



Nevada Public Employees' Deferred Compensation Plan

2011 Strategic Planning Session
December 16, 2010



Agenda

- Program Background- Recent History
- Government Worker Study Comparison
- Communication Trends
- Break
- Future of Deferred Compensation
- 2011 NDC Goals



Our Mission Statement

- Supplemental Retirement Benefit
- Cost Effective Quality Investment Options
- Excellent Customer Service



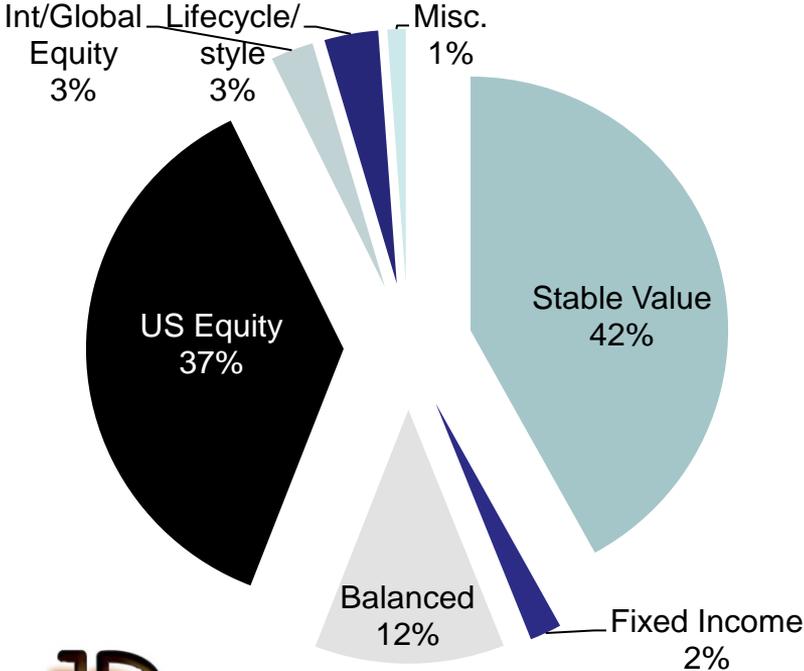
Have we 'advanced the ball'?

- Assets:  90%
- Cash Flow:  75%
- Total Participants:  39%
- Active Participants:  29%
- Expenses:  32%

