

July 2010

GREAT NEWS FROM TEXA\$AVER!

Board Approves Lower Fees

The ERS Board of Trustees has approved a revised fee structure for Texa\$aver 401(k) and 457(b) Program participants. ERS has reduced the Program fees for participants with monthly account balances of more than \$1,000, effective September 1, 2010.

Effective September 1, 2010

Account Balance	Monthly Fee per Participant per Account	Annualized Fee per Participant per Account
\$10.00 or less	no fees	no fees
\$10.01 - \$1,000.00	\$1.18	\$14.10
\$1,000.01 - \$16,000.00	\$3.99	\$47.90
\$16,000.01 - \$32,000.00	\$6.32	\$75.89
\$32,000.01 - \$48,000.00	\$9.49	\$113.83
\$48,000.01 - \$64,000.00	\$12.65	\$151.78
\$64,000.01 or more	\$15.81	\$189.72

Monthly fees are rounded to the nearest cent.

KEEPING COSTS LOW

Investment Management Fees

Every investor pays investment management fees. According to a recent study by the Investment Company Institute, the average investor paid 99 basis points, or 0.99 percent, in fees for equity funds in 2009.*

On average, Texa\$aver participants pay 30 basis points, or 0.30 percent, for investment management fees in equity funds—that's 69 basis points, or 0.69 percent, less than the average investor.

* Source: "Trends in the Fees and Expenses of Mutual Funds, 2009," Investment Company Institute study

For more information, go to the "Understanding Fees" information sheet available at www.texasaver.com.

Click on "Resource Center," then scroll down to "Publications."

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FAQ

FREQUENTLY ASKED QUESTIONS

Q: Why are investments so inexpensive through the TexaSaver 401(k) and 457(b) Program?

A: Large plans like the TexaSaver 401(k) and 457(b) plans receive better pricing because they have more participants, which means less money to the fund company and more money in your pocket.

In addition, TexaSaver funds have no front-end sales loads, and with a number of the funds offered, participants get a reimbursement, offsetting some of the already low fees.

In the last newsletter, we let you know that the TexaSaver 401(k) and 457(b) Program was adding the BlackRock Bond Index Fund.¹ As of June 18, 2010, it offered a lower fee than the previous bond index fund.

Q: How can I make the most of the TexaSaver 401(k) and 457(b) Program?

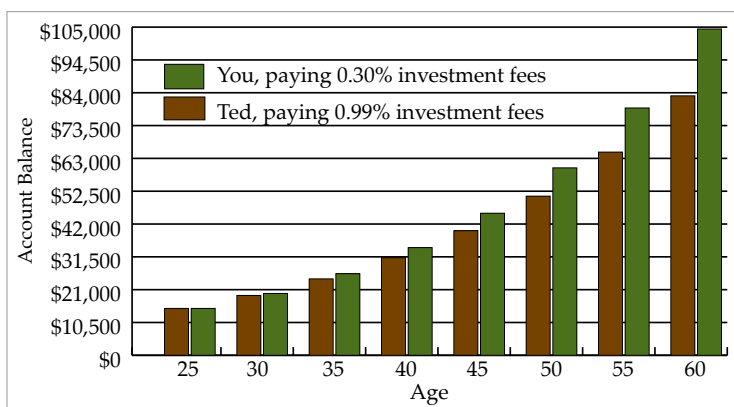
A: If you have a qualifying 401(k), governmental 457(b) or 403(b) through a previous employer, you may be able to roll those dollars into TexaSaver to take advantage of the low fees.

If you left state employment or retired, you may want to check the fees you will pay elsewhere before moving your money.

Q: How do the fees affect my balance?

A: Let's say you have a \$15,000 account balance, and so does your good friend Ted. You're investing through TexaSaver, but Ted is not. He is paying the average fee amount of 0.99 percent.

If you both had the same rate of return—6 percent, for example—here's how your account balances would look just from the difference in fees paid:



FOR ILLUSTRATIVE PURPOSES ONLY. Assumes a starting account balance of \$15,000, reinvestment of earnings, no contributions and no withdrawals, and an annual rate of growth of 6 percent. Rates of return may vary. This hypothetical illustration does not represent the performance of any particular investment options.

Q: Where do I find more information?

A: There is a “Fee Calculator” on the TexaSaver website.² Click on the “Investments” tab and then “Fund Information” to find it.

Q: Can I talk with someone about the TexaSaver Program?

A: Yes! Call (800) 634-5091 or send an e-mail to texasaver@gwrs.com to speak with an Education Counselor.²

¹ The BlackRock US Debt Index Non-Lendable Fund F name has been revised to the BlackRock Bond Index Fund, with permission from the fund manager, for use with the TexaSaver Program. A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

² Access to the voice response system and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

Core securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc.

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