



GREAT EXPECTATIONS!

TULARE COUNTY DEFERRED COMPENSATION PLAN NEWSLETTER

457 DEFERRED COMP PLAN

NOVEMBER 2004

WHY DEFERRED COMP?

Would you like to start making some personal investments toward your future retirement, but don't know where to begin? Why not consider the County's 457 Deferred Compensation Program? Here are just a few of the advantages of investments made through "Deferred Comp" as opposed to investing on your own:



- ★ **Lower taxable income** – As with the deduction taken for the regular County retirement plan, deductions made to the Deferred Comp program are taken on a "pre-taxed" basis. This means that the deduction is taken from your gross pay **first**. You then get taxed on the remainder. Because the remainder is smaller, you have less in taxes withheld. This helps to keep your money out of Uncle Sam's pocket and keeps it in yours.
- ★ **Diversification** – A key to a successful, long-term investment program is to diversify the funds you are investing. The 457 Deferred Compensation program offers a better approach. Through a variety of mutual funds and guaranteed investments, you can take advantage of investing in all kinds of markets. You can invest in stock funds, bond funds, funds that favor purchasing

securities only in U.S. companies, or in funds that invest primarily in international companies. In addition, you can invest in funds that favor large, small or medium size companies.

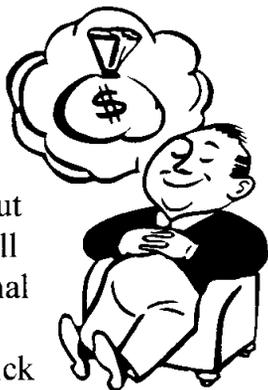
- ★ **Lower Fees** – Because you would be investing through a program sponsored by your employer, you get the advantage of lower fees negotiated on your behalf.
- ★ **Access to more information** – As a participant in the program, you can have access to all kinds of investment information through our provider Great West and their website. Through the website you can check your account balance, see how your returns have done over the last year to 18 months or compare your rate of return to other aggressive, moderate or conservative investment portfolios. The website also gives you access to retirement planning tools and detailed information on the various investment options available to participants. Compiling this information on your own would be extremely difficult and time consuming.

While investing in the Deferred Compensation program may not be for everyone, it is something that all employees should consider. Retirement catches up to everyone. For many it sneaks up on us before we realize it. Don't get caught wishing that you had acted earlier. Give strong consideration to how the 457

Deferred Compensation Program can help you to achieve your retirement goals.

SELLING SICK LEAVE TO IMPROVE YOUR RETIREMENT

Would you like to increase the amount of your annual contribution to the Deferred Compensation program but don't know where you will come up with the additional cash? A possible source could be your very own sick leave hours. Selling back hours of sick leave to the County and having the equivalent dollar value of these hours deducted from your pay as a one-time additional contribution to your Deferred Compensation account could help you to maximize the investment in your future retirement.



If the idea sounds attractive to you, be sure to complete the "County of Tulare Sick Leave Buy Back Program" form and return it to your department payroll clerk. The deadline is November 12th for your department to get the forms turned in to the Human Resources & Development Department. You will also need to complete a "457 Salary Deferral Agreement" form requesting that the cash amount of the sick leave hours you are selling gets deposited to your 457 Deferred Compensation account. Make this additional deduction effective for pay period 25 of 2004 (the pay period that ends on November 27, 2004.) Because you want this to be a one-time only deduction, be

sure to send in another "457 Salary Deferral Agreement" to change your Deferred Comp deduction back to the regular amount for pay period 26. Both of the forms must be turned in to the Auditor's Office by **no later than November 30, 2004.**

Also keep in mind that the rules of sick leave buyback still apply.

GREAT WEST OPEN ENROLLMENT SCHEDULE

Great West representative, Stephanie Henry, will be attending most of the Open Enrollment presentations offered throughout the month of November. To discuss your questions by phone or schedule an appointment outside of open enrollment meetings, Stephanie can be reached by telephone at (559) 967-2280.

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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E-Mail: stephanie.henry@gwl.com

Phone: (800) 274-8491 ext. 12 or

(559) 967-2280 (local phone)

Fax: (559) 622-0407 (local fax)

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