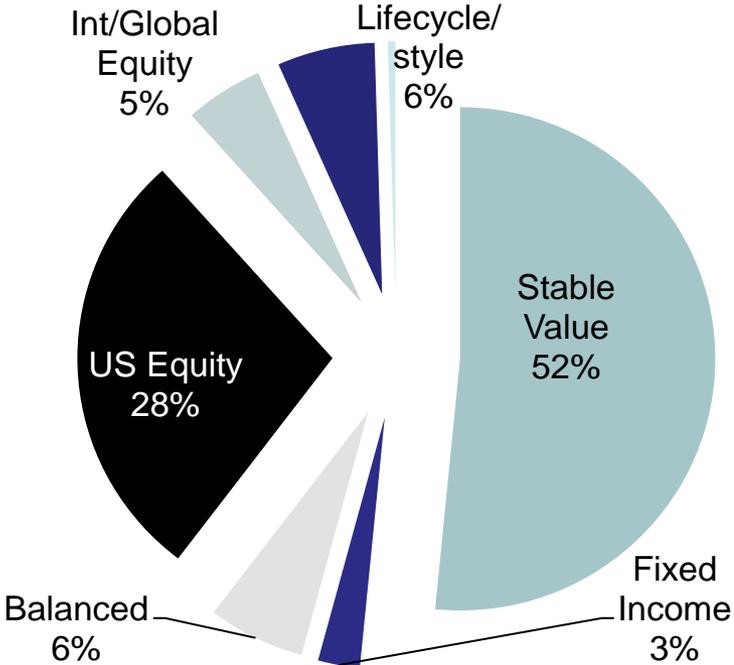


NDC Asset Allocation

\$268.1 Million
As of 12/31/03

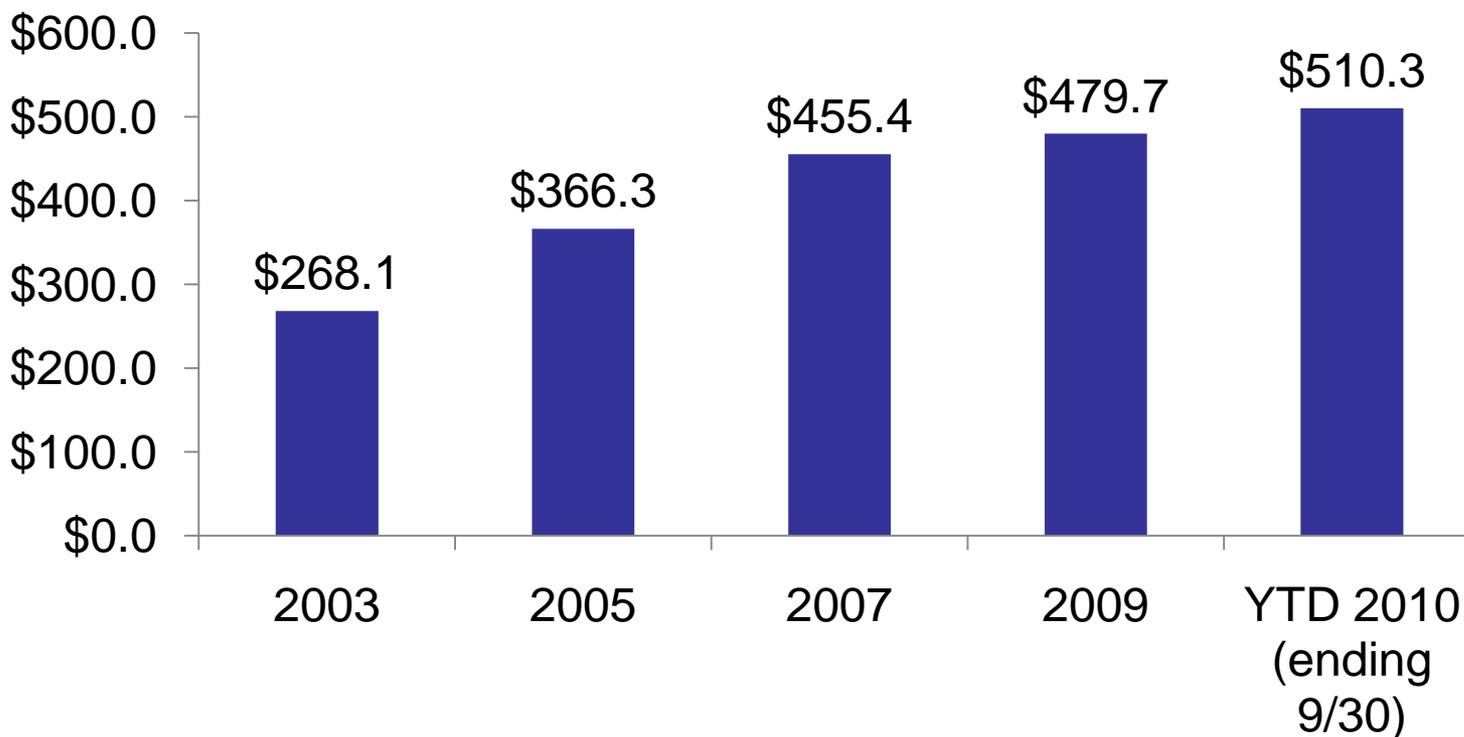


\$510.3 Million
As of 9/30/10



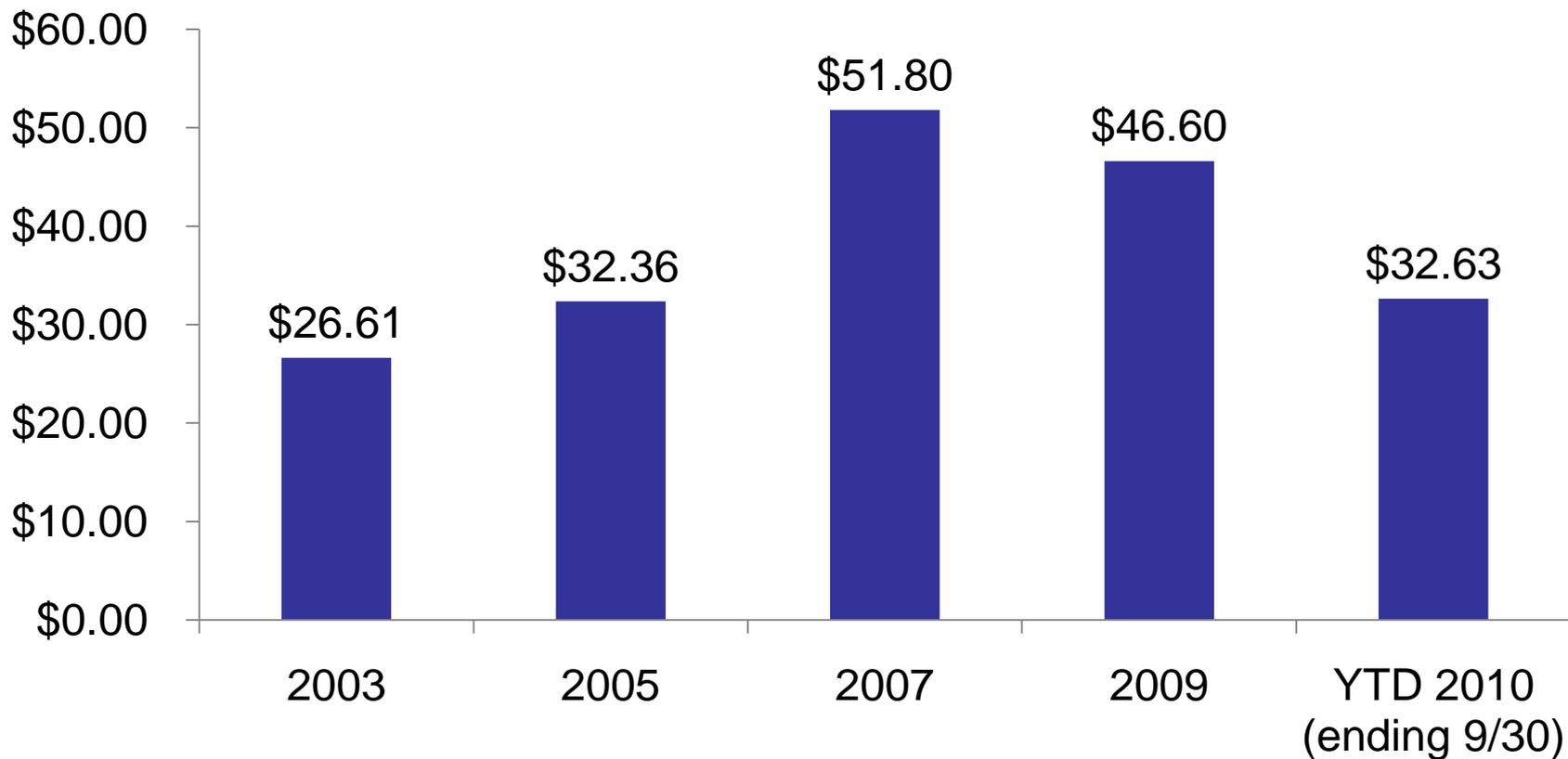


Asset Growth





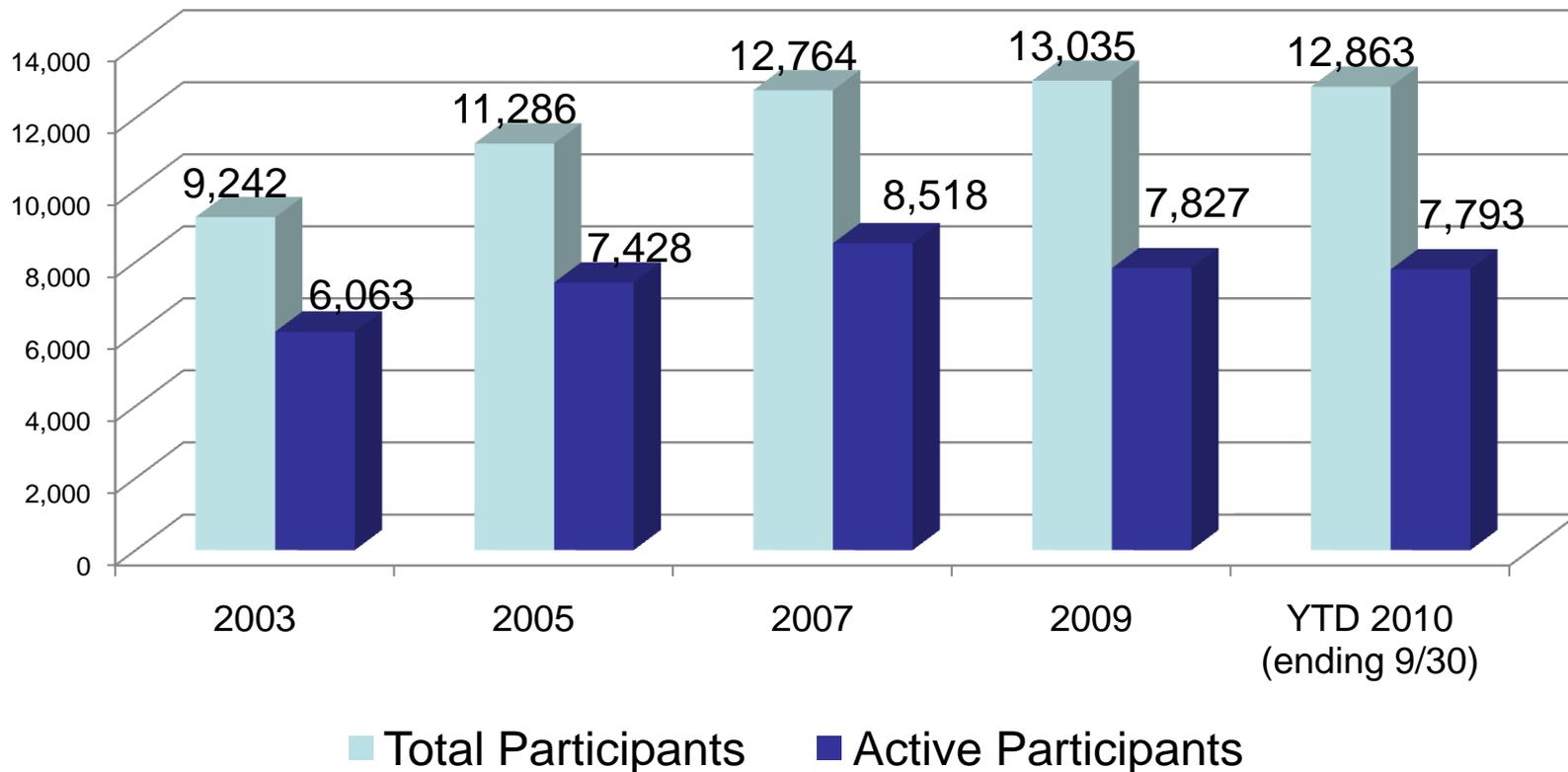
Cash Flow Growth



Assets in millions as of 12.31 unless otherwise noted.



Participant Growth



All time periods are ending 12.31 unless otherwise noted.



Plan Design

As of Dec. 31, 2003

- One Passive Fund Option per Provider
- No Passive Target Date or Risk Funds
- General Account Only
- 28 Active Core Funds

