

SIMPLY PUT

First Quarter 2012

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Get More out of Your Plan: Register for a Seminar or Consultation Today

Stay on top of important Plan changes and enhance your savings knowledge by attending a training opportunity in your area. For a full schedule of events and to register, visit www.modeferredcomp.org. In addition to one-on-one consultations, the seminar topics include:

Target Date Funds — A Smart, Simple Savings Solution

Investing For Retirement — Just the Basics

Retirement Basics

Building Your Portfolio

Am I on the Right Track for Retirement?

457 Plan Roth Contributions — New Opportunities

Benefits of Your Plan

Don't Delay. Start Saving Today!

Getting to Know the Roth 457

New savings option adds flexibility in retirement

The Roth 457 is the Plan's newest savings option that allows you to make after-tax contributions to your deferred compensation account. The advantage of paying taxes on Roth deferrals up front is that you can access those savings (and any investment earnings that have accrued) on a tax-free basis in retirement, provided you meet certain distribution requirements. As a participant in the Plan, you can elect to make both before- and after-tax contributions to your retirement savings account. Because your personal tax situation may change in the future, the Roth 457 gives you the flexibility in retirement to take distributions from the account of your choice.

To change your contribution options, log on to Account Access and navigate to the **Contributions** page under the **Manage My Account** tab. For more information about the Roth 457, including plan comparisons, rollover options and distribution requirements, consult the *457 Plan Roth Deferrals* flier within the **Publications** section of the Plan website. Because Roth deferrals will impact your tax situation, you're encouraged to consult a financial advisor before making changes to your contributions.

THE ROTH 457 GIVES YOU OPTIONS IN RETIREMENT.



A Plan Participant Snapshot

Everyone's saving situation is different, but sometimes a little perspective can go a long way toward enhancing your personal savings situation. The following statistics reflect participant data as of February 29, 2012.

43

Percentage of participants with beneficiaries on file

It only takes a couple of minutes to log on to Account Access and designate a beneficiary for your 401 and 457 plan accounts. Not only is it easy, but it ensures that your retirement benefits will be distributed according to your wishes upon your death, saving your loved ones trouble and time.

\$145

Average contribution amount (per month)

How much do you contribute each month? Track your expenditures for one month to see if you could be cutting costs elsewhere to free up more money for retirement savings. Even if it's \$20 or \$30 extra, a small increase can make a big difference over time.

\$30,414

Average participant account balance

Do you know if you're on track for retirement? Using your account balance, visit the RetirementTrack calculator at www.modeferredcomp.org to see if you should be saving more. The calculator is also available within Account Access on the **Calculators** page beneath the **Planning & Tools** tab.

49

Percentage of eligible employees currently contributing to the Plan

If you're contributing to a deferred compensation plan, you know how important a supplemental income source can be in retirement. But are your coworkers or friends who are eligible to contribute taking advantage of this benefit? Be a savings advocate and encourage those around you to prepare for their future — your words could go a long way toward persuading others to start saving.



MOSERS Investment Portfolio Option Debuts in July

Starting on July 1, 2012, the Plan will add the MOSERS Investment Portfolio (MIP) fund to its core lineup. The MIP fund will be a monthly valued investment option that will offer Plan participants the opportunity to purchase units of the MOSERS investment portfolio. Visit the Plan website in the coming months for more information about this offering, including a detailed fund disclosure.



CALENDAR

The New York Stock Exchange is closed:

- Good Friday:
April 6, 2012
- Memorial Day:
May 28, 2012

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777 North Capitol Street, NE
Washington, DC 20002-4240
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Replacing Income in Retirement: Making Your Savings Last

Saving extra money for retirement requires discipline and hard work, but managing your assets once you reach retirement might be the biggest challenge of all. The increase in life expectancy, coupled with growing health care costs, highlights the importance of preserving supplemental retirement assets through retirement. Before tapping into your retirement savings, it's crucial that you thoroughly examine your financial situation. How much income will you need to cover health care and other living expenses in retirement? What percentage of those costs will your pension cover? How much will Social Security help, if and when you choose to receive it? Remember, you aren't required to withdraw your deferred compensation assets from the Plan immediately after retirement. In fact, the IRS doesn't require you to take distributions from your account until the April following the year you turn 70½.

If you do begin withdrawing money from your account, keep in mind that your supplemental retirement savings are designed to replace any income that your monthly pension or Social Security benefits do not cover. Conveniently, the Plan allows monthly installments that cater to this strategy. While each participant's situation is different, the unpredictability of retirement — how long you will live or the rising costs of health care — will require you to carefully manage the assets you worked so hard to accumulate. The example below is a sample income replacement strategy in action.



Retirement Income Replacement Example

Most experts predict retirees will need at least 80% of their pre-retirement income to live comfortably in retirement. The following example illustrates a possible income replacement strategy based on a monthly pre-retirement income of \$3,200. In this situation, the participant would need an additional \$640 of monthly supplemental income (from outside income sources like a deferred compensation plan) to reach the 80% income replacement level.

Before Retirement

Monthly total income* \$3,200

After Retirement

Monthly retirement income goal (80% of pre-retirement pay) \$2,560

Average monthly pension and Social Security benefit for a state of Missouri retiree** -\$1,920

Amount of monthly supplemental income (from deferred compensation or other income sources) required to reach an 80% replacement level.* \$640**

* The amounts used in the example are for illustrative purposes only. They do not represent an actual participant or a promise of compensation or benefits.

** Estimated replacement percentage of 60% of pre-retirement pay, given average years of service and approximate combined pension and Social Security benefit for a state of Missouri retiree.

*** A participant's life expectancy and plan balance will heavily dictate income replacement strategies in retirement.

The content of this publication is general information regarding your retirement benefits. It is not intended to provide you with or substitute for specific legal, tax, or investment advice. You may want to consult with your legal, tax, or investment adviser to review your own personal situation. Some of the products, services, or funds detailed in this publication may not be available in your plan. This document contains information obtained from outside sources and it references external websites. While we believe this information to be reliable, we cannot guarantee its complete accuracy. In addition, rules and laws can change frequently.