


The \$102,000 Difference

Small annual increases in your retirement plan contributions can be beneficial over time. Consider the accumulations of two accounts, starting at \$5,000, over 30 years. Account A's annual contribution rate stays at 5.5% of a \$44,410 annual salary, but Account B's *increases by 1%* of that salary each year for three years. 

Contribution	5 years	10 years	20 years	30 years
Account A (Contributions stay at 5.5%)				
5.5%	\$20,400	\$41,417	\$107,022	\$219,855
Account B (Contributions start at 5.5% in year 1, with 1% annual boosts in years 2-4. They remain at 8.5% from year 4 on.)				
5.5%–8.5%	\$25,045	\$56,122	\$153,724	\$322,496

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration does not represent the performance of any particular investment options.

Assumes annual salary of **\$44,410**, the mean income of an American worker in 2010, according to the U.S. Bureau of Labor Statistics; 3% annual salary increases and a 4% annual rate of return and reinvestment of earnings, with no withdrawals. Rates of return may vary. The illustration does not reflect any charges, expenses or fees that may be associated with your Plan. The tax-deferred accumulation shown above would be reduced if these fees had been deducted.

Dollar amounts are the accumulated assets over the different periods cited.

Have Questions? Need More Information?

457 Web site*: www.vermont457.com

403(b) Web site*: www.VSTRS403b.com

KeyTalk*: 800-457-1028

Please note: This newsletter does not constitute investment or financial-planning advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

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

Great-West Retirement Services refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Not intended for plan sponsors whose situs is in New York.

KeyTalk®, Great-West Retirement Services® and the Partnership logo® and its design elements are registered trademarks of Great-West Life & Annuity Insurance Company. All rights reserved.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc. is a wholly-owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of First Great-West Life & Annuity Insurance Company, White Plains, New York.

CB1005FF_1Q12 (04/01/2012) 142555

STATE OF VERMONT

SPRING 2012

FINANCIAL Footnotes

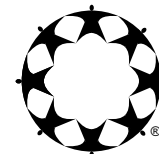
A retirement-planning newsletter
brought to you by Great-West Retirement Services®

Maximize Your Paycheck

A change in your withholding may help you save more

Effective management of your paycheck withholding could mean an increase in your take-home income—and the potential to save more for retirement.

Continued inside



Great-West
RETIREMENT SERVICES®

Maximize Your Paycheck

Continued from cover

Less is more on the W-4

Your W-4 Employee's Withholding Allowance Certificate (Form W-4) is used by your employer to calculate how much federal income tax to withhold from your pay. The more dependents you claim, the smaller the tax bite (and vice versa).

Whether you owe money to the IRS or get a refund, the goal here is to get your tax withholding as close as you can to your actual tax liability. The danger: Withhold too little and you may receive a tax bill. Withhold too much and you may get a refund. A refund may seem like a good deal on paper, but in practice it's money that sat in Uncle Sam's pocket all year long when it could have been in yours, *potentially earning interest in your retirement savings account.*

Put your money to work

Your workplace retirement plan is your most powerful savings tool. You can save up to \$17,000 of your pre tax income (\$22,500 if you're age 50 or older), although that amount can vary by plan. Contribute the maximum allowed for the year if you can; you'll maximize your tax-deferred growth potential and reduce your taxable income. ○

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.

A tax refund sits in Uncle Sam's pocket all year long when it could have been in yours, potentially earning interest in your retirement savings account.

Protect Yourself

Tips for avoiding identity theft

Identity theft is growing fast. Spare yourself the personal and financial violation with the following advice from the Federal Trade Commission:*



- Thieves often pick through trash bins for financial documents. **Shred** papers and receipts that contain personal information.
- **Guard your mail.** Drop off outgoing mail in post office collection boxes instead of in an unsecured mailbox. If you're planning to be away from home for a stretch, contact the U.S. Postal Service to request that your mail be held until you return.
- Before revealing any identifying information, say, on a job application, **ask how it will be used and secured**, and whether it will be shared with others.
- When given the option to create a **computer password, use a combination of numbers, symbols and upper-and lower-case letters.** Avoid predictable words or numbers (your mother's maiden name, your birthday) that make it easy for outsiders to gain access.
- If you own a computer, **update your virus protection software regularly.** Do not open files from strangers. Do use a hacker-inhibiting firewall and a secure browser that encrypts or scrambles information you send over the Internet (particularly important when making online transactions). Be sure to bypass automatic log-in features. ○

*"Deter. Detect. Defend. Avoid ID Theft," ftc.gov/idtheft, March 2012.