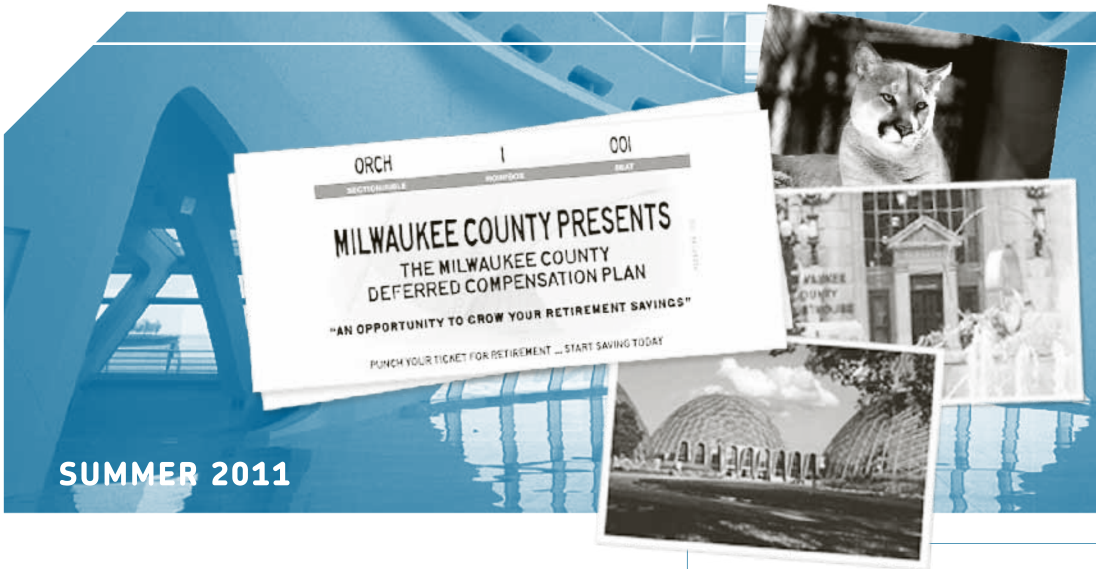


SUMMER 2011

MILWAUKEE COUNTY DEFERRED COMPENSATION PLAN

MONEY MATTERS

IN THIS ISSUE:

ABOUT TO RETIRE?

IF YOU ARE NEARING RETIREMENT AGE, YOU HAVE THE OPPORTUNITY TO CATCH-UP ON YOUR RETIREMENT SAVINGS.

Participants who are age 50 and older may contribute an additional $5,500 to the Milwaukee County Deferred Compensation Program (MCDCP) in addition to the $16,500 limit for 2011. This means that participants age 50 and older can contribute a maximum of $22,000 or 80% of includible compensation, whichever is less, for the 2011 calendar year.

Another option to save more money for retirement is the standard catch-up contribution. Standard catch-up allows participants who are within the three calendar years prior to normal retirement age and who undercontributed in prior years to contribute up to double the annual contribution limit for a combined total of $33,000 in 2011. You may not contribute to both catch-up options in the same year.

This may be a benefit particularly helpful for Milwaukee County employees who retire with large sick payouts. If you are in a similar situation, consider the Special Catch-up option to defer the maximum of $33,000 from your remaining paychecks to offset large sick payouts. Contact the MCDCP local office at **(414) 223-1921** for more information on this option. ■

MILWAUKEE COUNTY
SELECT COMMITTEE ON DEFERRED COMPENSATION

Members:
Steve Cady - Chairman
Rick Ceschin • Jacqueline Russell
Mark Grady • Susan Walker

Room 203, Courthouse
901 North 9th Street
Milwaukee, Wisconsin 53233
(877) 457-6459 (questions about your Plan)
(414) 278-4347 (plan governance)

DID YOU KNOW...

YOU CAN MAKE CHANGES TO YOUR PAYCHECK CONTRIBUTION AT ANY TIME?

TRA 2010 WAS SIGNED INTO LAW CREATING A TAX HOLIDAY OF SORTS FOR YOU IN 2011. IN SHORT, IT REDUCES THE SOCIAL SECURITY WITHHOLDING RATE FROM 6.2% TO 4.2%. THAT'S A PAYROLL TAX CUT,

STICK WITH THE PROGRAM

Did you know you can keep your money in your MCDCP account after you leave employment?

When you retire or separate from service from Milwaukee County, you have a number of options to manage your account. Keeping your money in the MCDCP may provide you with better retirement opportunities than other investment products.

