and PIN, the security question helps prevent them from logging in as you.

#### It lets you know that you're accessing the authentic County of Los Angeles website

One way that identity thieves try to gain access to your personal information is to get you to enter that information on a fraudulent website that looks like a site you already use and trust (a tactic known as "phishing"). With Enhanced Authentication, you'll always know that you're accessing the authentic County of Los Angeles website, because you'll see your chosen security image and phrase when you log in.

**REMEMBER**, setting up your security question and choosing your image/phrase is mandatory if you want to continue accessing your account online. By completing these few easy steps, you'll be adding an extra layer of security to your Savings Plan account. If you have questions about Enhanced Authentication, or if you need to change your security question, image or phrase, call the County of Los Angeles Service Center at **(800) 947-0845**.

## KeyTalk® Enhancements Coming Soon

During the first quarter of 2011, KeyTalk will be enhanced with speech recognition capabilities. This means you can make your selection by “speaking” instead of using the touch-tone keypad. The option to use the touch-tone keypad will still be available. Along with this new functionality, other highlights include a new authentication alternative, where you choose how to verify yourself (such as a question you select us to ask you) in the event you do not have a PIN<sup>2</sup>, and the ability to request a statement or form. The enhancements will be implemented during first quarter (likely at the end of February 2011). The KeyTalk number for the Savings Plan, **(800) 947-0845**<sup>3</sup>, will remain the same.

*2 The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.*

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

## County Match Reduction for Fiscal Years 2010-2011 and 2011-2012

You should have received a letter regarding the County match reduction for fiscal years 2010-2011 and 2011-2012. As a reminder:

Starting with your **JANUARY 30, 2011, THROUGH JULY 15, 2011**, paychecks, there will be no County match.

Starting with your **JULY 30, 2011**, paycheck, there will be a reduced County match.

Starting with your **JULY 30, 2012**, paycheck, the 4% County match will resume.

If you have any questions, please contact the County of Los Angeles Service Center at **(800) 947-0845**.

## Keeping Your Information Confidential and Secure

Social Security numbers are a prime target for identity thieves. That's why the County of Los Angeles and Great-West won't publish Social Security numbers in any correspondence related to your account. It's part of our ongoing effort to protect your personal and financial information. We prominently feature our Confidentiality Notice on the Web and KeyTalk to remind you of our commitment to keeping your information safe and secure. In addition, our call center representatives do not release

information about your account without first screening the caller by asking security questions.

For tax year 2010, Great-West will participate in the IRS voluntary Tax Identification Number (TIN) masking program (IRS Notice 2009-93). Most tax forms issued for the 2010 tax year will only display the last four digits of the recipient's TIN.

The first five digits of the payee's TIN will be replaced with an “X” or an “\*.”

Examples: XXX-XX-1234  
or \*\*\*-\*\*-1234

### TIPS FOR PROTECTING YOUR IDENTITY AND PRIVATE INFORMATION:

1. **Never provide your personal information or password to unsolicited callers or Internet requests.**
2. **Review account statements regularly to ensure you recognize all account activity and charges, and contact the company right away if you see questionable activity.**
3. **If your identity or financial information has been compromised, report it to the authorities immediately.**
4. **Minimize the amount of personal financial information you carry.**
5. **Keep your personal and financial information in a secure place at home.**
6. **Shred documents that you no longer need if they contain personal or private information.**

### 2011 Annual Contribution Limits

The IRS has announced the 2011 Annual Contribution Limits for your Savings Plan. The limits remain unchanged from 2010.

<b>Contribution Limit</b>	\$16,500
<b>Age 50+ Catch-Up</b>	\$22,000
<b>Special 457 Catch-Up</b>	\$33,000

If you are 50 or older, you may contribute toward either the Age 50+ Catch-Up or the Special 457 Catch-Up, but not both at the same time. If you are interested in participating in the Special 457 Catch-Up option, you must submit an application for pre-approval. Contact Great-West at **(800) 947-0845** to get the process started.

# The Importance of Keeping Your Beneficiary Information Up-to-Date

The beneficiary information you provide identifies who will receive any remaining assets within your account. This is an important step to ensuring stability for your loved ones after your death. Designating a beneficiary is a simple and quick process that helps you prepare for life's uncertainties, while ensuring that your assets will pass on as you intended.

Make it easy for your loved ones and give yourself some peace of mind—make sure your Savings Plan beneficiary designation is up-to-date. You may name anyone as your beneficiary—however, your Savings Plan account is subject to California community property laws. This means that if you are married or in a domestic partner relationship that is registered with the state of California and you name a primary beneficiary other than or in addition to your spouse or domestic partner, he or she must submit notarized written consent for your choice of beneficiary(ies). The consent will waive your spouse's or domestic partner's right to receive a full or partial

distribution (as applicable) from your account upon your death. If you are not married or in a registered domestic partnership at the time you name a beneficiary but become married or enter into a registered domestic partnership in the future, your spouse or registered domestic partner will be automatically entitled to his or her interest in this account from the time of marriage or registration regardless of your beneficiary designation.

