

- WASHINGTON STATE -  
DEFERRED COMPENSATION PROGRAM

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FOURTH QUARTER • 2011

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## Fund Transition Complete

As of 1:00 p.m. PT on October 28, 2011 the changes to the investment options were finalized and six DCP funds were discontinued. As we mentioned in prior communications, if you had a balance and/or future payroll allocation directed toward a fund/s that closed, your investments were moved into a Retirement Strategy Fund based on your birth year and an assumed retirement at age 65. A letter was mailed in early November to those participants whose balances or payroll deferrals were moved from the discontinued funds. These and any other adjustments are reflected in your enclosed quarterly statement.

You can evaluate your current investments, review fact sheets on investment options and make changes online. Be sure to consult with your financial advisor if you have questions about your investment strategy.

Additional resources explaining the fund transition in detail are available on the DCP website at [www.drs.wa.gov/dcp](http://www.drs.wa.gov/dcp). Just look for the Fund Transition article on the home page under *News*. As always, feel free to contact us with any questions.



## Going Up?... Maximum deferral limits increase

It's a great time to **up** the contributions to your DCP account – maximum deferral limits will increase on January 1, 2012. Depending on your deferral plan you'll be able to direct \$500-1,000 more each year toward your retirement goals.

- Regular deferrals will increase from \$16,500 to \$17,000 annually or \$1,416 monthly
- 50+ catch-up deferrals will go from \$22,000 to \$22,500 annually or \$1,875 per month
- Three-year catch-up deferrals will increase from \$33,000 to \$34,000 annually or \$2,833 monthly

You can make changes to your regular and 50+ catch-up deferrals online or over the phone. To determine your eligibility for the three-year catch-up provision, please call 888-327-5596.



## Review your Beneficiaries

You've worked hard to accumulate the assets in your DCP account. Be sure to review your beneficiary information periodically – especially if there are changes in your family, relationships, laws or your health. You may update your beneficiaries at any time.

## Required Minimum Distributions

Tax laws require you to begin annual withdrawals known as Required Minimum Distributions (RMDs) from your retirement account in the year when you reach age 70½, or in the year you retire – whichever is later. Consult with your legal or tax adviser for guidance about 2011 RMDs.

## New Day for Distributions

The primary goal of DCP is to provide an additional income source during retirement. A separation from service, however, allows you to receive payments (distributions) earlier than planned. You have new options available to you when requesting a distribution from your DCP account. You can now choose between receiving distributions exclusively from the Savings Pool fund or receiving distributions pro rata (in proportion) across all funds and sources. Also, many requests can now be handled over the phone.

*If you're already receiving distribution installments – managing them just got easier.*

You can now make many changes over the phone, including:

- Changing dollar amounts, payment frequency or payment date
- Selecting from the new options of Savings Pool or pro rata as mentioned above
- Requesting distributions from funds that were rolled in to your DCP account
- A lump sum or partial payment can be requested

If you've not received a distribution before, you'll need to start with filling out the **Distribution Request Form**. Once that form is processed, the phone option listed above would be available to you. Call us anytime if you have any questions.



## 1099 Statements

Your 2011 DCP 1099 tax forms will be in the mail soon. Expect them to be postmarked on or before **Tuesday, January 31, 2012**.

### *HAS YOUR ADDRESS CHANGED?*

Please be sure to keep us updated if your mailing information changes. This will keep your 1099s and retirement news from being delayed. Call us at 888-327-5596 to make changes.

## Phone system Upgrades

When you call the DCP Information line these days you may notice that we've made some improvements. The system now features voice recognition capabilities and a streamlined menu of options. When you call you'll be able to voice the action you'd like to take rather than selecting "option 1" or "option 2." The system will then direct you to the appropriate location. The phone number for the DCP Information Line is the same – 888-327-5596.



For more information, contact us:

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