Reasons to stay:

1. YOUR CONTRIBUTIONS ARE NOT SUBJECT TO THE 10% EARLY WITHDRAWAL PENALTY.

Unlike other plans, 457(b) payroll contributions are unique in that they are not subject to the 10% early withdrawal penalty.

2. YOU MIGHT PAY LESS IN FEES IF YOU STAY IN THE MCDCP.

If you're approached about moving your account to a broker's company, be sure to compare your current fee structure with the broker's fee structure. If the expenses are higher with the alternative, what is the real reason to move your money? Who will it benefit? Consider all of your options before you hand over your hard-earned money. The best advice is to ask questions first. After all, it's your money.

3. YOU GET LOW-COST INVESTMENT OPTIONS.

The MCDCP offers you investment products that are competitively priced when compared to many other mutual funds. Low investment fees continue to keep more of your retirement money working for you in your portfolio. The investment options have been selected to allow you to create a well-diversified portfolio that meets your personal risk tolerance.

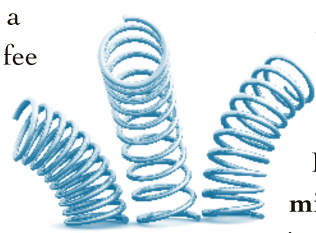
4. YOU RETAIN DISTRIBUTION FLEXIBILITY WITH A VARIETY OF PAYOUT OPTIONS.

You can keep your money in the MCDCP—even if you retire or leave your job—or you may choose from a variety of distribution options to suit your financial needs, which can include periodic payments and partial withdrawals. You can also change your distribution arrangement as many times as necessary to meet your needs as long as you begin receiving payments by the required date.

5. QUICK AND EASY TRANSFERS AMONG INVESTMENT OPTIONS ARE STILL AVAILABLE.

By keeping your money in your MCDCP account, there is no paperwork to transfer your assets among investment options. Transfers made online or by phone are processed within 24 hours.[1]

6. THE MCDCP OFFERS FLEXIBLE, EASY ACCOUNT MANAGEMENT.



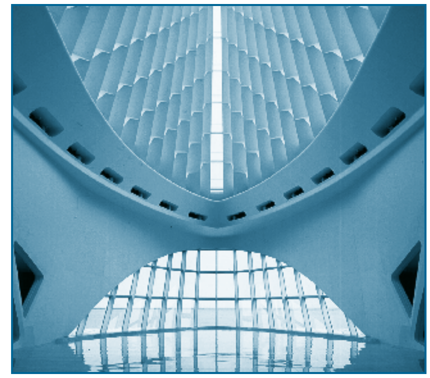
You may continue to call the MCDCP at **(877) 457-6459**[1] to speak with a representative about your account and Plan-specific questions. The website at **www.milwaukeecounty457.com**[1] allows you to log in to your account to manage your retirement savings and access financial education information that can help you effectively prepare for retirement. Access both the voice response system and the website at any time for account information or to make changes to your investments or beneficiary designations.

The MCDCP offers tax-deferred growth and flexible distribution options—with added benefits like low costs, flexibility, and access to valuable services. You've worked hard for your retirement savings. Let your MCDCP account keep working for you! ■

WHICH MAY INCREASE YOUR TAKE-HOME PAY BY 2%!

AS AN EMPLOYEE WITH THE OPPORTUNITY TO CONTRIBUTE TO YOUR MILWAUKEE COUNTY DEFERRED COMPENSATION PLAN (MCDCP), IT MIGHT BE A GOOD TIME TO INCREASE YOUR CONTRIBUTION TO YOUR PLAN TODAY!

TO INCREASE YOUR PAYCHECK CONTRIBUTION TODAY, CALL (877) 457-6459. ■



BE PREPARED FOR VOLATILITY

HOW TO INVEST IN AN UP-AND-DOWN MARKET

As an investor, you know that risk and return can't be separated. The stock market offers potential inflation-beating returns, but it fluctuates constantly—sometimes dramatically. If you're unprepared for that volatility, you might panic at sudden drops and sell at the wrong times.

LEARN FROM EXPERIENCE

You can minimize the impact of volatility. Strive to maintain an investment mix that is based on your goals and time horizon, and that reflects the degree of risk you can comfortably live with, even in a turbulent market. Consider your response to the 2008-09 stock market collapse. If you made drastic changes, it's a sign that your original investment strategy may not have accurately reflected the amount of risk you could tolerate.

REVIEW AS NEEDED

It makes sense to periodically review your goals, time horizon and comfort level with risk, and to confirm that they're reflected in your asset allocation. Asset allocation means dividing your portfolio among the different asset classes of stock funds, bond funds and cash investments. The percentage you invest in each asset class helps to determine your portfolio's short-term volatility and its potential long-term return. You can also diversify within each asset class. For example, your stock fund holdings could include both large- and small-company funds.

