

*State of Alaska  
Supplemental Annuity Plan  
Deferred Compensation Plan*

**FINANCIAL FOOTNOTES**

WINTER 2009

A retirement planning newsletter brought to you by Great-West Retirement Services® and Alaska Division of Retirement and Benefits

**In This Issue**

State of Alaska  
DRB Investment  
Option Changes

Consolidated  
SBS-AP/  
Deferred  
Compensation  
Statements

Making Changes  
to Your Account

Investment  
Option  
Information  
Online

Suspension  
of Required  
Minimum  
Distributions  
for 2009

## State of Alaska DRB Investment Option Changes

The Division of Retirement and Benefits, along with T. Rowe Price, is announcing an expansion to the investment option lineup in the Supplemental Annuity and Deferred Compensation plans, as well as changes to existing investment options.

### Expanded Alaska Target Retirement Date Options

Effective April 1, 2009, the Alaska Target Retirement Date options will be available to participants across all Defined Contribution Plans managed by the Division of Retirement and Benefits. The available Target Retirement Date options will be:

Name Effective April 1, 2009	Impact on SBS-AP	Impact on Deferred Compensation
Alaska Target 2010 Fund <sup>1</sup>	No Change	Not Available
Alaska Target Retirement 2010 Trust	New Option	New Option
Alaska Target Retirement 2015 Trust	Previously Alaska Target 2015 Fund <sup>2</sup>	New Option
Alaska Target Retirement 2020 Trust	Previously Alaska Target 2020 Fund <sup>2</sup>	New Option
Alaska Target Retirement 2025 Trust	No Change	New Option
Alaska Target Retirement 2030 Trust	New Option	New Option
Alaska Target Retirement 2035 Trust	New Option	New Option
Alaska Target Retirement 2040 Trust	New Option	New Option

<sup>1</sup> Since the Alaska 2010 Target Fund is maturing soon, it will not be changed; it will become fully invested in money market securities upon reaching its target date. A new Alaska Target Retirement 2010 Trust will be added alongside it for those participants who would like a 2010 target date fund that manages the asset allocation through retirement.

<sup>2</sup> To accommodate the availability of the Target Retirement Date options across all Defined Contribution Plans managed by the Division of Retirement and Benefits, the Alaska Target 2015 and 2020 Funds will be converted to a common trust fund structure already being used by several options currently offered to SBS-AP participants. T. Rowe Price Trust Company will be trustee of the Trusts and State Street Bank and Trust will remain custodian of the assets. Conversion to the Trusts should occur in the first quarter of calendar year 2009.