You may make, revoke or change a beneficiary designation only through a written form. Contact the County of Los Angeles Service Center at **(800) 947-0845** to request this form, or log in to the website at **www.countyla.com**, click on the "401(k) Savings" tab, the "Forms" tab and then on the "Beneficiary Designation Form" link.

The most current signed and dated form on file will be considered your valid designation. You may also want to update your beneficiary designations in the event of a marriage, birth, death and/or divorce.

If you name your Trust as beneficiary, you must submit a copy of the Trust or a certificate of trust with your Beneficiary Designation Form in order for your designation to be considered valid (subject to spousal consent, if applicable). The Trust documents you submit must contain the name and date of the Trust, successor trustee information, and signatures of the trustors.

# Online File Cabinet®: A Secure, Greener, Quicker Way to Get Your Savings Plan Statements

In the recent Savings Plan survey, several of you made it clear that you wanted to see less paper in your mailbox and more information online. Others said that they wanted to get their quarterly statements sooner. What do these two items have in common? With Online File Cabinet, you can save a tree and save some time.

## A Secure and Greener Way

When you sign up for Online File Cabinet through the Savings Plan website at **www.countyla.com**, your statements are delivered electronically as a PDF file, instead of a hard copy delivered to your home. You'll receive an e-mail notification each time a new statement is available to view at **www.countyla.com**—which can help reduce your risk of becoming a victim of mail fraud. With Enhanced Authentication, accessing your statements online has never been safer. Online File Cabinet stores your statements for two years. If you want to store statements beyond the two-year time frame, you can download them to archive on your home computer or burn them to a disc/CD. You can also print statements for your hard copy files.

## A Quicker Way

Another reason to consider switching over to Online File Cabinet is that you can access your statement information a few days sooner than with hard copy statements. Online File Cabinet eliminates the extra time needed to print, package and mail the statement to your home. So not only is Online File Cabinet a greener and more convenient way to get your statement information, it's also quicker.

### IT'S EASY TO SIGN UP!

- Log in to the website at **www.countyla.com**.
- Click on the Online File Cabinet tab.
- Select "Consent" and review the Online File Cabinet Agreement.
- Check the box for electronic delivery, provide your e-mail address, and click "Continue."

**REMEMBER**, when you sign up for Online File Cabinet, you're opting out of the traditional hard copy statement. But if you like the convenience and environmental friendliness of electronically delivered statements, Online File Cabinet may be for you.

# COMING SOON: A Savings Plan Investment Option that Helps Protect Your Retirement Savings from Inflation

After the market turmoil of the past few years, many people are looking for ways to protect the money they save for retirement. But investors who prefer safer investments still face a risk to their future retirement income: the threat of rising inflation.

Inflation can eat away at the purchasing power of the money you save for retirement. At 3% per year—the average rate of inflation since 1926—the purchasing power of \$1,000 could drop to \$543 over 20 years.<sup>4</sup> However, the returns from many low-risk investments are often lower than the rate of inflation. In other words, the cost of the things you buy can increase faster than the return on the money you save, making it harder to pay for the things you'll need in retirement.

To fight against inflation, the Plan Administrative Committee (PAC) incorporated a strategy that includes Treasury Inflation-Protected Securities (TIPS) within the Target Date Funds (TDFs). The interest earned and the principal value of a TIPS fund change with the rate of inflation. So as inflation increases, the value of your investment will increase with it—helping you counter the negative impact of rising inflation on the money you're saving for retirement.

In the coming months, the PAC will be adding a stand-alone core investment option that is designed to reduce

the impact of inflation for those participants who don't participate in the TDFs or are seeking additional inflation protection. The PAC is still working on the details of the new TIPS investment option. Future editions of the Savings Plan newsletter will provide more information, including when you'll be able to add the TIPS investment option to your portfolio if you decide that it's right for you.

**REMEMBER**, a well-diversified portfolio that includes stock funds, bond funds and cash equivalents can help you find the balance of risk and potential return that best matches your personal risk tolerance and investment goals. The addition of the TIPS investment option will broaden the range of investment choices available to you through the Savings Plan. A Target Date Fund will be automatically adjusted over time, gradually shifting from stocks to bonds as you get closer to retirement to help ensure that your investments have a degree of asset allocation at various life stages to help you reach your retirement goals. 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.

*4 Bureau of Labor Statistics (bls.gov)*

## Savings Plan Administrative Committee Members

Sid Kikkawa, *Chair*

Wendy L. Watanabe

Lisa M. Garrett

Mark J. Saladino

Andrea Ordin

## 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

### 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

## 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>3</sup> | Phone: (800) 947-0845<sup>3</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. Securities available through Schwab Personal Choice Retirement Account® (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. 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®, KeyTalk® and Online File Cabinet® are registered trademarks of Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1004N-03 (02/11) PT119203