Asset allocation and diversification can't prevent a loss in a declining market or guarantee a profit, but they can help you create a portfolio that you can live with despite the market's ups and downs. To learn more, visit the website at **www.milwaukeecounty457.com** and select Education e-Learning seminars. ■

HANDS OFF!

Saving in the MCDCP can benefit your bottom line, but tapping it prematurely could make the effort for naught. Sure, you can get at the money if you absolutely have to, but you'll likely have to pay income taxes, not to mention dampening the potential for any tax-deferred growth.

To avoid raiding retirement funds in an emergency, consider keeping a liquid cash stash to cover three to six months of expenses. Also, you could allocate separate money for goals that have to be accomplished in the short term, such as paying your children's college expenses. Consider keeping it in fixed-income investments, such as certificates of deposit[2] (CDs), which can continue to earn interest until you need the money.

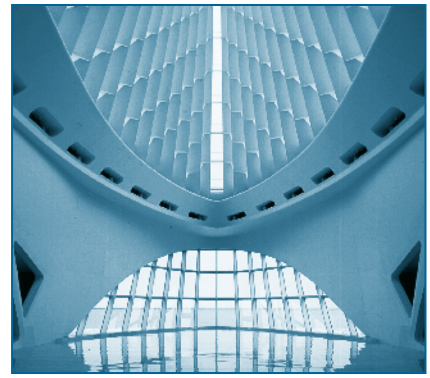
Your retirement savings may be your most precious assets. If you manage them wisely, you'll have a better chance of reaching your retirement goals. ■

1 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 (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.

2 Certificates of deposit are insured by the FDIC for up to $250,000 per depositor and offer a fixed rate of return, whereas both the principal and yield of bonds and stocks will fluctuate with market conditions.

CONTACT INFORMATION:

MILWAUKEE COUNTY DEFERRED COMPENSATION PLAN
ROOM 212-C, COURTHOUSE
901 NORTH 9TH STREET
MILWAUKEE, WISCONSIN 53233
(877) 457-MILW (6459)



TAX-SMART SAVING

It may be a good idea to fully fund your tax-advantaged retirement accounts—your MCDCP first, then an individual retirement account (IRA). Here's how you can make the most of these accounts.

MCDCP BENEFITS

In 2011, you may be able to save up to $16,500 pre-tax in the MCDCP—$22,000 if you're age 50 or older.[3] You won't pay taxes on your contributions or earnings until you withdraw the money in retirement, at which time most investors are in a lower income tax bracket than they were when they were working.

IRA BENEFITS

Like your MCDCP contributions, your IRA contributions can grow federally tax-deferred or tax-free (depending on whether you have a traditional or Roth IRA, respectively), allowing any earnings in the account to compound more quickly than those in taxable accounts.[4]

WHICH IRA IS BEST FOR YOU?

If you're able to save the maximum allowed by your workplace retirement plan, consider either a traditional IRA or a Roth IRA, both of which offer a wide variety of investment choices.

- **Traditional IRAs:** Contributions to a traditional IRA may be tax-deductible, depending on your income amount.[5] But even if your contributions are not tax-deductible, your assets can grow tax-deferred until you start taking required minimum distributions (RMDs) at age 70½. This is valuable if you expect to be in the same or a lower income tax bracket in retirement. At that point, you'll pay taxes on your withdrawals.
- **Roth IRAs:** Contributions are not tax-deductible; however, qualified withdrawals will be tax-free—a plus if you expect your income level to rise. Note: The amount you can contribute to a Roth, and whether you can contribute at all, depends on your income amount.[5] Another advantage: Generally, you don't have to take distributions at age 70½ as you must with a traditional IRA. That means your Roth IRA can continue to grow tax-free well into your later years. Roth IRAs are complex investments, and they're not for everyone. You should consult a financial professional before opting for a Roth. ■

3 You may be able contribute up to $33,000 in three calendar years prior to normal retirement age using the Standard 457 catch-up. The Standard 457 Catch-up and age 50+ catch-up cannot be used in the same calendar year.
4 You have until April 15, 2012, to make your 2011 IRA contribution of up to $5,000; up to $6,000 if you're age 50 or older.
5 See Publication 590 at irs.gov for income eligibility rules on tax-deductible contributions to traditional IRAs and on contributions to Roth IRAs.

WWW.MILWAUKEECOUNTY457.COM[1]

Form# CB1070N (7/11) PT129028