

SIMPLY PUT

Third Quarter 2012

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National Save for Retirement Week • October 21–27, 2012

Destination Retirement



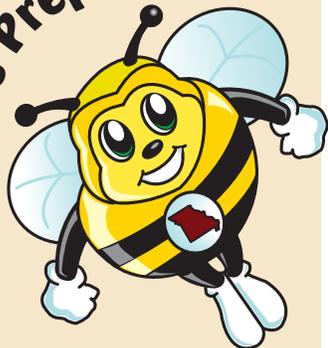
National Save for Retirement Week is an annual event encouraging employees to take advantage of their employer-sponsored savings plan. As a participant in the State of Missouri Deferred Compensation Plan, it presents a great opportunity to reevaluate your current savings strategy and make changes that can improve your retirement outlook. It's also the perfect time to gain a better understanding of your total retirement income picture, which could include a future pension benefit and social security to go along with your assets in the deferred compensation plan.

Understanding the role and value of these major sources of retirement income will go a long way toward helping you make better savings decisions. A great place to start is the Plan's RetirementTrack calculator. This interactive tool, found at www.modeferredcomp.org, uses your personal information to develop a retirement forecast that takes into consideration your pension, social security, contributions to the deferred compensation plan and other assets. The end result is a retirement income calculation that will help you understand how each benefit works together and what changes you can make to your deferred compensation contributions to enhance your retirement security.

Consider these changes to improve your journey toward retirement:

- **Change your contributions from a flat dollar amount to a percentage of pay.** Percentage-based contributions allow your deferral amounts to increase with your pay (see the chart on the reverse side of this newsletter for a real-world example).
- **Consolidate retirement accounts from previous employers.** Not only does the deferred compensation plan allow rollovers from most other retirement savings account types, but consolidating your assets simplifies your savings situation and allows you to take advantage of the low-cost investment options available in the Plan.
- **Take advantage of the Roth 457 savings option.** This option allows you to make after-tax contributions to your deferred compensation account. Having pre-tax and Roth assets available in retirement gives you more flexibility to withdraw from the source that works best for your tax situation at the time of your distribution. You can log on to Account Access at www.modeferredcomp.org to adjust your contributions to Roth, pre-tax or a little bit of both.

Bee Prepared.



As part of the National Save for Retirement Week celebration, the Plan will be conducting a saving and retirement survey. The survey will be transmitted via email to active participants the week of October 22 and will be available to complete and submit online. Please take a few moments to give us your feedback so that we can improve our communication and education efforts.



CALENDAR

The New York Stock Exchange is closed:

Thursday, November 22, 2012

Tuesday, December 25, 2012

Tuesday, January 1, 2013

Monday, January 21, 2013

New Fee Disclosure Outlines Plan Costs

In late October, the Plan will introduce the Annual Participant Fee Disclosure on the Plan website at www.modeferredcomp.org. This document will include important information about the administrative fees associated with the State of Missouri Deferred Compensation Plan and compare the expenses and fees of the investment options available within the Plan. Please take a moment to read over this important information. This disclosure will be available year-round at www.modeferredcomp.org, but you may also request a paper copy by contacting a Participant Service Representative at 800-392-0925.

For important news, savings tips and more:

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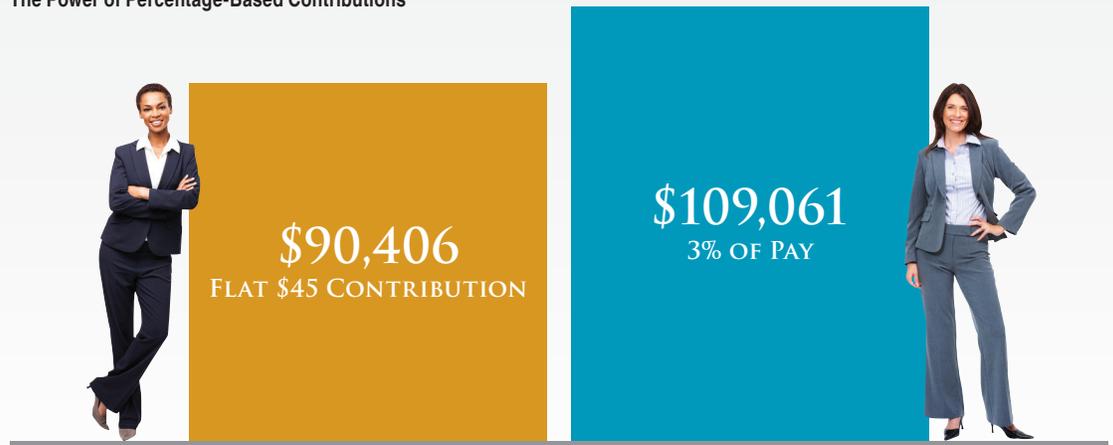
Flat vs. Percentage-Based Contributions

Percentage-based contributions allow your deferral amounts to increase with your salary, ensuring that your retirement account can grow with your career. You can personally change your contribution type by logging on to Account Access at www.modeferredcomp.org and navigating to the **Contributions** page under the **Manage My Account** tab. The example below illustrates the power of percentage-based contributions over the course of a career.

Sarah and Pam are in the early stages of their careers and have decided to start contributing to the deferred compensation plan. Both have an annual salary of \$35,000 and want to contribute about \$45 per semimonthly pay period. Sarah chooses to contribute a flat \$45 each semimonthly pay check, while Pam chooses to contribute 3% of her pay (which equates to \$43.75 each semimonthly pay period). Assuming that Sarah and Pam's salaries increase at the same 2% rate over 30 years following their first contribution, and even though her starting contribution is lower, Pam would accumulate more in retirement savings because she chose a percentage-based contribution.

Thirty Years of Savings

The Power of Percentage-Based Contributions



**This chart is for illustrative purposes only and does not reflect actual participants in the deferred compensation plan. This example assumes a 6% annual rate of return and a 2% annual salary increase over 30 years.*

Transition Assistance

Take the guesswork out of the retirement process with the Plan's transition materials.

Retirement is a remarkable accomplishment, but before you work your last day you will be faced with many important decisions that could impact your finances for years to come. Whether you're five years away from retirement, or only a few months, the Plan has two transition documents that can help you make informed retirement decisions.

The *Transitioning into Retirement Checklist* highlights important action items you should consider as you begin the planning process. It includes step-by-step instructions on topics like your pension, social security, deferred compensation, life, medical and long-term care insurance, and other important financial planning information. With the checklist format, you can easily track your progress along the way.

The *Key Points for Retirement Planning* flyer focuses on specific decisions related to your account with the State of Missouri Deferred Compensation Plan, most notably how you can keep your money in the Plan when you retire. You can also learn more about rolling your BackDROP or contributing your accrued leave to the Plan, plus information about the financial planning services available to you as a participant.

Whatever your situation, making sure your finances are in order is an important step in the retirement planning process. You can find these and other important documents at www.modeferredcomp.org, on the **Plan Publications** page under the **Publications** tab.

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.