As of Sept. 30, 2010

- Five Passive Fund Options per Provider
- Set of Passive Target Date Funds
- General Account and Stable Value fund
- 22 Active Core Funds



Investment Comparison

As of Dec. 31, 2003

- Investment Quality
 - 59% were 4 and 5 star Morningstar funds
- Investment Expenses
 - 0.98% weighted average annual expenses*
 - \$9.80 on \$1,000
 - \$98 on \$10,000
 - \$245 on \$25,000
 - \$980 on \$100,000

As of Sept. 30, 2010

- Investment Quality
 - 54% were 4 and 5 star Morningstar funds
- Investment Expenses
 - 0.66% weighted average annual expenses*
 - \$6.66 on \$1,000
 - \$66 on \$10,000
 - \$165 on \$25,000
 - \$660 on \$100,000

*Variable funds only



Government Workers Study Comparison

ING and Staff



Demographics

Government Employee

- Male: 46%
- Female: 54%
- Ages 20 – 34: 18%
- Ages 35 – 50: 41%
- Ages 51 – 70: 41%
- Age: 46.5
- Salary: \$71,400*

*Represents Household Income



See page 4 of ING booklet

Nevada Deferred Compensation
YOUR PLAN...YOUR FUTURE

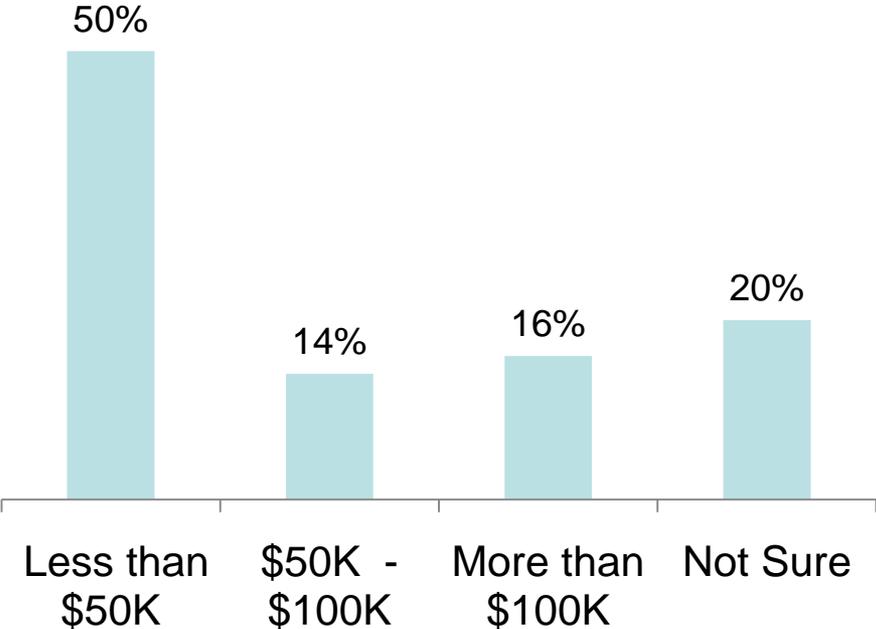
NV State Govt. Employee

- Male: 48%
- Female: 52%
- Ages 20 – 34: 20%
- Ages 35 – 50: 43%
- Ages 51 – 70: 37%
- Age: 46.01
- Salary: \$49,688

