Nevada Deferred Compensation
YOUR PLAN... YOUR FUTURE

The Deferred Word Newsletter Fall Edition 2013

Nevada Public Employees Deferred Compensation Program (NDC)

(775) 684-3397

http://defcomp.nv.gov//

Save the Dates!

October 20-26 is National Save For Retirement Week and in conjunction with other activities, the NDC will be holding a series of workshops. Currently, NDC, MassMutual, ING, NVPERS, Social Security, Secretary of State's Office and College Savings programs have been invited to discuss their programs and answer questions for any who wish to attend.

The dates are:

Tuesday October 15, Carson City

Wednesday, October 16, Reno

Tuesday, October 22, Las Vegas

***PLEASE NOTE:* The Governor's Office has authorized three hours of administrative leave for state workers to attend these workshops!** There will be one session each morning from approximately 9 am to noon and in the afternoon from 1-4 pm. Both sessions will cover the same topics. An email will be sent out in early October with the agenda and times certain for each presenter so you can plan to attend the sessions that interest you. There will be vendor tables where you can collect information and ask specific questions of representatives. The Carson City and Las Vegas sessions will be broadcast over the internet in the event you are unable to attend in person.

News from Last Quarterly Meeting

The NDC Plan continues to grow — total assets as of June 30, 2013 were $618.7 million — an increase of 1.1%.

Preparations are underway for proposed updates to the Nevada Administrative Code; the workshop was held on September 24, 2013 and the meeting to adopt the amended regulations is currently scheduled for November 14, just prior to the next quarterly meeting. These updates to the NAC are in preparation for release of the Request for Proposal (RFP) next year for recordkeeping services for the Plan.

Additionally, be on the lookout—we will be sending out a survey of participants in the next couple of months to see what you think of the Plan and help us as we prepare for the next RFP cycle! More information to come.

The updated FICA Alternative Plan Document and FICA Alternative Plan Summary Document are now posted on our website.

The Committee reviewed two responses to the RFI for financial auditing purposes which was released in June. Contract negotiations are currently underway with a national firm to provide financial auditing services to the Plan. A proposal will be placed before the Committee at the November meeting.

Upcoming Meeting Dates

November 14, 2013 — Q3 Quarterly Meeting

January 9-10, 2014 — Strategic Planning Session

February 20, 2014 — Q4 Quarterly Meeting

May 22, 2014 — Q1 Quarterly Meeting

Investing for Your Future Doesn't Have to be Complicated

Learn more about investing. Today we will highlight **Actively Managed versus Passively Managed Funds**, so please turn to page 3 for more information.

Take care of your future now and review your Plan once a year.

October is the perfect time of year to focus on saving for retirement! National Save 4 Retirement week is October 20-26, 2013 and the State of Nevada will be hosting its Financial Education Days. It is a great time to start thinking about your own personal financial plan.

Often times, people start paying close attention to their retirement plan when they are nearing retirement. MassMutual recommends that you review your plan at least once per year; no matter how many years you have until retirement. Ask yourself three simple questions and take action today.

1. Are you saving enough?

Contributing the maximum each year can help improve your chances of retirement readiness. **Know the maximum you can contribute.** You may make before-tax and Roth (after-tax) deferrals totaling from 1-100% percent of your pay, or a flat dollar amount. The IRS dollar limit (adjusted annually for inflation) also applies to before-tax and Roth deferrals. That limit is $17,500 for 2013. If you are age **50 or older**, or turning age 50 in 2013, you may contribute additional before-tax catch-up contributions of up to $5,500 in 2013. Additionally, you are able to take advantage of the **pre-retirement catch-up** provision. This allows you to make additional contributions three years prior to, and not including, the year that you retire. The dollar amount for this catch up would be based off of under-utilized contributions made in prior years, not exceeding $35,000 for 2013.

2. Update your allocation!

When was the last time you adjusted your investment options? Is your mix right for you? Now is a great time to fill out a risk quiz and adjust your investment options if necessary.

3. Is your beneficiary information up to date?

When someone goes through a life-changing event, updating your beneficiary information on your retirement plan is the last thing on your mind. Once per year, you should look at your beneficiary elections and decide if you need to make any changes. You need to contact MassMutual or ING to get a beneficiary form and make a change.

Take action!

Log on to the Deferred Compensation website at http://defcomp.nv.gov/ to find out how to increase your savings, update your investment mix and change your beneficiary elections.

