



GREAT EXPECTATIONS!

TULARE COUNTY DEFERRED COMPENSATION PLAN NEWSLETTER

457 DEFERRED COMP PLAN

JANUARY 2005

NEW DEFERRAL LIMITS FOR 2005

Starting in January, participants in the County's Deferred Compensation program will be able to invest even more towards their future retirement. Beginning with the first of the year, the annual deferral limit will be increased to \$14,000. If you are at least age 50, or will be turning age 50 during 2005, and want to "catch up" on deferrals not made in previous years, you can contribute up to an additional \$4,000 for 2005. When it comes to working with IRS regulations, nothing is simple. So, if you would like to make additional "catch-up"



deferrals but are getting close to normal retirement age, contact your Great West representative for additional information. You may be able to contribute even more into your Deferred Comp account.

Any changes to the amounts you are going to defer requires that you send in a "457 Salary Deferral Agreement" to change your Deferred Comp deduction. Be sure that you indicate the new **total** deduction to be taken for Deferred Comp on the form you submit. You can get a copy of the form from your payroll office, the County's intranet site, from the Great West representative, or from the Great West office in San Ramon (phone number: 800-274-8491).

If at some point you begin to approach your maximum deferral for the year, don't worry. The Auditor's Office will not allow for deductions that exceed the total maximum amount for 2005. Once again, if you have questions regarding the

total amount that you are eligible to defer, feel free to contact our Great West representative, Stephanie Henry, at (559) 967-2280.*

CHECK OUT YOUR CREDIT

Starting December 1st of this year California residents (along with those of several other Western states) are able to obtain a **free** copy of their credit reports. This opportunity is the result of new federal law that is being phased in across the entire country over the course of several months. The law allows individuals a once-per-year free look into their personal credit history – an important piece of information to have regarding your finances. Keep in mind that these reports really are free. Obtaining your copy does not obligate you to other trial offers. The only restriction is that you can only obtain a free copy once each year.



You may wonder what your credit history has to do with your Deferred Comp account. Think about it. Your credit reports are used by creditors, loan companies, insurance companies and landlords to help determine both your ability to pay and your trustworthiness as a borrower. Having a copy of your credit report can greatly assist you in your financial planning. It could even help you to determine how much more you can afford to contribute into your Deferred Compensation plan!

The easiest way to obtain a copy of your report is via the Internet at www.annualcreditreport.com. When you get there you will be asked to pick which of the three agencies (Equifax, Experian or TransUnion) you want to use. Some problems

were reported with a couple of the agencies early on, but the writer of this article was able to obtain his on the very first day of the new law, so be patient. Having access to your credit history just might provide you with some very important and revealing information!*

DON'T JUST SIT THERE! GET EDUCATED!!

While having the opportunity to contribute into a Deferred Compensation program is a great way to save for retirement, it also presents a significant challenge. The person ultimately responsible for investing the funds in your personal Deferred Comp account is **YOU!** As a result, educating yourself on the various investment options available to you is not just a good thing to do, it is a must for those people who want their accounts to show positive results over the long-term. Even under the best of circumstances investing one's money is difficult and there are no guarantees that anyone will always be successful. The County of Tulare Deferred Compensation Committee is well aware of this and of your need to make well-informed investment decisions. For that reason, the Committee wants to make all plan participants aware of the annual Fund Performance Review that will take place on **Monday, May 16, 2005.**

The purpose of the Deferred Comp Committee's Fund Review is to discuss the individual performance of each of the funds currently offered to Tulare County Deferred Comp participants. The review will look at each of the fund's investment performance, will compare this to other funds of similar structure (their "peers"), and will look at the level of risk involved with the individual funds (Yes, some funds are riskier than others.) The Committee will also hold discussion as to whether or not any

new funds should be added or any of the existing funds removed.

Why not consider joining the Deferred Comp Committee in this annual review process? You may not understand everything that goes on, but your education as a smart, savvy investor has to begin somewhere. What better place than at the annual Fund Review of your very own Deferred Compensation program? As already stated, the meeting is to be held on **Monday, May 16, 2005.** It will **begin at 10:00 a.m.** and will be held in the TCERA building at 136 North Akers in Visalia. The Committee welcomes all of the Deferred Comp plan participants to attend.*

CONTACT INFORMATION:

Tulare County Deferred Compensation Plan:
www.co.tulare.ca.us/government/financial_services/auditor/deferredcomp/default.asp

If you are interested in finding out more about the 457 Deferred Compensation Plan for Tulare County, please contact:

Stephanie Henry

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This newsletter is a product of the Tulare County Deferred Compensation Subcommittee.

