



The Deferred Word Newsletter Winter Edition 2013

Nevada Public Employees Deferred Compensation Program (NDC)

COMMITTEE MEMBERS

Scott K. Sisco
Chairman
NDOT

Dr. Carlos Romo
Vice Chair
Retired

Karen Oliver
GCB

Brian L. Davie
LCB

Steve Woodbury
GOED

Reba Coombs
Program Coordinator

Micah Salerno
Administrative Asst.

Shane Chesney
Sr. Deputy Attorney General

(775) 684-3397

defcomp.state.nv.us

Segal Rogerscasey Investment Consultant

It is the Committee's pleasure to inform you that we have entered into a new two year contract with Segal Rogerscasey to perform investment consulting services for the program. A Request for Proposal was released in November of last year and at the January 30, 2013 meeting, the Committee evaluated responses from eight consulting firms and unanimously chose Segal. Segal Rogerscasey is no stranger to the Deferred Compensation Program, having provided investment consulting services in the past, and conducted two successful vendor search and evaluation projects in 2002 and 2007. Under the leadership of Frank Picarelli, Vice President and

Senior Consultant, Segal will undertake a compliance audit this year and in 2014 a vendor search will commence including development of an RFP, evaluation of a third party administrator, and assistance with contract negotiations with one or more companies to provide record-keeping services to the plan participants.

The Segal Rogerscasey response to the Request for Proposal is posted on the NDC website.

The Committee is pleased to be working with Mr. Picarelli again and confident in his abilities to provide comprehensive investment consulting services.

Excess Fee Reimbursement

As part of the contract with our recordkeepers, each year ING and The Hartford (now MassMutual) reimburse the plan for administrative expenses. Most years, these fees are in excess of the actual cost of administration of the program and the excess is returned to the participants on an annual basis. We are pleased to announce that we will be returning these excess fees to you as of December 31, 2012. You may see on your next quarterly statement (March 31) from MassMutual a contribution ranging from just over \$11 up to a maximum of \$366 paid out proportionally according to your total savings

and the procedures set out in the NDC Administrative Manual.

Although this is listed as a contribution on your statement it is not counted toward the maximum allowable contribution of \$17,500 per year. As the fees are based on excess fees actually available at the time of the review, the reimbursement has been made to MassMutual participants only this year.

Since 2008, NDC has returned over \$770,820 to participants. The reimbursement this year totaled \$115,280.

Investing for Your Future Doesn't Have to be Complicated

We will be providing a series of articles in forthcoming newsletters describing the different funds in which you can invest when you contribute to the Nevada Deferred Compensation Program.

Today we will highlight **Vanguard® Target Retirement Funds** so please turn to page 2 for more information.

An Easier Way to Invest Your Deferred Compensation Savings. *From your friends at ING*

Today's Fund – Vanguard® Target Retirement Funds

“Diversifying” means less investment risk. With diversification, your money is spread across different types of investments, like stocks, bonds, and others. It helps reduce your overall risk.

Even if some investments falter, others may perform well. Although diversification does not insure against a loss or guarantee a profit, it may help you weather the ups and downs of the financial market.