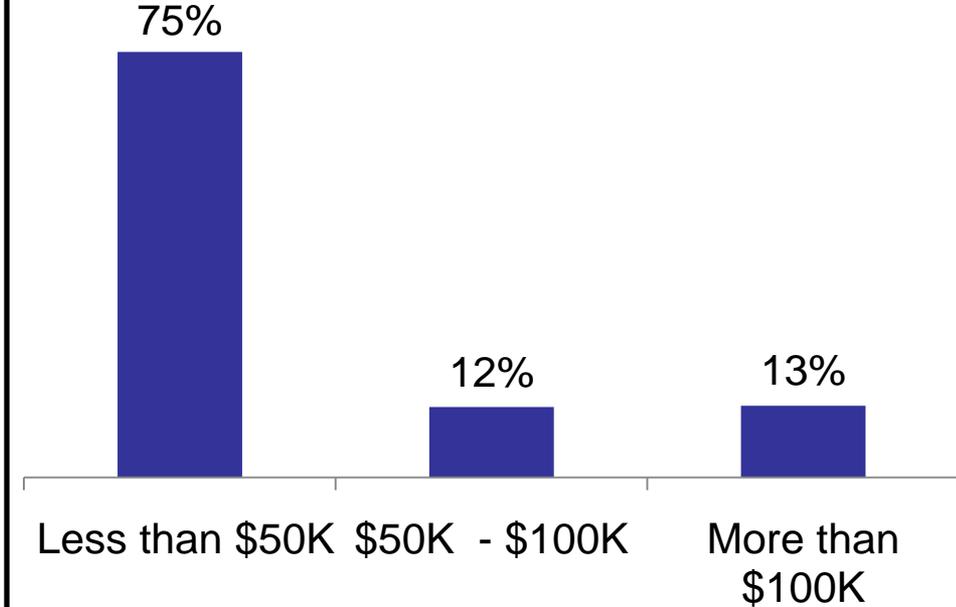


Account Balances

ING Public Worker Survey



NDC Actual Balances



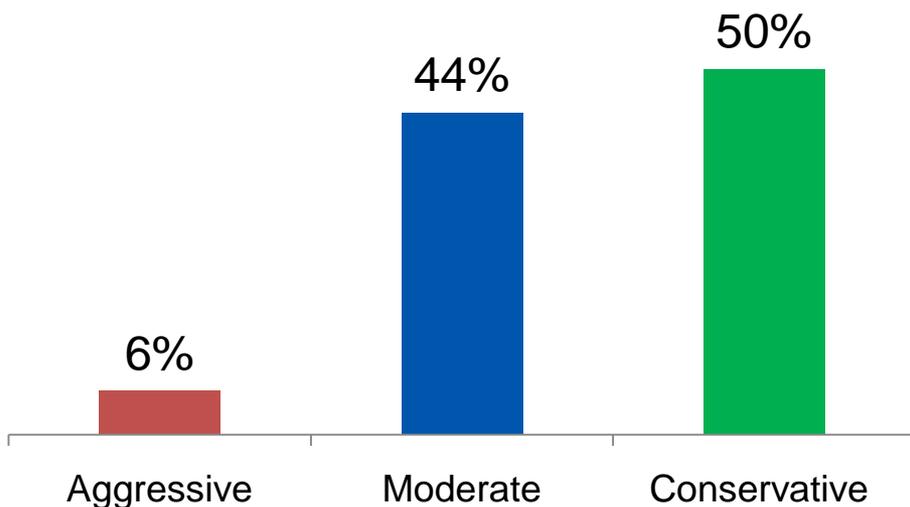
See page 5 of ING booklet

Nevada Deferred Compensation
YOUR PLAN...YOUR FUTURE

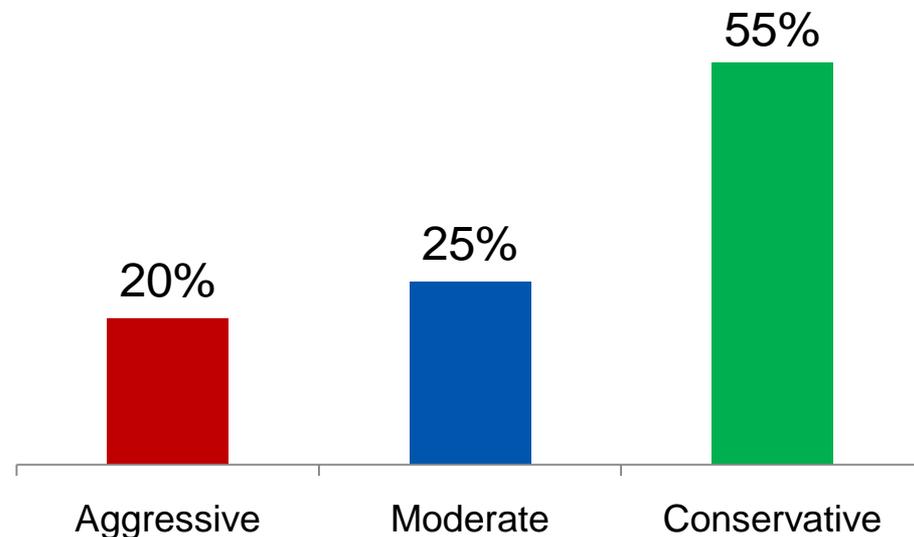


Investments

Public Worker Self Described Investment Philosophy



NV Actual Asset Allocation by Assets



See pages 6 & 7 of ING booklet

Nevada Deferred Compensation
YOUR PLAN...YOUR FUTURE



Attention Paid to Financial Docs

- 90% of public workers surveyed pay some attention to financial documents
 - Bottom of List
 - Prospectuses
 - Legal Documents
