How Sweet It Is

Your workplace retirement account offers a huge advantage: Any money you contribute grows tax-deferred until it's time to take withdrawals. To maximize this benefit, try to boost your contributions each year. Let's say you contribute 6% of your $60,000 salary to your workplace retirement savings plan this year. If you receive a 3% annual raise and maintain your 6% contribution, you'll likely accumulate $61,194 in 10 years, $213,748 in 20 years and $568,769 in 30 years, assuming an 8% annual return. Now say you increase your contribution by one percentage point each year—saving 7% next year, 8% the year after that and so on—until you reach a 16% contribution rate. In that case you'd have about $103,115 in 10 years, $440,313 in 20 years and more than $1.2 million in 30 years.[3] Boosting your savings early on gives you the greatest edge. And that's one sweet deal.

3. This hypothetical illustration does not represent the performance of any investment options. It assumes an 8% annual rate of return, and reinvestment of earnings, with no withdrawals. Rates of return may vary. Distributions from a tax-deferred retirement plan are taxable as ordinary income. 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.

Have Questions? Need More Information?

Web site*:	www.vermont457.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, systems upgrades/maintenance or 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 use in New York.

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

Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

CB1005FF_4Q09 (01/01/2010) 92666

STATE OF VERMONT

WINTER 2010

FINANCIAL Footnotes

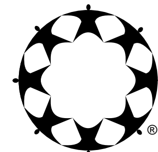
A retirement-planning newsletter brought to you by Great-West Retirement Services®

A New Year's Checkup

Take stock of your retirement account

The start of the New Year is a good time to make sure you're on course with your retirement savings goals and to review the investment choices in your workplace retirement account. On the inside panel are three important steps to take on your road to a comfortable retirement.

Continued inside



Great-West RETIREMENT SERVICES®

A New Year's Checkup

Continued from cover

1 Stay focused

Don't let market volatility distract you from reaching your long-term retirement savings goals. A full market recovery, although not guaranteed, can take time. Staying invested for the long haul is one of the ways to help manage your investment risk.

2 Rebalance[1]

When you initially began contributing to your retirement account, you likely determined an asset allocation that suited your long-term investment goals. But over time, some of your investments may have done better than others and your portfolio may no longer reflect the original asset allocation you chose. For example, you might have finished the year with a bigger share of your portfolio in bond funds and a smaller share in stock funds than you wish. You can return to your desired asset allocation by rebalancing your retirement account. (See "Time to Rebalance.")

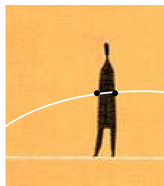
3 Keep saving

Your workplace retirement plan offers powerful tax advantages because you contribute money that has not been taxed yet and your assets grow tax-deferred. The limit on contributions for tax year 2009 is $16,500—and if you're age 50 or older, you can add another $5,500 in catch-up contributions. If you can't afford the maximum, try to at least contribute as much as your company matches, if it offers a match, and gradually increase your contribution each year thereafter.

1. Rebalancing does not assure a profit and does not protect against loss in declining markets.

Time to Rebalance

Keep your asset allocation on course



A well-designed portfolio is one with a mix of assets that match your investment objectives, risk tolerance and time horizon. As markets rise and fall, your portfolio may change shape. To rebalance it, consider shifting some money from high-performing assets to those that have lagged.[1] That way, you help position yourself to benefit should those weaker investments recover.

It's a Three-Step Process

Step One: Assess your current asset mix. Group your investments into three categories: stock funds, bond funds and cash equivalent funds (such as money market funds). Your current allocation is the percentage of your total account in each category.

Step Two: Think about your investment objectives, time horizon and risk tolerance. Remember, your most important time horizon may be your life expectancy.

Step Three: Transfer money among your stock, bond and cash equivalent funds to restore your portfolio to its original mix. You can typically do this online on your plan sponsor's Web page.

Save intelligently. Pick a date to review your plan every year. You'll thank yourself later.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve your investment's value at $1 per share, it is possible to lose money in these accounts.