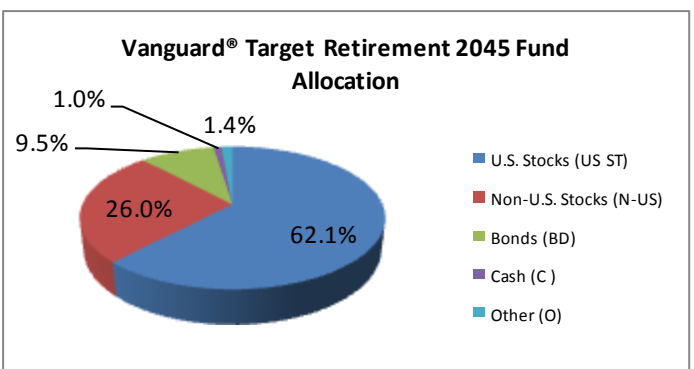
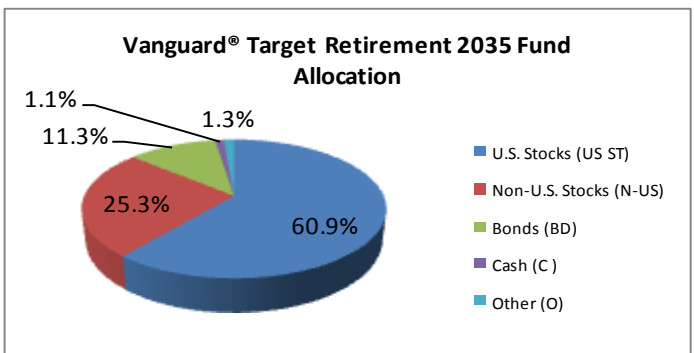
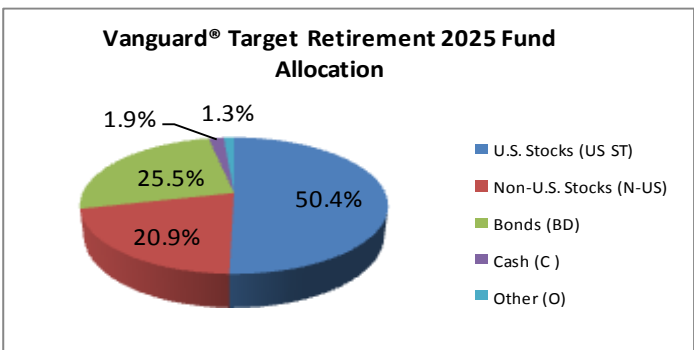
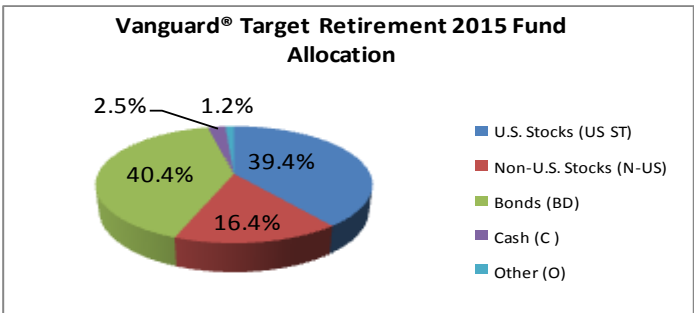
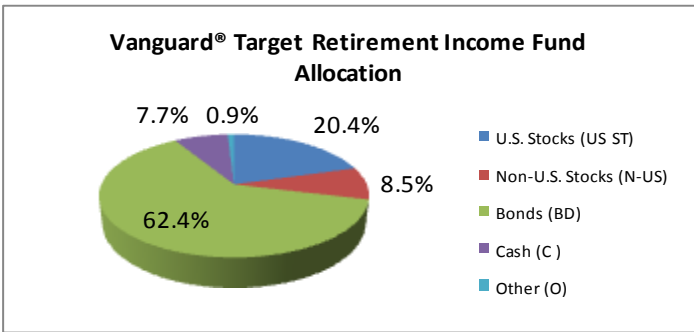
With the Nevada Deferred Compensation Plan, you decide how to invest your contributions among the available investment options in the Plan. The plan has an option to help make it easier – Vanguard® Target Retirement Funds.

A Vanguard® Target Retirement Fund is a “fund of funds.” It’s one fund that invests in a diversified mix of other Vanguard® mutual funds. This mix is based on an asset allocation strategy targeting a specific date.

There are five target date funds to choose from. Each fund is automatically rebalanced so that you don’t have to manage your account. And, the funds will automatically shift to a more conservative investment mix over time. This is important because typically, the closer you are to retirement and the payment of benefits, the less risk you may want to take.

You might want to consider choosing a single Vanguard® Target Retirement Fund for your entire account. To pick a fund, choose the one that’s closest to the date you plan to start receiving benefits.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and begin receiving benefits. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.



(Continued from previous page)

You should consider the investment risks, charges and expenses of the investment options carefully before investing. 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. Depending on which plan and which fund you invest in, your expense ratio could range from 32 to 38 basis points.

What is your next step?

Haven't enrolled in the Nevada Deferred Compensation Plan?

Enroll today. You can choose from one of three convenient options:

1. Complete the EZ Enroll Form;
2. Visit the Plan website and enroll online; or
3. Schedule an in-person appointment with a local representative.

And, with option 2 or 3, if you'd like to simplify your investment decision, consider a Vanguard® Target Retirement Fund. Otherwise, you can choose from any of the investment options available

to you through the Plan. (With the EZ Enroll option, your initial investment choice is automatically set to a Vanguard® Target Retirement Fund based on your date of birth for both ING and MassMutual.)

