



Deferred Compensation Plan

REACH HIGHER GROUND

As an employee of a college or university, you have the opportunity to contribute up to the maximum in BOTH a 403(b) plan and the Virginia Retirement System (VRS) 457 Deferred Compensation Plan

AT THE SAME TIME!

Participating in your VRS 457 Plan and your 403(b) Plan lets you explore *The Nature of Retirement*[®] and it can help you reach your retirement goals!

A Savings Opportunity for Higher Education Employees

There has never been a better time to save through your VRS 457 Deferred Compensation Plan. Take flight with these 457 Plan opportunities:

- **Employer Match¹**

Eligible employees receive a matching contribution to the Cash Match Plan from the Commonwealth that is equal to 50% of your contributions to the 457 Plan or \$20 per payday (whichever is less), on a semi-monthly basis.

➤ Assuming the match is \$20 per pay period, that translates into an additional \$40 per month, or \$480 per year contributed to your Cash Match Plan by your employer!

- **Contribution Limits**

In 2008, you may be able to contribute up to \$15,500 into your VRS 457 Plan. To determine just how much you can contribute, visit the Web site at www.vadcp.com and fill out the 457 Maximum Contribution Worksheet. In addition, you can also contribute up to \$15,500 into your 403(b) Plan in 2008.

➤ Combined, that gives you potentially up to \$31,000 in savings power!

- **Standard Catch-Up**

In 2008, the limit for the Standard Catch-Up contribution is \$15,500 for 457 Plans for a total possible contribution to your 457 Plan of \$31,000 in 2008. You are eligible to use the Standard Catch-Up provision if you are within three years prior to normal retirement age and you didn't contribute the maximum amount to the Plan in previous years. Please contact your Great-West Retirement Services representative for more details.

- **Age 50+ Catch-Up Provision**

If you are or will turn age 50 by the end of the 2008 calendar year, you are eligible to make an additional contribution of \$5,000 to either your

457 Plan account or your 403(b) Plan.

The Age 50+ Catch-Up provision and the Standard Catch-Up provision cannot be utilized in the 457 Plan in the same calendar year.

- **No 10% Early Withdrawal Penalty¹**

On withdrawals made from the VRS 457 Deferred Compensation Plan at severance of employment before age 59½, no 10% early withdrawal penalty applies.

➤ If you're considering early retirement, the 457 Plan gives you added features and flexibility that the 403(b) Plan does not.

- **Potential Federal Tax Credit**

As with your 403(b) Plan, a non-refundable tax credit may be available for contributions made to your 457 Plan if eligibility criteria are met. If eligible in 2008, a tax credit is available to single participants with adjusted gross income of up to \$26,500, for married participants with combined adjusted gross income up to \$53,000 and for heads of households with the adjusted gross income up to \$39,750.

- **More Flexible Withdrawal Options²**

If you leave your employer, you don't have to immediately decide when to begin taking withdrawals. You may leave your 457 Plan account in place and continue to manage your funds. Once you choose a payment option, you may be able to change it should your financial circumstances change.

- **Purchase Service Credit**

If you participate in the VRS defined benefit plan for your retirement benefit, you may utilize in-service trustee-to-trustee transfer of your VRS 457 Plan assets to the VRS defined benefit plan for the purchase of permissible service credits.

Turn to the other side to continue exploring *The Nature of Retirement* ➤

¹ If employer contributions are currently being made on your behalf to a cash match plan based on your 403(b) participation, you are not eligible to receive employer contributions to the Cash Match Plan administered by the Virginia Retirement System (VRS).

² Withdrawals are subject to ordinary income tax.

OBSERVE THE NATURAL WONDERS

Explore your VRS 457 Deferred Compensation Plan

• Personal Service

Representatives from Great-West Retirement Services® (our 457 Plan service provider) are professionals who know the details of your Plan. You can call them at **(866) 226-6682 (option 2)** or visit them at the local Service Center located at 1108 E. Main Street, Suite 1102, Richmond, VA 23219, between the hours of 8:00 a.m. and 5:00 p.m. Eastern Time⁴.

• Invest Confidently

A variety of professionally managed investment options are available to help meet your own unique asset allocation and diversification needs. In addition, you have access to easy-to-understand educational materials and online planning tools on your Plan's Web site at **www.vadcp.com**

Please consider the investment objectives, risk, fees and expenses carefully before investing. For this and other important information please obtain mutual fund prospectus online at www.vadcp.com or from the local Service Center at (866) 226-6682, option 2. Read them carefully before investing.

• Easy Account Access³

Detailed Plan and account information and the flexibility to make account changes are available online at **www.vadcp.com** or through KeyTalk® at **(866) 226-6682**, our automated voice response system.

• Low Plan Administrative Fees

An annual recordkeeping and communication fee of 0.28% (capped at account balances of \$130,000) is deducted from your account on a quarterly basis (0.07% per quarter).

• Self-Directed Brokerage Account Option

Select from thousands of mutual funds in addition to your VRS 457 Plan core investment options. This option is for knowledgeable and experienced investors who acknowledge and understand the risks associated with the mutual funds available through this option.

Before investing in any investment company, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other important information, and may be obtained by calling TD AMERITRADE, Inc. at (866) 766-4015. Investors should read prospectuses carefully before investing.

Three Ways to Stretch Your Wings

- 1) Contact Your Representative at **(866) 226-6682 (option 2)** for an enrollment form or to answer any questions between the hours of 8:00 a.m. and 5:00 p.m. Eastern Time.⁴
- 2) Visit the Web site at **www.vadcp.com** and print out an enrollment form.
- 3) Schedule a presentation for your group/department by contacting your representative at **(866) 226-6682 (option 2).**⁴

³ Access to KeyTalk or the Web site may be limited or unavailable during periods of peak demand, market volatility, system upgrades, maintenance or for other reasons. Transfer requests made via the Web site or KeyTalk 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.

⁴ Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

Securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Securities available through the self-directed brokerage (SDB) account are offered by TD AMERITRADE, Inc. Additional information can be obtained by calling TD AMERITRADE, Inc. at (866) 766-4015. Great-West Retirement Services® and KeyTalk® are registered service marks of Great-West Life & Annuity Insurance Company. Not intended for use in New York. ©2008 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1007HE (01/2008) PT#56051

NOW is the time to take advantage of the savings opportunities offered through your **VRS 457 Plan!**