 - Marketing materials
 - Top of List
 - Educational materials
 - 89% pay some attention to these materials



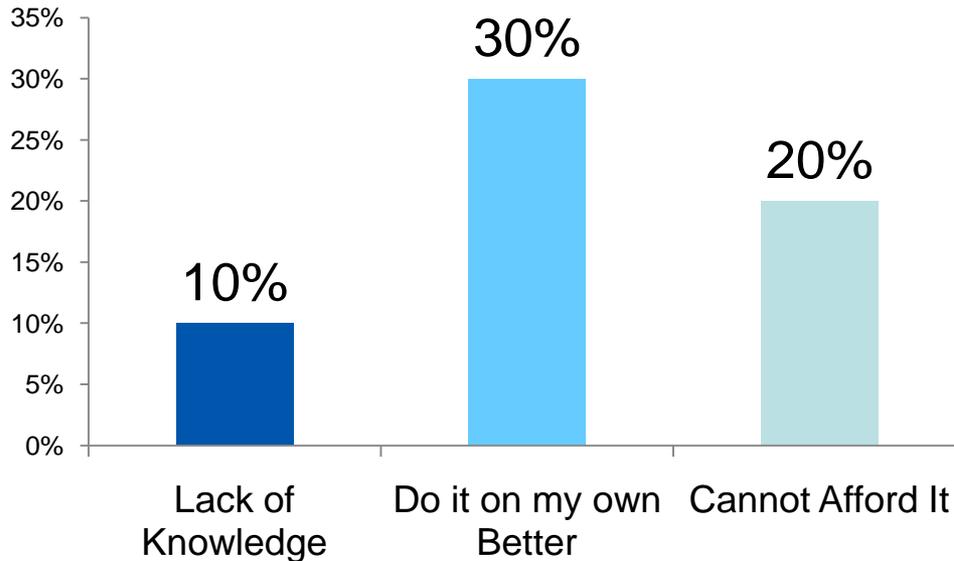
NDC Participant Survey

- NDC Participants want **MORE** educational materials
 - Comparisons of providers, investment options, fees, stable value rates (third-party reports)
 - Investment Information
 - Asset classes definitions
 - Updates on manager and fund portfolio
 - Updates on economic environment
 - Holdings
 - Strategies
 - Charts/Graphs
 - Benchmarks
 - Withdrawal Strategies

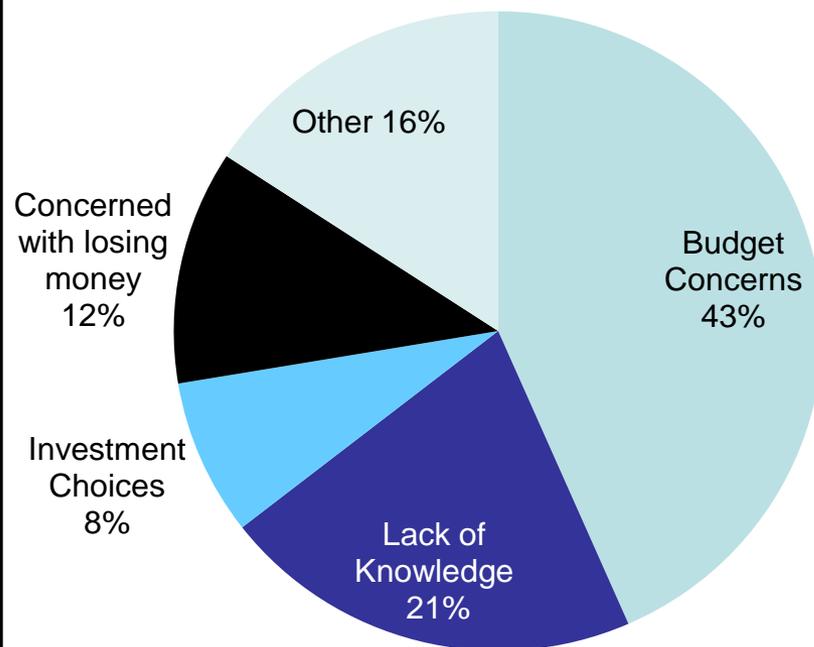


Why are YOU not Participating?