Already enrolled in the Plan?

Are you comfortable with managing your account on an ongoing basis? If not, you may want to check whether a Vanguard® Target Retirement Fund can make your investment decisions easier. It may also help keep your investment mix focused on your goals.

Already using a Vanguard® Target Retirement Fund?

Consider making the most of your decision by contributing more to the Plan, based on your personal situation. You can contribute up to the IRS maximum contribution limit.

To change your contribution, complete a new Payroll Deduction Form and specify your contribution amount. Systematic investing doesn't ensure profit nor guarantee against loss. Consider whether you can consistently invest in up as well as down markets.

If you would like to see what it costs you to invest in deferred compensation funds, please see the chart on our website which will be updated on a quarterly basis. Go to www.defcomp.state.nv.us click on Investment Information and then on Quarterly Performance



Update from the Planning Meeting of January 30, 2013

The NDC held its annual strategic planning meeting recently and many diverse subjects were discussed by Committee members, recordkeepers, our investment consultant, and others in attendance. This was an opportunity to review new and old concepts and have a free-flowing exchange of ideas and conversation. No action was taken on any subject matter, but the conversation revolved around some of the following issues and ideas planned for possible future action by the Committee:

Loan Provision: The Committee, recordkeepers, and our investment consultant discussed challenges involved in providing a loan provision for participants. One of the challenges brought up was the difficulties and costs associated with providing such a provision when a plan has more than one recordkeeper. Staff, Committee members, and our investment consultant will continue to evaluate information on the potential costs and administrative processes involved in operating such a program component, and at this time no final decision has been made.

Plan Document Updates: Updates will be made to the Administrative Manual, Summary Plan Document and the Plan Document to reflect changes in the administration of the plan and to generally update information. The last update was done in 2008.

Regulatory Updates: The Committee discussed updating the regulations (Nevada Administrative Code or NAC) which govern

the operations of the program in order to have current regulations in place before the next Request for Proposal is released in anticipation of entering into a new contract with one or more recordkeepers in 2014. This is a lengthy process which has to ultimately be approved by the Legislative Commission.

Financial Audit: According to best practices, the Committee believes an annual financial audit should be conducted on the program. A Request for Information will be released later this year to solicit information and cost proposals from auditing firms to conduct such an audit.

Communication Plan: The Committee and staff will be embarking on a more aggressive communication and outreach plan to provide information to participants and others who may be interested in contributing to their retirement future. Staff will be working with the recordkeepers to hold seminars, group discussions, and other activities to encourage participation and to answer questions and/or concerns of existing state and local government employees and retirees.

Legislative Update: As of this time, no legislative proposals have been brought before the Committee which would impact the Program or participants and we are monitoring bill introductions during the legislative session.

\$\$\$ \$

From your friends at MassMutual (Hartford)



Moving Forward with Mass Mutual

As you may know, Massachusetts Mutual Life Insurance Company (MassMutual) completed the transaction to acquire The Hartford's Retirement Plans Group (RPG) earlier this year.

There Is Nothing You Need To Do

While our retirement plan is now administrated by MassMutual, there will be no changes to your service contacts, phone numbers, mailing addresses or websites at this time. You can continue to access your account at www.retire.hartfordlife.com. All of your plan's features, including investment options, will remain the same unless specific changes are made by your plan sponsor.

What You Can Expect

Should you receive any electronic correspondence from MassMutual, the email will come from a new address, @massmutual.com.

Throughout 2013, MassMutual will incrementally incorporate its brand and messaging throughout the customer experience.

Prior to implementing any significant changes, MassMutual will provide you with ample notice and direction.

For more information or if you have any questions, please call MassMutual at 1-800-528-9009 or visit www.retire.hartfordlife.com.

If you'd like to learn more about MassMutual, visit www.massmutual.com or find MassMutual on [Facebook](#), [Twitter](#), [LinkedIn](#), [YouTube](#) and [Google+](#).