*Continued on page 2*

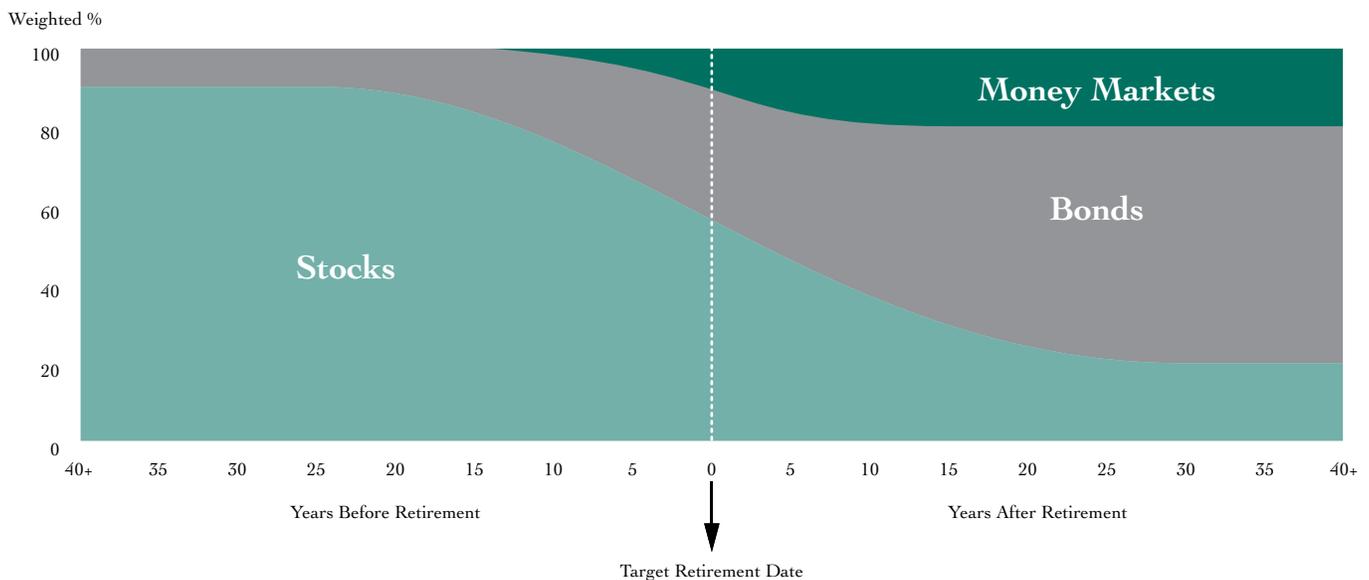


(continued from page 1)

### Alaska Target Retirement Date Asset Allocation

The Alaska Target Retirement Date Trusts gradually invest more conservatively with decreasing exposure to stocks and increasing exposure to bonds and money markets as the target date approaches. Currently, some of the Target Retirement Date options in the SBS-AP Plan become invested entirely in money markets upon reaching the target date.

Since research indicates that one of the biggest risks to plan participants is outliving their assets, it is important for many participants to have some exposure to stocks throughout their retirement in order to help maintain purchasing power. Beginning in April 2009, however, the Alaska Target Retirement Date Trusts for all plans will manage the asset allocation between stocks, bonds and money markets through the target dates as illustrated in the following chart.

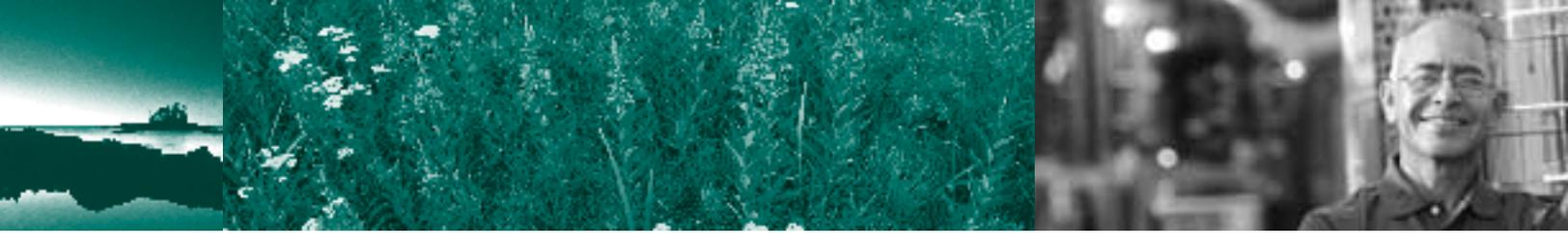


### Deferred Compensation Plan to Add the Alaska Balanced Trust

In addition, beginning April 1, 2009, participants in the Deferred Compensation Plan will be able to invest in the Alaska Balanced Trust. The trust's objective is to provide long-term capital appreciation, current income and preservation of capital for long-term investors with low to moderate risk tolerance. The trust invests in four underlying common trust funds, each representing a specific asset class: money markets, bonds, U.S. stocks and non-U.S. stocks. Each trust is managed by T. Rowe Price.

Asset Class	Asset Allocation as of September 30, 2008	Asset Allocation Range
Money Markets	2.0%	0%-7%
Bonds	63.0%	55%-71%
Stocks (U.S. and non-U.S.)	35.0%	29%-46%

*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 \$1.00 per share, it is possible to lose money by investing in the Fund.*



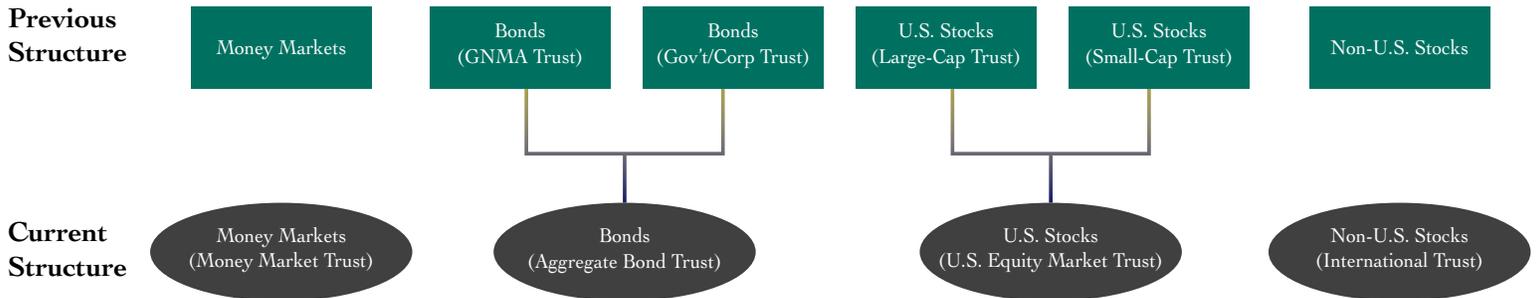
## Allocation Change for Alaska Balanced and Long-Term Balanced Trusts