Annual NAGDCA Conference

Early in September, Committee members Carlos Romo and Steve Woodbury along with Program Coordinator Reba Coombs attended the annual conference of our parent organization, the National Association of Government Defined Contribution Administrators, Inc. (NAGDCA), in Louisville, Kentucky.

This was the first time any of the three attended the conference and the information gathered and knowledge acquired is invaluable for the Nevada Plan and its administration. Subjects ranged from presentations by the Securities and Exchange Commission, regulatory and federal government updates to sessions concerning IRS plan audits, fees, stable value funds, dealing with our diversified workplace employees, and retirement solutions in our changing times.

One item of interest from the regulatory update concerns the Supreme Court ruling on *US vs. Windsor*, whereby the Court ruled that Section 3 of the Defense of Marriage Act (DOMA) is unconstitutional. Essentially, this means that marriage is no longer exclusively one man/one woman; spouses need not be of the opposite sex for tax purposes. This ruling does not apply to domestic partnerships, civil unions or other similar relationships. Federal tax treatment will impact employee benefits and the Department of Labor is expected to issue an opinion specifically addressing retirement plans. We'll keep you updated as more information is received on this issue.

Our delegation also participated in a group break-out session which provided an opportunity to listen to and discuss plans of similar size to Nevada in other cities and states. The discussion was open and free flowing which provided for an exchange of ideas that work and challenges faced by other plans.

In a session addressing retirement across the ages, we learned of four different age groups in the workplace today—

- Generation Y/Millennial (starting out—age 25-34)
- Generation X (mid-career—age 35-49)
- Baby Boomer (pre-retiree—age 50-64)
- Mature (retirement — age 65-69)

Younger workers seem to understand their greater need to save on their own, and are more likely to invest in an employer-sponsored retirement savings plan than are the oldest, mature workers. Gen X are most likely to be actively participating in an employer-sponsored retirement plan. Gen Y tend to be idealists who care about issues and are buyers of green/eco friendly products. Only 34% of Boomers are confident they have sufficient funds to cover their retirement years.

ITS TIME WE HELP YOU BECOME BETTER EDUCATED!

From your friends at ING

DEFINE YOUR INVESTMENT JOURNEY:

A Look at Actively Managed Versus Passively Managed Funds

Market conditions and investing trends can complicate matters when you talk about any variety of investing concepts. Even the experts have much debate over actively managed versus passively managed funds. When creating your personal portfolio, you have to carefully consider your decisions based on your individual needs and goals.

ACTIVELY MANAGED

In simple terms, actively managed funds buy and sell investments seeking to achieve a set goal, for example, to provide a certain level of return or achieve specific results against a relevant benchmark. When funds are actively managed, managers can take proactive steps to help reduce risk in market downturns, including reallocating assets or moving to less-risky portfolio structures.

PASSIVELY MANAGED

In contrast to actively managed funds, passively managed index funds mirror an index (such as the S&P 500), where potential returns will rise or fall in step with the underlying benchmark. Index fund managers buy the same holdings of a particular index in order to mirror its performance. Since index funds require less management, they generally charge lower fees than actively managed funds.*

* Standard & Poor's 500® Index (S&P 500®) is comprised of 500 stocks representing major U.S. industrial sectors. Performance figures are inclusive of dividends reinvested. S&P 500 is a registered service mark of The McGraw-Hill Companies, Inc. Investors cannot invest directly in an index. There is no affiliation between ING U.S. family of companies and the S&P 500.

ACTIVE APPEAL

While owning all the stocks in the S&P 500 Index has been profitable in the past, a different strategy may be a key to seeking the results you're looking for in today's more uncertain environment. Index funds generally meet their benchmark's return, but they may not be able to protect your investment in the event of a market downturn. Remember, past performance does not guarantee future results. In contrast, active fund managers have the flexibility to adjust their portfolios in response to changes in a specific company, the overall market, or the economy. The manager can move money among different markets and asset classes to potentially reduce the impact of volatility.

THE BEST OF BOTH WORLDS

Fortunately, you don't need to resolve the debate over active and passive strategies -- or choose just one. Your NDC plan provides both actively and passively managed funds for you to choose from. While index funds can still make sense as core investments in your portfolio, including actively managed funds might allow you to diversify your holdings to potentially protect against loss.