Massachusetts Mutual Life Insurance Company (MassMutual)

- Founded in 1851
- Mutually-owned. We operate for the benefit of our members and participating policyholders.
- 161-year tradition of strength, stability and performance, with financial strength ratings¹ among the highest in the industry:
 - A.M. Best Company: A++ (Superior)
 - Fitch Ratings: AA+ (Very Strong)
 - Moody's Investors Service: Aa2 (Excellent)
 - Standard & Poor's: AA+ (Very Strong)
- *Fortune* 500 company² and ranked among the "World's Most Admired Companies" in the life and health insurance industry category.³

Retirement Services Division

- Serving retirement plans for more than 65 years.
- More than \$120 billion in combined assets under management as of 9/30/12.⁴
- Retirement Leader of the Year.⁵
- Call Center recognized by ContactCenterWorld as a top performer in delivering outstanding customer service for the fourth consecutive year.⁶

1 Massachusetts Mutual Life Insurance Company and its subsidiaries, C.M. Life Insurance Company and MML Bay State Life Insurance Company. Ratings are as of March 1, 2013.

For current ratings, visit www.massmutual.com/ratings.

2 Applies to Massachusetts Mutual Life Insurance Company - FORTUNE Magazine, May 21, 2012.

3 Applies to Massachusetts Mutual Life Insurance Company - FORTUNE Magazine, March 4, 2013.

4 MassMutual's retirement plan assets under management (AUM) was \$69 billion as of September 30, 2012. After the close, with the addition of The Hartford's Retirement Plans Business, we anticipate the division will surpass \$120 billion of combined Retirement Plans AUM.

5 2012 "Retirement Leader of the Year" Award sponsored by Fund Industry Intelligence (a Euromoney Institutional Investor publication), April 5, 2012.

6 Awards announced June 21, 2012 at ContactCenterWorld's 2012 Top Ranking Performers Americas Conference in Orlando, FL.

MassMutual Financial Group is a marketing name for Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliated companies and sales representatives. MassMutual is headquartered in Springfield, Massachusetts and its major affiliates include: Babson Capital Management LLC; Baring Asset Management Limited; Cornerstone Real Estate Advisers LLC; The First Mercantile Trust Company; MassMutual International LLC; MML Investors Services, LLC, Member FINRA and SIPC; OppenheimerFunds, Inc.; and The MassMutual Trust Company, FSB.

Your Mass Mutual (Hartford) Team

Northern Nevada

9850 Double R. Blvd., Suite 201
 Reno, NV 89521
 (775) 826-1227
 Fax: (775) 827-5482

Sharon Brannon, Retirement Ed. Specialist, ext. 4

Jake Honea, Retirement Ed. Specialist, ext. 5

Steve Watson, Consultant

Southern Nevada

750 East Warm Springs Road, Suite 330
 Las Vegas, NV 89119
 (702) 387-8100

Robert Trenergy, Regional Manager
 (702) 387-8103

Janet Corral, Retirement Ed. Specialist
 (702) 387-8104

Anthony Cardone, Retirement Ed. Specialist
 (702) 387-8105

Tracey Pulsipher, Administrative Support
 (702) 387-8101



Your ING Team

Jo Ann De Angelo Guerra, the long-time ING representative, has moved on to other things and Eric Honea will be starting soon. Good Luck Jo Ann and Welcome Aboard Eric!

Carson City

844 West Nye Lane, Suite 101
 Carson City, NV 89703
 (775) 886-2400
 Fax: (775) 882-9758
 Toll Free: (866) 464-6832

Steve Platt, APRC, Regional Director
 (775) 886-2402

Dianna Hennessey, Marketing Consultant
 (775) 886-2401

Las Vegas

3960 Howard Hughes Parkway, 5th Floor
 Las Vegas, NV 89169

(702) 990-3720

Fax: (702) 990-3721

By appointment

Eric Wyer, Representative

(702) 990-3720

<u>Upcoming Meeting Dates</u>	<u>Important Links</u>
Q1 Quarterly Meeting June 6, 2013	Hartford EZ Enrollment Form
Q2 Quarterly Meeting August 15, 2013	http://defcomp.state.nv.us/FORMS/HartfordEZForm.pdf
Q3 Quarterly Meeting November 14, 2013	ING EZ Enrollment Form
National Association of Governmental Deferred Compensation Administrators (NAGDCA) – National Conference September 8-11, 2013 Louisville, KY	http://defcomp.state.nv.us/FORMS/INGEZForm.pdf
	Payroll Contribution Form http://defcomp.state.nv.us/FORMS/Nevada_Payroll_Change_Form.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!

Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 N. Stewart Street, Suite 210
Carson City, NV 89701-4213



PRSRRT STD
US POSTAGE
PAID
Carson City, NV 89701
PERMIT #15