Winter 2012

State of Indiana

457/401(a) RETIREMENT PLANS

HOOSIER S.T.A.R.T.®

FEE HOLIDAY REMINDER

There is still time to qualify for the first quarter 2013 fee holiday! In order to qualify, you can do one of the following:

- Change your contribution from a dollar amount to a percentage amount
- Sign up for electronic statement delivery on the website
- Schedule an appointment with a local Hoosier S.T.A.R.T. representative to learn how much you'll need to meet your retirement goals[1]
- Sign up for Reality Investing® Advisory Services—Online Investment Guidance, Online Investment Advice or the Managed Account option (additional fees may apply)
- Increase your contribution
- Roll over funds from another retirement plan

If you take one of the above actions by February 28, 2013, your administrative fees will be waived for the first quarter of 2013.

There is no guarantee that participation in Reality Investing Advisory Services will result in a profit or that your account will outperform a self-managed portfolio. ■

Maximize Your Contributions

For 2013, the limit that employees under age 50 can contribute to a workplace retirement plan has been increased to $17,500 from $17,000 in 2012. Employees age 50 or older are generally allowed an additional "catch-up" contribution of $5,500 unless their employer's participation agreement mandates otherwise. *Remember:* Employers may set different limits, so check with your employer to learn the amount you're permitted to contribute.

Give It a Boost

The Hoosier S.T.A.R.T. Plan allows you to save both before- and after-tax dollars. Strive to take full advantage of this benefit by increasing contributions each year. **Your ultimate goal:** Save to the max. ■

Six Steps for the New Year

New Year's resolutions are made with the future in mind, so why not make one that focuses on saving for a comfortable retirement? The steps you take now can help determine how successful you'll likely be at meeting your savings goals. Try the following action steps.

1 ***How much will you need?***
Determine how much money you'll need in retirement. Generally, most financial planning experts recommend anticipating replacing 70% of your pre-retirement earnings to comfortably maintain your pre-retirement standard of living—sometimes more depending on your healthcare needs.[2] You can use some of the online tools available on the website to help you determine this amount.

2 ***Where are you now, and where do you want to be?***
Assess where you are now in terms of how much you've already saved and consider increasing your deferral amount. The more money you invest, the greater your opportunity to potentially grow your savings.

3 ***Consider your asset allocation.***
Review your asset allocation[3] to make sure it is still in line with your retirement goals and time horizon.

4 ***Be aware of contribution limits.***
Keep up with contribution limits. For 401(k), 403(b) and 457 plans, the maximum contribution for 2013 is $17,500, except for people age 50 and older, who can contribute up to $23,000.[4] Log in to your account or contact your Hoosier S.T.A.R.T. representatives if you want to increase your contribution.

5 ***Stay informed.***
Read information provided by the Plan to stay up-to-date on recent Plan enhancements. The Hoosier S.T.A.R.T. Plan website offers a wealth of valuable information and planning tools. Ask your Hoosier S.T.A.R.T. representatives about anything you don't understand. They're here to help.

6 ***Make sure your beneficiaries are up-to-date.***
Review your beneficiary elections. In most cases, it's your plan beneficiary form and not your will that determines who inherits your retirement account savings. Does the information on file listing your primary and secondary beneficiaries reflect your current intentions, which may have changed due to marriage, divorce, childbirth or adoption, or the death of a beneficiary? Rules for beneficiaries sometimes change, too. It is a good idea to consult with an estate planning advisor periodically. ■

Auditor's Corner

The Hoosier S.T.A.R.T. Plan recently filmed a testimonial video throughout the State that features actual Plan participants talking about how the Hoosier S.T.A.R.T. Plan has helped them with achieving their retirement goals. This was an exciting project that involved several days of filming in various locations. The video debuted in September, and is now available for viewing on the Hoosier S.T.A.R.T. Plan website. Take a look and see what your colleagues have to say about the Hoosier S.T.A.R.T. Plan! ■

The Hoosier S.T.A.R.T. Plan would like to thank all of its participants for a great 2012, and we look forward to an even better 2013!

1 Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.
2 Source: https://www.socialsecurity.gov/planners/morecalculators.htm, 2012
3 Asset allocation does not ensure a profit and does not protect against loss in declining markets.
4 Source: irs.gov, 2012