ING Public Employee Survey



Nevada Survey Results



See page 23 of ING booklet

Nevada Deferred Compensation
YOUR PLAN...YOUR FUTURE



Where do we go from here?

- 2011 Communication Goals
 - More Educational Materials
 - Consider Government Worker's Philosophy
 - Encourage Higher Saving Rates



Communication Trends

Hartford



Plan Branding

- Continue to Assist NDC in Plan Branding
 - Participant Statements and Online Accounts
 - Plan Sponsor Statements and Online Accounts
 - Customized Enrollment Kits
 - Welcome Letter
 - Plan Summary Document
 - Customized Website



In Person Materials

Meeting Needs At Every Stage – group seminars & workshops

Core plan education

- Retirement planning basics
- Enrollment information

Career Cycle Series

- Early-saving years
- Mid-saving years
- Pre-retirement years
- Retirement years

Investment concepts and strategies

- Asset allocation & diversification
- Beyond Investment Illusions
- Beyond Retirement Illusions

Timely topics

- Are you Ready?
- Signs of Recovery





In person – Trimester Campaigns

- Increase participation among non-participants
- Increase savings rates

GET THE BALL ROLLING!

THE HARTFORD

SPF SAVINGS PARTICIPATION FUTURE

BUMP UP YOUR CONTRIBUTION.
An increase of just 1% or 2% can really add up.

KEEP THE BALL IN YOUR COURT. Lower the amount you pay in current-year taxes.

GET BACK IN THE GAME. If you've stopped your contributions, it's not too late to bounce back.

SPF SAVINGS PARTICIPATION FUTURE

KEEP THE BALL ROLLING! SAVE EVEN MORE TODAY.

Are you contributing as much as you can to your retirement plan? Or, have you stopped saving altogether? It might surprise you what a difference just 2% can make to your account balance over time.

AMOUNT CONTRIBUTED PER WEEK	BALANCE IN 10 YEARS	BALANCE IN 15 YEARS
4% or \$27	\$19,245	\$34,164
6% or \$40	\$28,511	\$50,614

An increase of just 2%, or about \$13 a week, adds up to a difference of almost \$17,000 after 15 years!

This example uses eligible pay of \$35,000 and assumes your savings earn an annual 6% return.

When it comes to saving for your future, don't drop the ball. Increase your contribution or start contributing again today!

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material. This information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult your own tax or legal counsel for advice.

Before investing, you should carefully consider the investment objectives, risks, charges and expenses of the mutual funds or The Hartford's group variable annuity products and funding agreements, and their underlying funds. For fund and product prospectuses and/or a disclosure document containing this and other information, contact your financial professional or visit our website. Read them carefully.

"The Hartford" is The Hartford Financial Services Group, Inc., and its subsidiaries, including Hartford Life Insurance Company, Hartford Retirement Services, LLC ("HRS"), and Hartford Securities Distribution Company, Inc. ("HSD"). HSD member FINRA and SIPC is a registered broker/dealer affiliate of The Hartford.

Retirement programs can be funded by group fixed or variable annuity products and funding agreements issued by Hartford Life Insurance Company (Shelton, CT). Group variable contracts are underwritten and distributed by HSD where applicable. HRS and HSD offer certain service programs for retirement plans through which a sponsor or administrator of a plan may also invest in mutual funds on behalf of plan participants.

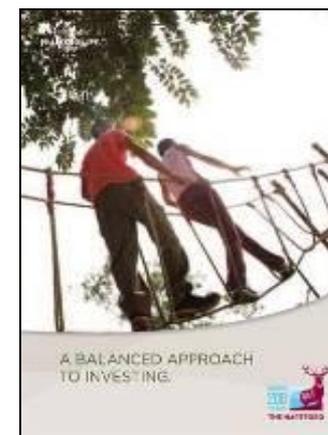
© 2010 The Hartford, Hartford, CT 06115

HRS-SPFSUMMER 7/10 RPS#11230



In-Print Diversification

- Integrated campaign to promote a asset allocation, diversification & rebalancing
- Leverage a “drip” approach through, emails, posters and other electronic messaging.
- Culminate campaign with onsite meetings to reinforce investment strategy education & provide investment option update





Online – Interactive Video-Based Education System

Plan Sponsor Benefits:

