



# MoneyTalks

Wisconsin Deferred Compensation Program

## Vanguard Admiral Treasury Money Market Fund Closure

Effective May 4, 2009, the Vanguard Admiral Treasury Money Market Fund (VUSXX) will no longer accept NEW deposits. If you are currently contributing some or all of your WDC deferrals to the Vanguard Admiral Treasury Money Market Fund, you must change your Vanguard Admiral Treasury Money Market deferral to a different investment by May 4, 2009. If you fail to take this action, the percentage you are currently directing to the fund will be automatically redirected to a Vanguard Target Date Fund determined by the year in which you were born (see chart below). This automatic election will take effect on your first payroll period in May.

Year you were born	Target Date Fund into which you will be defaulted
1900-1945	Income
1946-1955	2015
1956-1965	2025
1966-1975	2035
1976-1999	2045

their target date, reducing risk automatically. Please be aware that your overall risk and exposure to market volatility will increase with the transfer from the Vanguard Admiral Treasury Money Market Fund to a Vanguard Target Date Fund, particularly if you are placed in one of the more aggressive Target Date Funds designed for younger investors.

The WDC offers a variety of investment options for participants. The *Spectrum of Investments* brochure, which is available at [www.wdc457.org](http://www.wdc457.org), describes the investment options currently available to you. It is important for you to select funds that best fit your investment goals and risk tolerance level.

To change your investment allocation, access your account through the WDC Web site or contact the WDC by calling (877) 457-9327, option "0," from 7:00 a.m. to 7:00 p.m. weekdays.<sup>1</sup>

*An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.*

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses and disclosure documents from your registered representative. Read them carefully before investing. ■

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*FDIC Insured Bank  
Option: M&I Bank has  
declared an annualized  
interest rate of 1.50% for  
the first quarter 2009.*

1 Access to the voice response system and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.



## What Steppingstones Are You Taking to Retirement?



Due to high demand, the WDC Program will host additional joint retirement informational workshops this spring. Each workshop includes a presentation by representatives of the WDC, the Department of Employee Trust Funds and the Social Security Administration. These free workshops provide a brief overview of your retirement benefit sources.

**The meetings are set for 6:00 p.m.-7:30 p.m. at the following locations:**

**Monday, May 11**

Sun Prairie Senior High School Auditorium  
220 Kroncke Drive, Sun Prairie

**Tuesday, May 12**

Racine Case Senior High School Auditorium  
7345 Washington Avenue, Racine

**Tuesday, May 19**

Tomah Senior High School Cafeteria  
901 Lincoln Avenue, Tomah ■

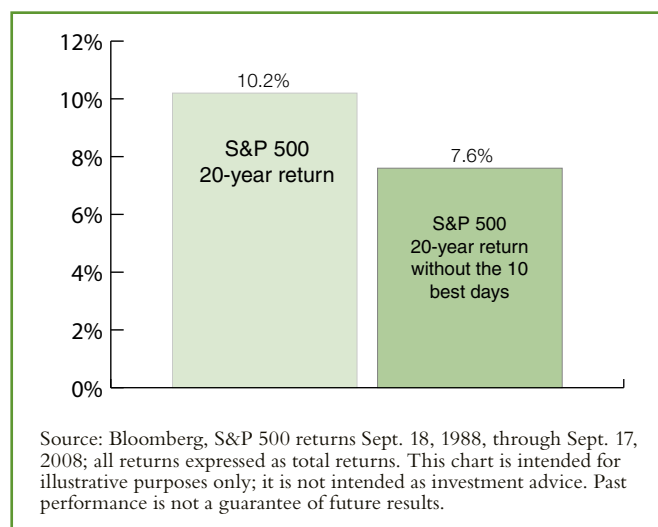
## Don't Day Trade in Your Retirement Account

### *Stick with Your Long-Term Plan*

Even in a bear market, experts recommend a diversified investment portfolio to weather market ups and downs.<sup>2</sup> At a time when you might be tempted to place all of your retirement savings in a fixed income option, such as the Stable Value Fund, our suggestion is to think before you sell, especially if you have more than 10 years before you plan to retire.

Saving for retirement is a long-term priority. By sticking with a long-term plan, you'll have more time

to ride out market swings. In fact, "cashing out" when the market drops can ultimately cost you. By trying to avoid market slumps, you could miss out on times of strong performance. The graph below illustrates how missing out on just the 10 best days of market performance over the past 20 years would reduce the gains you would have realized that same period.



Keep in mind that trades from the Stable Value Fund require a 90-day equity wash. For more information on this transfer restriction, go to the WDC Web site ([www.wdc457.org](http://www.wdc457.org)) and click on *Investments*.

If you would rather not spend time thinking about your account or don't understand the concept of diversification, then you might benefit from the investment advisory services offered by the WDC—Online Investment Guidance, Online Investment Advice and Managed Account. Although there is no guarantee that participation in the advisory services will result in a profit or that your account will outperform a self-managed portfolio, they can provide help for those who choose to take advantage of them.

There is no fee for the Online Investment Guidance service. To use the Online Investment Advice service, the fee is \$6.25 per quarter. The Managed Account fee varies based on your account balance. Please refer to the Web site *Investments* section or contact a WDC representative today. Send an e-mail to [wdcprogram@gwrs.com](mailto:wdcprogram@gwrs.com) or call toll free (877) 457-9327. ■

<sup>2</sup> Diversification of an investment portfolio does not ensure a profit and does not protect against loss in declining markets.

