



Keystone News

Fall 2007

Is the Schwab Self-Directed Brokerage Account Right for You?

Access, Choice and Flexibility at Your fingertips in Your Retirement Plan

Your retirement plan offers a selected menu of investment choices. But what if you'd rather do the screening yourself? Fortunately, your plan also offers the Schwab Personal Choice Retirement Account® (PCRA). Unlike other choices in your retirement plan, the Schwab PCRA is not an investment. It's a brokerage account that resides within your retirement plan. With it, you have the freedom to invest your retirement plan savings in a wide range of mutual fund investment choices, including more than 2,400 no-load, no-transaction-fee funds. By expanding your choices beyond the pre selected investments offered by your plan, you give yourself the opportunity to tailor your retirement portfolio according to your own needs and investment objectives.

And the good news is, as a Schwab PCRA client, you'll have access to a variety of research tools and expert commentary to help you find investments that meet your needs and keep your portfolio in line with your objectives. With proprietary research tools, such as the mutual fund screener, Schwab helps you narrow down the list of thousands of mutual funds to just those that match your criteria. In addition, *The Mutual Fund OneSource Select List™*, consisting only of OneSource funds available without a

load or transaction fee, can help you zero in on the funds that are right for you. Keep in mind that fees are only one factor in determining which investment most closely matches your objective.

Once you have a Schwab PCRA and log into your account on schwab.com, you'll see the PCRA tab. This dedicated site was designed with you in mind—to make it easier to find useful information about PCRA. On this site, you'll find a quarterly list of mutual funds available to you, more details about using the site's research tools to manage your PCRA, information on how to transfer money and much more.

As always, if you need additional assistance, the PCRA Call Center can answer your questions. Simply call (888) 393-PCRA (888-392-7272).

Find out More Today

Visit the Commonwealth of Pennsylvania Deferred Compensation Program at www.sers457.com or contact your Program representative at (866) SERS457 (866-737-7457) to request additional PCRA enrollment information.

On August 8, 2007, the Deferred Compensation Program, in conjunction with Charles Schwab and Great-West Retirement Services®, hosted two very informative and well-attended seminars on the Schwab PCRA at the state capitol in Harrisburg. We're pleased to report that we had a turnout of more than 100 plan participants who joined us to learn more about this valuable service!

Our Virtual World

These days, you can seemingly do just about anything online. You can shop, sell things and even get live updates on the stock market and football scores. Now, you can also educate yourself on a variety of topics related to planning for retirement. We are pleased to introduce two new educational tools on the www.sers457.com Web site—the Virtual Classroom and an online enrollment presentation.

The Virtual Classroom is a great resource for those looking for in-depth knowledge about sound retirement strategies and much more. There are currently three modules available:

- *Let's Talk About Financial Planning*
- *Let's Talk About Investment Planning*
- *Let's Talk About Retirement Planning*

The online enrollment presentation is an interactive overview of the Program for those looking to enroll soon. It's ideal for someone who can't make it to a presentation in person and is also a great resource for those looking to brush up on Program knowledge.

Next time you are online, visit www.sers457.com and click "Enroll Now" to see the presentation. Don't forget to take advantage of the Virtual Classroom by clicking the button on the top right of the page to improve your personal financial knowledge, as well.

Retiree News

Savvy Ways to Withdraw What You've Saved

If you're ready to retire, be sure to weigh your distribution options. Your investments have enjoyed years of tax-deferred growth, but as you begin to take withdrawals, you'll need to be aware of tax consequences.

Keep taking advantage of tax deferral

If you begin taking small withdrawals, your remaining savings can potentially continue to enjoy the benefits of tax-deferred growth. An option is to tap nonretirement assets first, so that your retirement savings account can potentially continue to enjoy tax-deferred growth. Also, once you finally do make your withdrawals, you may be in a lower tax bracket at that time, and could continue to take advantage of the lower tax rates.

Postpone retirement plan withdrawals for as long as you can

Withdrawals from your retirement savings plan will likely be taxed at your ordinary income tax rate. Remember to begin taking required minimum distributions by age 70½ in order to avoid further tax penalties.



Ron Nichols, the Great-West Retirement Services Retiree Advocate, visited central Pennsylvania on August 15 to host a breakfast seminar entitled “Retiree Challenges in a New Millennium.” Topics discussed included preparing for retirement, transitioning into retirement, sources of retirement income, retirement expenses, healthcare expenses in retirement years, understanding your post-retirement options with your deferred compensation plan, distribution options, and fees and expenses. Feedback from attendees was very positive! As we recognize the growing need to provide more retiree outreach, future seminars of this nature are being planned across the state. Stay tuned for more information. As a reminder, the primary role of the Retiree Advocate is to receive and organize input from Program participants and retirees with respect to the services, products and features that Great-West Retirement Services should provide to better serve retirees and those participants nearing retirement. Ron, himself a retiree since 2004, welcomes your input on issues of concern to you and can be reached by phone at (877) RET-GWRS (877-738-4977) or via e-mail at retireeadvocate@gwrs.com.

A Week Dedicated to Saving

How important is it to save for retirement? Important enough that the Senate passed a resolution for a National Save for Retirement Week, which was introduced into the Senate by Senators Gordon Smith (R-OR) and Kent Conrad (D-ND).

National Save for Retirement Week is October 21 to October 27, 2007. How are you going to celebrate? If you're not sure, here are some suggestions to help you party like your retirement depends on it.

1. Visit www.sers457.com
2. Click on the www.save4retirement.net link
3. Click on the Employee link

4. Take a fun quiz to test your retirement knowledge and see if you're a rocket scientist, Bigfoot or an accordion player
5. Review the virtual learning presentations
6. Take the quiz again to see if your results have improved
7. Tell your friends to take the quiz and then make their results their personal nicknames for the rest of their lives
8. Continue taking the quiz until you've learned all of the different results (here's a hint, there are six different results possible)
9. Check out all the other great information the site has to offer

Besides the www.save4retirement.net Web site, you may also access more information on www.nagdca.org.

Have Questions? Need Information?
Web site¹: www.sers457.com
KeyTalk^{®1}: (866) SERS457 (866-737-7457)
(TDD: 800-766-4952)

¹ Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.
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We'd like to hear from you. Please send your questions/comments to Great-West Retirement Services Marketing, P.O. Box 1700, Denver, CO 80201, or fax them to (303) 737-3693.
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