As with all investments, it's important to make your selections carefully and based on your individual needs and goals. Contact your local Representative for more information about how you can help plan for your financial future.

You should consider the investment objectives, risks, and charges and expenses of the investment options offered through a retirement plan carefully before investing. Additional fees apply in using these managed account services. The fund prospectuses and an information booklet containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.

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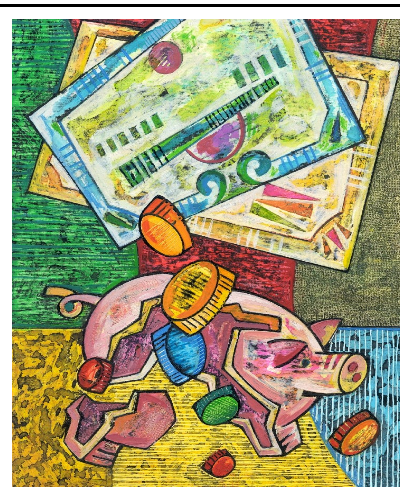
MORNINGSTAR® RETIREMENT MANAGER

ING has added the Morningstar Retirement Manager to its retirement product suite. This is an investment advisory service for ING participants giving them an opportunity to receive a personalized retirement strategy to help them choose the best solution to suit their individual investment needs. ING will be offering sessions to introduce the Morningstar Retirement Manager during the next couple of months. Representatives will be available for individual consultations and provide further information.

For more information, call the ING Nevada Regional Office at (866) 464-6832.



What to Keep, What to Toss – Are your financial papers scattered among desk drawers and old shoe boxes? If so, here's a guide to help you create order out of that chaos.

	WHAT TO SAVE	FOR HOW LONG	WHERE
TEMPORARY RECORDS 	Tax returns and supporting documents	Seven years. The IRS has three years from your filing date to audit a return, six years to challenge a claim, and no time limit for challenging fraudulent returns.	In a "Taxes/Year" folder on a flash drive or in a fireproof file cabinet
	Bank statements and cancelled checks	Seven years	In a "Taxes/Year" folder on a flash drive or in a fireproof file cabinet
	Monthly and quarterly brokerage, mutual fund and retirement account statements	One year. After you get year-end statements, shred monthly and quarterly statements.	In a "Current Financial Statements" folder on a flash drive or in a fireproof file cabinet
	Annual brokerage, mutual fund and retirement account statements	Until you close the account	In an "Annual Financial Statements" folder on a flash drive or in a fireproof file cabinet
	Paid bills and credit card receipts for major purchases	Keep receipts for major purchases as long as you own the items, to support potential insurance claims.	In a "Major Purchases" folder on a flash drive or in a fireproof file cabinet
	Receipts for home improvement expenses	Until you sell the house	In a "Home Improvement" folder on a flash drive or in a fireproof file cabinet
PERMANENT RECORDS 	Copies of your retirement account **beneficiary designation forms** (for employer plans as well as IRAs). If you don't have copies, ask the account custodian for new forms, fill them out and make copies with the current copy in your files.	Indefinitely	In an "Estate Plan" folder in a bank safe deposit box
	Copies of all your **insurance policies**: life, health, disability, auto, and homeowners/ renters	As long as the policies are in force	In an "Insurance" folder in a bank safe deposit box
	Family papers (birth, adoption, and marriage certificates, divorce decrees); **passports;** a copy of your current **will, health care proxy** and **living will; title** documents for real estate and vehicles	Indefinitely	In "Family Papers", "Estate Plan" and "Title" folders in a bank safe deposit box

Source: The Hartford "Saving Today Planning for Tomorrow"

Your MassMutual Team

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Important Links

If you are interested in saving for retirement and have not enrolled in the Nevada Deferred Compensation Program, now is the time! Go to one or both of these links and join now:

MassMutual EZ Enrollment Form

http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Enroll/HartfordEZForm.pdf

ING EZ Enrollment Form

http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Enroll/INGEZForm.pdf

If you already have a Deferred Compensation account and wish to increase (or decrease) your payroll deductions, please complete this form and fax it to the NDC office and we'll take it from there.

Payroll Contribution Form

http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Forms/Nevada_Payroll_Change_Form(1).pdf

Would you like to have someone come to you to explain the benefits of Deferred Compensation?

Let us know—email or call us at deferredcomp@defcomp.nv.gov or (775) 684-3397

and WE will come to YOU!

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