MoneyTalks
Wisconsin Deferred Compensation Program

What Steppingstones Are You Taking to Retirement?

Back by popular demand, joint retirement workshops will again be hosted this spring by the WDC Program. Each workshop includes a presentation by representatives of the WDC, the Department of Employee Trust Funds and the Social Security Administration. These workshops provide a brief overview of your retirement benefit sources.

Attend one of the following free retirement workshops to learn about your steppingstones to a financially secure retirement. The meetings this year are scheduled for 6:00 p.m.–8:00 p.m. as follows:

Tuesday, April 29, 2008

School Cafeteria
Marshall Middle School
25 S. Pontiac Drive
Janesville, WI 53545

Wednesday, April 30, 2008

Performing Arts Center
Lincoln Senior High School
1801 16th Street South
Wisconsin Rapids, WI 54494

Tuesday, May 6, 2008

ECB 103 Auditorium
Chippewa Valley Technical College
620 W. Clairemont Avenue
Eau Claire, WI 54701

Wednesday, May 7, 2008

Performing Arts Center
Superior High School
2600 Catlin Avenue
Superior, WI 54880 ■

In This Issue:

FDIC Insured Bank Option: M&I Bank has declared an annualized interest rate of 4.13% for the first quarter 2008.

Staying Calm in a Turbulent Market

Don't let market volatility rattle your nerves

If you are like some investors, you've been getting nervous about your investments because of recent swings in the stock market. That is not surprising. The good news for you—and your nerves—is that there may be less cause for alarm than you probably thought. What used to be considered volatile may now be more normal.

Because the market has grown so large, with the Dow Jones Industrial Average (Dow) fluctuating at or above 10,000, a 100-point swing is a much smaller percentage of the overall market than it was when the Dow hovered below 3,000.

Try not to let short-term market swings deter you from your long-term investing strategy. Because no one can predict how the market will perform next year or even next week, consider keeping your savings invested—and try to avoid making emotion-driven changes to your strategy. ■

Are Your Savings Habits Putting You in a Hole?

It's human nature to focus on immediate needs rather than long-term goals. But human nature may not be your best guide when it comes to retirement planning. According to a recent survey, approximately half of respondents between the ages of 35 and 44 have less than $25,000 set aside for retirement. One-third of respondents 45 and older fell into the same category. Even more frightening, 25% of all respondents said they have absolutely no savings of any kind.[1]

By saving too little for retirement—or not saving at all—people can dig themselves a hole that will be difficult to escape. If you are one of these people, you might want to remember what's commonly known as the "First Rule of Holes": When you find yourself in one, stop digging. One of the best ways to stop digging is to increase your contributions to your WDC account. Here are four reasons why:

1. **With the WDC, you pay yourself first.**
   Your contributions to your WDC account come directly from your paycheck. That means you can make saving for your retirement a priority.
2. **Smart investing can outpace inflation.**
   If you're putting your money in a low-yield option like a savings account, you may be earning less than the rate of inflation. The WDC has a wide choice of investment options that can help you build a portfolio designed to outperform inflation, which may help you add even more to your retirement nest egg.
3. **The WDC offers the potential for tax-deferred compounded growth.**
   The money you contribute to your WDC account comes out of your pre-tax income. By participating, you can actually lower the amount of income taxes you pay each pay period. Also, the money you contribute can stay in your account and continue to generate more earnings on a tax-deferred basis—a phenomenon known as "compound growth." You only pay taxes when you make a withdrawal, which for most people is when they've retired and are in a lower tax bracket than when they originally earned the money.
4. **You can make up for lost time with catch-up contributions.**
   The IRS limits the amount you can contribute to your WDC account to $15,500 annually. However, if you're 50 or older, you can contribute another $5,000 annually to your account. If you're within three years of standard retirement age (which is 65 years old, in most cases) and haven't contributed the maximum amount in previous years, you may be eligible to contribute as much as $15,500 more! Check with a WDC representative for more information.

The good news: It's never too late to start saving more for your future. By increasing your contributions to the WDC today, you can get yourself out of your savings hole and start building the savings momentum you need for a more comfortable retirement. ■

1 Survey by the Employee Benefit Research Institute and Mathew Greenwald & Associates, cited in "Have Less than $25K in Savings? Get in Line," April 11, 2007, CNNMoney.com, http://money.cnn.com/2007/04/10/pf/retirement/ebri_survey_2007/index.htm.

Going Green

GREEN IS TWICE AS NICE! You're already saving the green by investing in the WDC Program, but did you know that you can also receive your quarterly statements and newsletters electronically? Visit the WDC Web site today to sign up for Online File Cabinet®. It's fast and easy. Plus, Great-West Retirement Services® will donate $1 to the National Arbor Day Foundation (www.arborday.org[2]) for every person who signs up during 2008. Working together to preserve your financial future and our national forests—now that's savvy investing.

Personal Choice Retirement Account® (PCRA) Webcast

Learn the basics before starting a PCRA

The WDC has a self-directed brokerage option, the PCRA, offered through Charles Schwab. A PCRA offers participants the opportunity to invest in funds not available through the WDC. Before enrolling in the PCRA, consider watching our online presentation to get acquainted with the features and benefits of this program. You will find the presentation on the WDC Web site, **www.wdc457.org**.

