



MoneyTalks

Wisconsin Deferred Compensation (WDC) Program

Beneficiaries – Who Do You Have Listed?

Periodically, we like to ensure that we have the correct names on file for your beneficiaries. Please review your enclosed statement. If you do not have anyone listed under the section titled “Who are my beneficiaries?” or you need to change one or more of the names listed, complete and return the enclosed Beneficiary Designation form either via fax or USPS to the address at the bottom of the form.

Please keep in mind that the WDC’s beneficiary designations are in no way related to your ETF beneficiary designations. You should be sure both are up-to-date. In the event of your death, your WDC account will be paid according to your beneficiary designation. A will does not supersede this designation; nor does a marriage, divorce, or birth of a child.

If you have any questions or need assistance in completing the Beneficiary Designation form, please contact the WDC service center at **1-877-457-9327** (press 0 and say “representative” to speak to a representative). ■



Editor’s Note

Last quarter, we detailed changes to the WDC Plan and Trust Document explaining that participants will now be allowed to elect in-kind transfers of their Schwab Personal Choice Retirement Account® (PCRA) self-directed brokerage accounts. Please note that if you would like to move your PCRA assets in-kind to a Schwab IRA, you must liquidate 100% of your WDC account in order to complete this type of in-kind transfer. If you have questions about your PCRA, please call (888) 393-7272. To read the WDC Plan and Trust document in its entirety, please visit the website at www.wdc457.org. For questions about the WDC, call (877) 457-9327; press “0” and say “yes” to speak to a local representative.¹ ■

1 Access to the voice response system and/or the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or the voice response system received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

In This Issue:

Beneficiaries - Who Do You Have Listed?

Editor’s Note

Coming Soon...

Bond Portfolios

Playing Catch Up

Free Look Coming for Managed Accounts

Stick With the Program

*FDIC Insured Bank Option: BMO Harris has declared an annualized interest rate of 0.45% for the second quarter 2013.**

* Certificates of deposit are insured by the FDIC for up to \$250,000 per depositor and offer a fixed rate of return, whereas both the principal and yield of bonds and stocks will fluctuate with market conditions.



Coming Soon to a Screen Near You...

Your WDC website is being redesigned in order to give you access to even more tools and information! In the next few months, you'll be introduced to an easier, smarter and more personalized version of www.wdc457.org. Efficient navigation will let you manage your account or access information in an instant. Here's a sneak peek of what your new pre- and post-login pages may look like.

New Website Features:

- **Easier to find information**—Access to tools and information on the website is streamlined with the new tile-based design.
- **Easier to learn**—The new site will provide interactive tools to help you determine your retirement income replacement percentage and explore the primary factors which can help keep your WDC account in good shape.
- **Easier to take action**—Making changes to your account and managing your account are quicker and easier than ever before. ■



FOR ILLUSTRATIVE PURPOSES ONLY

Bond Portfolios – The Rise of the Interest Rates

Over the past several years, Target Date Funds (such as the Vanguard Target Date Funds in the WDC) have become a very popular option in retirement plans.² Because these funds are designed to provide a diversified asset allocation geared towards a person's anticipated retirement date, many of the funds can have a substantial amount of their holdings in government and corporate bonds.³ Typically, the bond portion of your asset allocation is intended to provide income and lower the overall risk, or volatility, of your portfolio. However, like most any investment instrument, bonds have an inherent level of risk. For bonds, this risk is typically directly affected by interest rates. Generally, when rates rise, the value of your bond portfolio decreases. As you are probably aware, interest rates have been at historically low levels for several years now. History tells us that at some point interest rates will begin to increase from these low levels and, as a result, the bond portion of your portfolio (including assets held in a Target Date Fund) will probably suffer.²

Therefore, don't be surprised if at least portions of the Target Date Funds are negatively affected when interest rates ultimately begin to rise. Because bonds are only a portion of the fund's assets, it doesn't necessarily mean that the Target Date Fund will actually lose money for a period of time. Maintaining a proper asset allocation has traditionally provided favorable returns over the long-term, regardless of the short-term direction of interest rates or other economic factors. *Past performance is not a guarantee or prediction of future results.* ■

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 or the WDC website. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact your SDB provider. Read them carefully before investing.

² The date in a Target Date Fund represents an approximate date when an investor would expect to start withdrawing their money or when an investor expects to retire. The principal value of the funds is not guaranteed at any time, including the target date. For more information, please refer to the fund prospectus and/or disclosure document. Asset allocation and balanced investment options are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. Stock values fluctuate in response to the activities of the general market, individual companies and economic conditions. Bond values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. In general, when interest rates rise, bond values fall and investors may lose principal value.

³ Diversification of an investment portfolio and/or asset allocation do not ensure a profit and do not protect against loss in declining markets.

