

- WASHINGTON STATE -
DEFERRED COMPENSATION PROGRAM

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THIRD QUARTER • 2010

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New statement format: We want your feedback

You’ll notice a new format, and a new “Inception to Date” field on your statement (see story below). We have enclosed a Statement Guide to help walk you through the information.

As always, if you have questions about your profile information or your investment performance, please contact us immediately. We want to make sure your questions are answered and any concerns are resolved quickly.

Once you’ve had time to review the statement, we would like to hear your thoughts on the format. We will use your feedback to prioritize future statement enhancements. Our contact information is on the back page of this newsletter, and we hope to hear from you!

Contributions “Inception to Date” – what does it mean?

In the past, your statement has displayed “Plan to Date Contributions Since 1992.” With our new format, this is now called “Inception to Date.” What does it reflect?

Inception to Date now includes all contributions sent through your payroll since 1992, unless you took a withdrawal before July 2010. It does not include interest, fees or withdrawals. The emphasis is on showing you what you’ve put into the Plan.

If you took a withdrawal before July 2010, your Inception to Date only includes deferrals processed since July 2010.



New website a hit

Over 11,000 of you have set up your account on our new website. If you haven't had a chance to do so yet, please visit us at drs.wa.gov/dcp.

Online security – getting a new PIN when you need one

Online security is important – but we also know how frustrating it can be when you need to manage your account and can't remember your Username or your Personal Identification Number (PIN).

If you have either your Username or PIN (but not both)

If you have previously registered and you have either your Username or your PIN, you can make your request on the website. Look for the **SECURE ACCOUNT ACCESS** box in the upper right-hand corner and click on the appropriate link.

- **“Forgot your Username?”**
You'll be asked to input your Social Security number and PIN. Hit return, and with these two pieces of information, the system will remind you of your Username right on the spot and you can use it to enter the website.
- **“Forgot your PIN?”**
You'll be asked to answer your User Verification Question and provide the last 4 digits of your Social Security number. Then you will be prompted to reset your PIN and will be allowed entry into the website.

If you're missing both Username and PIN

If you are missing both your Username and PIN, the fastest way to get online is to call DCP and speak with us. You will be asked a few security questions, and then you will be provided with a new PIN over the phone.

If you prefer, you can have your PIN sent through the mail, but please be aware that the process takes at least a week. Just click on “Forgot your PIN?” and follow the directions.



Simplify with DCP's online statements

Looking for ways to simplify your life? How about reducing the paper you receive in the mail?

Sign up for online statements and instead of receiving an envelope in your mailbox, you'll receive an e-mail when your statement is ready. From the e-mail it's a quick link to our secure website where you can review your statement.

You'll be able to access, view and print statements at any time – at your convenience. Or, if you prefer, you can download and save statements to your personal computer. Visit us online to learn more.

Distribution process changes

We have changed some of our distribution processes, so here are a couple of items to note:

- If you are thinking of starting distributions, visit us online and review our updated *Distribution Booklet*. When you're ready, the booklet has all the forms you'll need to start the process. Call us if you have questions.
- DCP will liquidate funds proportionally, from all the investments in your portfolio, to fund your distribution. Effective July 1, all new or changed distributions follow this rule. In the past, DCP liquidated funds from the Savings Pool first.
- For increased security, we now require a form with signature for all new distribution requests. Participants who have requested partial distributions in the past can no longer request payments by phone.
- We haven't changed the process for installment payments. If you are currently receiving installments, you are still able to change your frequency, date or amount over the phone.
- We are working to provide online services for distributions in the future. Watch your quarterly newsletter for updates.



DCP's distribution timeline

Historically, our distribution payments took four business days to process. We are now able to offer a shorter, three-business-day process. Here's a breakdown of what happens each day.

- Business day one is the day your investments are liquidated. Your shares in each fund are sold to acquire necessary cash.
- On business day two, electronic payments are initiated and checks are mailed.
- On business day three, your financial institution posts electronic payments to your account.

Changes to administrative fee

What is the administrative fee?

The administrative fee pays for record keeping, communications, customer service and Washington State Investment Board expenses. This is the fee you see on your quarterly statement.

What's changed?

The administrative fee, posted to your account the last week of each quarter, will now be based on your account balance on the 25th day on the last month of the quarter. In the past, we used the average market value of three days – the last day of the first month, the last day of the second month, and the fourth to the last day of the quarter.

The change simplifies the process and is not expected to increase or decrease your fees over the long term. And, as we mentioned in last quarter's *Update*, the fee was reduced from .17% to .14%, effective July 1, 2010.



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