Life Stage: Keeping up with Your Allocation

Seek growth while moving toward retirement

Enrolling in the WDC is the first step toward retirement, but once you are enrolled, how should you invest? The way you allocate your contributions among the major asset classes—stock funds, bond funds and cash equivalents—is one of the most important factors in determining your long-term investment return goals.

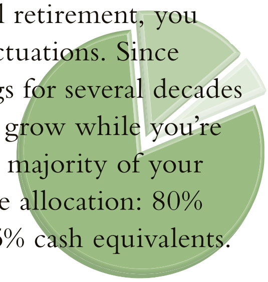
Why it matters

An allocation that's too cautious could leave you with insufficient funds to last through a long retirement. And an allocation that's too aggressive could lead to losses at precisely the moment you want access to your money. Stock funds, for example, have historically produced the biggest gains over the long term, but a stock fund's value will tend to experience more short-term fluctuations than a bond fund. There is no single asset allocation that's right for every investor; yours should have enough growth potential to sustain you through your years of retirement, but shouldn't be so risky that it causes sleepless nights.

To create an asset allocation strategy that is appropriate for your situation, you'll want to consider several factors, including your various financial goals, when you'll need the money, and your tolerance for risk. Then, consider these age-based guidelines:

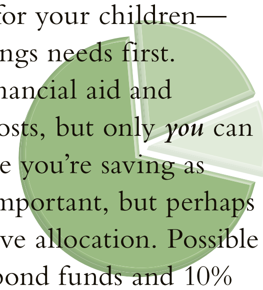
In Your 30s

Because you have many years until retirement, you may be able to tolerate market fluctuations. Since you're likely to rely on your savings for several decades in retirement, you'll need them to grow while you're working—so consider keeping the majority of your investments in stock funds. Possible allocation: 80% stock funds, 15% bond funds and 5% cash equivalents.



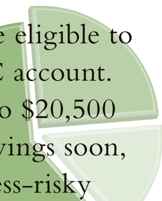
In Your 40s

You may now have additional financial responsibilities—like saving college tuition money for your children—but try to put your retirement savings needs first. Remember that there are loans, financial aid and scholarships to help with college costs, but only *you* can finance your retirement. Make sure you're saving as much as you can. Growth is still important, but perhaps consider a slightly more conservative allocation. Possible allocation: 70% stock funds, 20% bond funds and 10% cash equivalents.



In Your 50s

Retirement is approaching, and you may be eligible to make catch-up contributions to your WDC account. That means you could potentially save up to $20,500 in 2008. You'll begin withdrawing your savings soon, so consider shifting the allocation toward less-risky investments. But remember, you are likely to be retired for several decades, so your portfolio will still need to have some growth potential. Be sure to keep stock funds in your profile. Possible allocation: 60% stock funds, 25% bond funds and 15% cash equivalents.



No matter where you are on the path to retirement, try to save as much as you can through the WDC. Be sure to review your investments annually to make sure they're on track to sustain you through decades of retirement. Your portfolio may gradually become more conservative as you age, but remember that long-term growth is essential. Steady saving, tax-deferred compounding and prudent asset allocation can help increase and maintain your nest egg.

For illustrative purposes only. Intended to illustrate possible investment portfolio allocations that represent an investment strategy based on risk and return. This is not intended as financial planning or investment advice.

2 Great-West Retirement Services is not responsible for and does not endorse the content contained in the additional Web sites provided. These Web sites are for general education and information only and are provided as a benefit to the users of the sites.

Stable Value Fund Transfer Restriction

Before making a transfer from the Stable Value Fund, please note that transfers from the fund to any competing investment options require a 90-day equity wash. An equity wash is a period in which assets must first be transferred to a non-competing investment option before assets can be transferred to the competing investment options. The following are competing investment options: Vanguard Admiral Treasury Money Market Fund, FDIC Bank Option and Federated U.S. Government Securities Fund. Assets cannot be moved from the Stable Value Fund to these competing options unless they have been transferred to a non-competing investment option for at least 90 days.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in the fund.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses and disclosure documents from your registered WDC representative. Prospectuses can also be obtained online at www.wdc457.org under the Investment Options tab. For a self-directed brokerage account prospectus, contact Charles Schwab at (888) 393-7272. Read prospectuses carefully before investing.

Important WDC Program Information

Phone Number:

(877) 457-WDCP (9327)

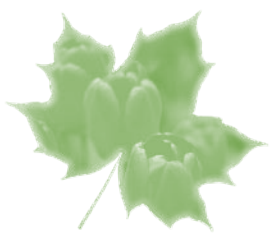
Call Center Hours:

7:00 a.m. – 7:00 p.m.

Monday – Friday

WDC Program Web Site:

www.wdc457.org



WDC Program E-mail:

WDC.MadisonOffice@gwrs.com

WDC Program Office Address:

5325 Wall Street, Suite 2755

Madison, WI 53718

WDC Program Office Hours:

8:00 a.m. – 4:30 p.m.

Monday – Friday

Please note: This newsletter does not constitute investment or financial advice.
Access to the voice response system and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.
Securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.
Securities available through the self-directed brokerage account are offered by Charles Schwab. Additional information can be obtained by calling Charles Schwab at (888) 393-7272. Charles Schwab and Great-West Life & Annuity Insurance Company are separate and unaffiliated companies. Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates.
 Form# CB1080N (4/08) PT58155