Playing Catch Up

Tips for reaching your retirement savings goal—even if you're behind

Are you behind on saving for retirement? You're not alone. Nearly half of workers born between 1948 and 1964 appear to be at risk of outliving their retirement savings.⁴ And more than one-quarter of workers don't think they have enough money to pay for basic expenses in retirement.⁵ If you're younger, retirement may seem light years away, but like many workers in their 30s and 40s⁴, you may already be behind on saving.

Here's what investors at different life stages can do to save more for retirement.⁶

*The Younger Years (20s to Mid-40s):
Take advantage of the decades ahead to get on track.*

Step up your savings

As a young investor, you have the luxury of time. Even a small increase in the amount you are contributing to your WDC account can make a big difference. In 2013, the IRS allows you to contribute up to \$17,500 pre-tax to the WDC.⁷

Go for growth

Financial professionals generally recommend that investors in their 30s and early 40s hold at least 70% to 80% of their retirement portfolio in equities. But many investors in that age group don't hold nearly that much, according to data compiled for smartmoney.com by the Employee Benefit Research Institute.⁸ Since you can sacrifice potential growth by playing it too safe, it's important to hold an age-appropriate, diversified portfolio.³

Midlife and Retirement Years (Late 40s and Beyond): Consider your options.

Minimize a shortfall

If you're age 50 or older, in addition to the \$17,500 you're allowed to contribute you can make an extra \$5,500 in "catch-up contributions." Or, you may be able to take advantage of a special catch-up provision that allows employees in 457 plans (such as the WDC), who are within three years of normal retirement age, to contribute even more—up to twice the normal limit.

Continued on page 4...

Free Look Coming for Managed Accounts

The WDC will be offering a "free look" period from October 1 through December 31, 2013. During that time, if you haven't yet tried the Managed Account service offered by Advised Assets Group, LLC, a registered investment adviser, it will be offered to you for FREE for 90 days. This will be a great opportunity to "test drive" this service, and to take advantage of the following benefits:

- Ongoing portfolio management based on your personal financial profile
- Personalized Retirement Readiness statement
- Advisers who are available for consultation via phone

These benefits and more will be available to you, FREE of charge, for 90 days during this free look period. The free look period does not apply to the Online Investment Advice service, which is available for a \$25 annual fee, or the Online Investment Guidance service, which is free of charge. More information about this opportunity will be available on the website, www.wdc457.org, later this year. ■

There is no guarantee that participation in the Reality Investing® Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

4 "The EBRI Retirement Readiness Rating," July 2010, ebri.org.

5 "2012 Retirement Confidence Survey," ebri.org.

6 This is not intended as financial planning or investment advice.

Representatives of GWFS Equities, Inc. are not registered investment advisors, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

7 irs.gov

8 "What's Gen X So Scared Of? Stocks." May 5, 2011, smartmoney.com.

Stick With the Program

Did you know that when you leave your job, either for retirement or other reasons, you don't have to pack up your retirement account? You can leave your WDC account right where it is until you are ready to start taking distributions, and there are some pretty good reasons you might want to do just that:

- **Competitive Fees** – The cost to administer your WDC account is competitive, ranging from \$0 to \$5.50 per month based on your account balance. This may be lower than the fees you would pay elsewhere.
- **Pre-Screened Investment Options** – You will still have access to the same investment options, which are selected and monitored by the WDC Board to make sure they are appropriate for participants in the Program.
- **State Oversight** – The WDC Board, along with the Department of Employee Trust Funds (ETF), are responsible for overseeing the Program and its administration. Their duty is to ensure that the best interests of the participants are met.
- **Education and Services** – Non-commissioned educational counselors located throughout the state are available to help you manage your account and make the most of the tools, services and investments within the WDC. ■

Continued from page 3

Keep in mind that you can only take advantage of one catch-up provision at a time. If you haven't maxed out, look for ways to cut back elsewhere so you can boost your contributions.

Keep working

If you're able to work longer, you'll save more and give your savings more time to potentially grow. Or consider part-time work or a career change to do something you love. You'll likely earn less, but the extra income will offset your living expenses and help you stretch your retirement savings.

Consider Social Security

Eligibility for Social Security benefits begins at age 62, but your benefit increases with each year you delay collecting, up until age 70. To get a sense of the now versus later trade-off, visit the Social Security Administration's Retirement Estimator at www.ssa.gov for an estimate of your potential benefit amounts. ■

WDC Program Contact Information

Phone Number:
(877) 457-WDCP (9327)¹

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

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

WDC Program Website:
www.wdc457.org¹

WDC Program Email:
wdcprogram@gwrs.com

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

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

Investment options offered through a combination of mutual funds, collective trust funds and an FDIC Bank Option. Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated. Great-West FinancialSM refers to products and services provided by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO, its subsidiaries and affiliates. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company and an affiliate of Great-West Life & Annuity Insurance Company of New York, Home Office White Plains, New York. More information can be found at www.adviserinfo.sec.gov. All trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission. Form# CB1080N (07/13) PT176839