## Hold on to Your RMDs

### *Congress suspends required minimum distributions for 2009*

If you are 70½ and are receiving a required minimum distribution (RMD), the WDC recently mailed a letter to you about a new rule intended to bring relief to retirees whose savings have deteriorated due to the bear market.

Once you turn age 70½ and have severed employment, you are generally required to take a yearly RMD from tax-deferred retirement plan accounts, including 457(b)s (such as the WDC), 401(k)s and 403(b)s. You must also take annual RMDs from tax-deferred accounts you've inherited, regardless of your age.

However, a new federal law has suspended the RMD rule for 2009. The reason: Congress wants to avoid forcing people to withdraw money from these accounts in a severe market downturn. Of course, you can still take distributions if you wish to do so. If you receive your annual RMD automatically and wish to change it to zero, please contact the WDC immediately for the necessary form. You must complete and return the form at least two business days before your scheduled automated payment date to be effective for that payment and subsequent payments for 2009.

A word of warning: The suspension applies only to RMDs for the 2009 calendar year. It doesn't affect 2008 RMDs. If you turned age 70½ in 2008, you must have taken your 2008 RMD by April 1, 2009.<sup>3</sup>

For more information on RMDs, go to [www.irs.gov](http://www.irs.gov). For information about how to calculate your RMD, see IRS Publication 590. ■

3 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.

## On the Double

### *How long will it take to grow your savings?*

Discovered by a 15th century Italian mathematician and later popularized by Albert Einstein's ideas on compounding, the Rule of 72 estimates how long it will take an investment to double in value at a given rate of return.<sup>4</sup>



You do this by dividing the rate of return into 72. For example: The WDC Stable Value Fund paid 5% interest in the last year.<sup>5</sup> Divide 5 into 72 and you'll see the value of your investment doubles in 14.4 years ( $72 \div 5 = 14.4$ ) if the interest remains at 5%. You can also do it backwards. Say you want to double your money in 12 years. Divide 12 into 72 and you'll find that you need an investment that returns 6% a year ( $72 \div 12 = 6$ ). The calculation doesn't take taxes into account, but the Rule of 72 may work as a shorthand method to figure how quickly you can double your money. ■

4 [nationmaster.com](http://nationmaster.com). The origins of the Rule of 72 date back over several centuries. An early reference to it can be found in "Summa de Arithmetica" by the 15th century Italian mathematician Fra Luca Pacioli. It is not a guarantee of future results.

5 Source: Investment Performance document, 2/27/09. To view the most current Investment Performance document, visit [www.wdc457.org](http://www.wdc457.org) and click on the Investments tab, then "Investment Performance."

## Introducing Retiree Crossroads

The WDC is pleased to introduce a new addition to the WDC Web site, Retiree Crossroads. The information on the Retiree Crossroads pages reinforces the notion that retirement planning doesn't end at retirement. Through this new site, participants nearing and in retirement can utilize a multitude of educational tools and resources that can help make retirement planning easier.



On the Retiree Crossroads pages, you can find enhanced educational content to help you prepare for not only the financial challenge of retirement, but also the emotional challenges. The site is divided into the following sections:

- Pre-Retirement Planning
- Retiree Money Matters
- Retirement Lifestyles
- Tools for Retirees

Retiree Crossroads also includes interactive graphic illustrations, quick tips and a section featuring the Retiree Advocate. To visit Retiree Crossroads, go to [www.wdc457.org](http://www.wdc457.org) and click on *Retiree Resources*. ■



## Dare to Dream

Wherever you find yourself in the process of saving for retirement, the WDC is a powerful tool to help



you save for the retirement of your dreams. If you have many dreams for your retirement years, but aren't sure if you'll have enough money to get there, we are happy

to meet with you to go over your account. Contact a WDC representative in Madison at (877) 457-WDCP (9327). Now is the time to consider your retirement objectives, and take action to get to where you want to be. Now is the time to dare to dream.<sup>3</sup> ■

## 2009 Contribution Limits

The 2009 annual contribution limit is \$16,500. If you are 50 this year, you may contribute an additional \$5,500 to your WDC account. You are responsible for monitoring your annual contribution amount to prevent exceeding the annual limit. Please contact the WDC office if you have questions about your contribution amount. ■

## WDC Program Contact Information

**Phone Number:**  
(877) 457-WDCP (9327)

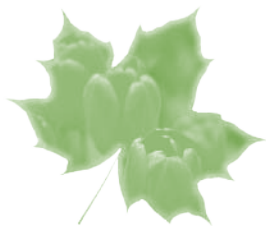
**Call Center Hours:**  
7:00 a.m. - 7:00 p.m.  
Monday - Friday

**WDC Program Web Site:**  
[www.wdc457.org](http://www.wdc457.org)

**WDC Program E-mail:**  
[wdcprogram@gwrs.com](mailto:wdcprogram@gwrs.com)

**WDC Program Office Address:**  
5325 Wall Street, Suite 2755  
Madison, WI 53718

**WDC Program Office Hours:**  
8:00 a.m. - 4:30 p.m.  
Monday - Friday



Please note: This newsletter does not constitute investment or financial advice.

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