- Higher enrollment & deferral opportunities
- Improved financial understanding
- Fulfillment of fiduciary duty
- Tracks users' visits & actions
- Customized with plan features & logo

Participant Benefits:

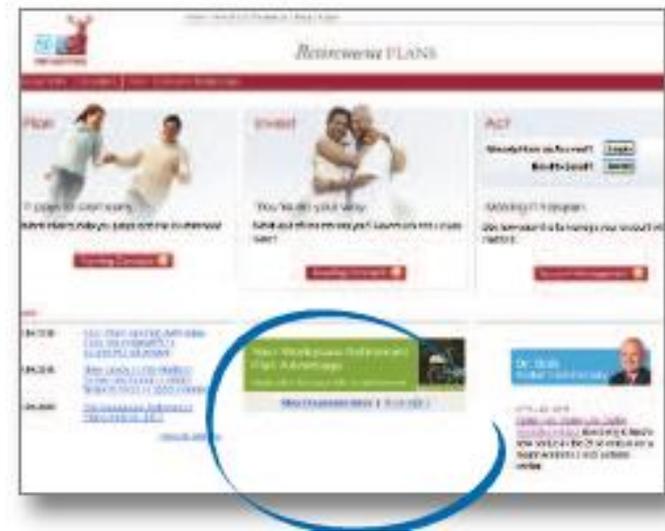
- Engaging & interactive video presentation
- Allows participant to view presentation at own pace
- Provides participant with an individual retirement planning survey
- Participant profile is updated automatically





On line – self-service online presentations

- Five self-running online presentations:
 - Roth 457(b)
 - Investing Basics
 - Choosing Your Investments
 - Asset Allocation
 - Balancing Today's Needs with Planning for Tomorrow





Deferred Compensation Plan Trends

Mercer



Future of Deferred Compensation

Investment Issues

- Streamlined investment structure with limited options
 - Communicate “tier” structure to participants
- Custom / Generic Naming for Options
- Institutional Investment Vehicles
 - Institutional mutual funds
 - Collective trusts
 - Separate accounts
- Custom Target Date Funds
 - Glide path developed based on demographics
 - Use core funds as underlying funds
- Income-for-Life
 - Annuities
 - Managed Payout



Future of Deferred Compensation

Non-Investment Issues

- Fees
 - Increased Fee Transparency and Disclosures
 - Providers to Plan Sponsors
 - Plan Sponsors to Participants
 - Alternative fee structure
 - Bundled/Revenue Sharing
 - Per participant fee
- Focus on Savings Rate rather than Participation Rate
- Roth 457 Contribution



2011 Goal Discussion

Staff



2011 Goals

➤ 2011 Legislative Session

✓ Internal

- Mission
- Budget
- Governance

✓ External

- NV PERS
- Healthcare
- Personnel Issue

✓ Provider Issues/Agenda



Program Development

- Plan Objectives
 - Investment Policy
 - Compliance/Financial Audits
 - Plan Design Discussion
 - Target Date Fund Discussion
- Administration
 - Roth 457 (b)
 - Consultant RFP
 - “Quality Investment Option” Performance Indicator
 - Di Minimis Account Distributions
- Communication
 - Branding
 - Providers



2011 Communication Themes

- Plan Branding
 - Coordinate with providers
- Participants
 - Contributions (Restart/Increase)
 - Other retirements accounts
- Leakage
 - Retirees and Pre-retirees
 - Withdrawal strategies
- Non-Participants
 - Easy Enrollment

DRAFT

Month	Objectives/Goals	Meetings
1Q 2009	Legislative Issues Annual Investment Policy Review Roth 457 Report Hartford General Account Discussion Annual Administrative Manual Review Fiscal Year 2010 Financial Audit Report Provider Performance Review Investment Consultant Performance Review International Actively Managed Option Review Executive Staff Performance Review Finalize Consultant Request for Proposal (RFP) 2010 Annual Fee Reconciliation Participant Survey Report Investment Option Quarterly Report	Committee Meeting (TBA)
2Q 2009	Outstanding Legislative Issues Roth 457 Update Communication Plan Update Consultant RFP Evaluations Investment Option Quarterly Report FICA Alternative Annual Account Distribution	Committee Meeting (June 9th)
3Q 2009	Complete Compliance Review Roth 457 Update Plan Design Discussion Review Performance Indicators Target Date Fund Review Consultant RFP Presentations and Selections Investment Option Quarterly Report Regular Plan Annual Account Distribution	Committee Meeting (August 18th)
4Q 2009	FY 11 Financial Audit Underway Roth 457 Update Quality Investment Option Review Compliance Audit Resolutions Underway Annual Plan Document Review Regular and FICA Investment Option Quarterly Report	Committee Meeting (Nov 17^h)