

Great Expectations

Tulare County Deferred Compensation Plan Newsletter

National Save for Retirement Week October 21 – 27, 2007

Recognizing a continued need for more Americans to get educated on the subject of retirement and to start saving in preparation for life following a working career, both houses of Congress have passed resolutions declaring October 21st – 27th as National Save for Retirement Week. What reasons do our leaders have for taking this step?

The bad news: According to the 2007 Retirement Confidence Survey conducted by the Employee Benefit Research Institute (www.ebri.org), 58% of all workers in the United States have less than \$50,000 in total savings (excluding the value of a primary residence and defined benefit retirement plans). Among this group, 41% of employees who are age 55 or older have less than \$50,000 in savings and investments! The implications for the nation are both important and far-reaching.

The good news: You do not have to be one of them! As an employee of the County of Tulare or of the Tulare County Superior Courts, you have a variety of retirement programs (some voluntary, some required) available to you to help you prepare for a successful and comfortable retirement. These programs include:

The Defined Benefit Retirement Plan – The Tulare County Employee's Retirement Association (TCERA) is a defined benefit plan that pays pension benefits to qualified recipients for the life of the plan member. The amount received is dependent upon the person's membership type, years of service, age at retirement, and final average salary. But for employees who make a career of employment with the County or the Courts, the salary replacement value of the defined benefit program can be substantial. For example,

using the benefit formula effective as of July 1, 2005, a General member employee who retires at age 62 with 30 years of TCERA service credit would receive a lifetime pension equal to 78% of her/his final average salary!



The Deferred Compensation (457) Plan – The County and Superior Courts also offer a voluntary 457, or Deferred Compensation, program to employees who wish to join. The "Deferred Comp" program allows employees to augment their retirement benefits through savings taken directly from their paychecks. Investment choices available to plan participants allow employees to build a separate, tax-deferred retirement "nest-egg".

Social Security – While the level of confidence in the Social Security system may have dwindled, the benefits a participant in the system receives can work as an important source of additional retirement income. If viewed as a supplement to the TCERA program and in conjunction with Deferred Comp participation, Social Security can replace a significant portion of one's active employment income.

Start the education process today!

If you are interested in joining the Deferred Compensation program, have questions regarding the investment choices available to 457 Plan participants, want to change your deferral amounts, or just want to know more about the program in general, contact our plan representative, **Stephanie Henry** at 967-2280. You can also visit the **Great West website** at www.gwrs.com.

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For information about the TCERA defined benefit program or to attend an upcoming "TCERA 101" educational seminar, contact **TCERA at 733-6576**. The Retirement Office staff can also provide you with information regarding your retirement benefits including estimates of what you will receive as a TCERA retiree. TCERA is completing revisions to the Retirement Association's website. Visit it at www.tcera.org.

For questions regarding Social Security benefits, you can contact the local office of the **Social Security Administration at 732-7892**. The Social Security website (www.ssa.gov) is also a good source of information pertaining to Social Security eligibility and benefits.

Ultimately, any serious effort at saving towards your future retirement starts with you! Why not begin today by taking the steps needed to plan for a financial future that is as safe and secure as you can make it? We are confident that you will not regret the time invested.

Changes Made to Deferred Compensation Investment Choices

Following a recent action by the Tulare County Deferred Compensation Committee, the following changes have been made to the funds available to plan participants:

New Funds

Effective August 29, 2007, the following investment options have been added:

Columbia Acorn Z – This is a small cap equity fund that describes itself as investing primarily in the stocks of small and medium-sized companies. Generally these companies will have a market capitalization of less than \$5 billion at the time the stock is purchased. The fund invests mostly in U.S. companies, but can invest up to 33% of its assets in foreign, developed countries.

Fidelity Advisor Leveraged Company Stock A

– This fund states that it invests at least 80% of assets in stocks issued by both domestic and foreign companies. It will normally invest in companies that issue lower-quality debt and those companies with leveraged capital structures. The fund has been characterized by Morning Star as a "mid-cap blend" of both growth and value stocks.

Columbia Mid Cap Value Z – The fund indicates that it will normally invest at least 80% of its assets in stocks of U.S. companies that are believed to have the potential for long-term growth. The fund's style is described as "Equity Mid Cap Value".

Deleted Funds

Due to concerns primarily related to under-performance, the Deferred Comp Committee also approved a motion to delete the following funds:

Delaware Trend A

Dreyfus Mid-Cap Value

Ariel Appreciation Fund

Participants in these funds will have until October 29, 2007 to transfer amounts from each of the deleted funds to another fund. If no action is taken by a plan participant, assets will be mapped to open funds as follows:

Delaware Trend A to Columbia Acorn Z

Dreyfus Mid-Cap Value to Fidelity Advisor Leveraged Company Stock A

Ariel Appreciation Fund to Ariel Fund

Contact Information:

TC Deferred Compensation Plan
www.co.tulare.ca.us/government/auditor/defercomp/default.asp

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

Stephanie Henry

www.gwrs.com

stephanie.henry@gwrs.com

Phone: 559-967-2280

Fax: 559-622-0407