Currently, the Alaska Balanced and Long-Term Balanced Trusts are managed to have a small exposure (generally under 5%) to established international companies (non-U.S. stocks). Starting in April, these trusts will gradually increase their exposure to established international companies and decrease their exposure to large and small U.S. companies (U.S. stocks). International markets have grown and matured over the years and can help offer investors diversification and long-term return potential.<sup>3</sup> For the Alaska Balanced Trust, the general allocations will reach 7% non-U.S. stocks and 28% U.S. stocks (versus 2% and 33%, respectively, currently). For the Alaska Long-Term Balanced Trust, the general allocations will reach 12% non-U.S. stocks and 48% U.S. stocks (versus 4% and 56%, respectively, currently).

<sup>3</sup> Diversification of an investment portfolio does not assure a profit and does not protect against loss in declining markets.

## Alaska Target Retirement Date and Alaska Balanced Trusts to Invest More Efficiently

The funds and trusts were previously managed to achieve their investment objectives by investing in six underlying common trust funds, each representing a specific asset class: large U.S. companies, small U.S. companies, established international companies, investment-grade U.S. bonds, federally guaranteed mortgages and money market instruments. Access to these same six market sectors is now more cost-efficiently achieved through investment in four underlying trusts, as shown below.



### You do not need to take any action related to these changes

However, if you do wish to make investment option changes to your account (including if you are an SBS-AP participant in the Alaska Target 2010 Fund and wish to change to the new Alaska Target Retirement 2010 Trust), please refer to the *Making Changes to Your Account* section on page 4. For further information, please refer to the December 31, 2008, Investment Option Detail Sheets available in mid-February at [www.state.ak.us/drj](http://www.state.ak.us/drj). Under *Programs*, click on *Supplemental Annuity Plan* or *Deferred Compensation Plan*.<sup>4</sup>

*Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses for the Brandes Institutional International Fund and the State Street Institutional Treasury Money Market Fund or disclosure documents for the other investment options from [www.akdrb.com](http://www.akdrb.com) or from a Great-West Retirement Services® registered representative. Read them carefully before investing.*

## Consolidated Statements Make Tracking Your Account Easier

Members participating in both the Supplemental Annuity Plan and Deferred Compensation Plan will now be able to monitor their accounts on one easy-to-read statement. Beginning with this statement period (October 1 through December 31, 2008), you will find account information for both plans combined into one easy-to-read statement. Look for the enclosed *How to Read* flier for a guide to your new statement.



## Making Changes to Your Account

### Website Instructions

To make changes online, access the Website at [www.akdrb.com](http://www.akdrb.com).<sup>4</sup>

Enter your Personal Identification Number (PIN) and Username to access your account and make changes.<sup>5</sup> Select the Plan that you wish to make changes to, then click *Change* from the left menu. Click on *Future Contributions Allocation* to redirect your ongoing contributions. You may also click on *Account Balance Allocation—Fund to Fund Transfer* to transfer money among investment options.<sup>4</sup>

**Note that a separate change request must be made for each Plan.** Click on the *Change Plan box* on the upper-left side of the screen to select another Plan.

### KeyTalk® Instructions

Call KeyTalk at 1-800-232-0859.<sup>4</sup> You will be prompted to enter your Social Security number and PIN.<sup>5</sup> If you have misplaced or forgotten your PIN, stay on the line to order a new PIN. Select the Plan that you wish to make changes to and then press “3” to access the Change Your Account menu.

Press “1” to redirect your ongoing contributions to one or more of the existing options. You may also press “3” to transfer money among investment options.<sup>4</sup> **Note that a separate change request will need to be made for each Plan.**

## Investment Option Information Now Online

Monthly investment option performance reports and quarterly detail sheets are now available online, 24 hours a day, seven days a week at [www.akdrb.com](http://www.akdrb.com).<sup>4</sup> Just log in to your account and click on the *Investments* tab located at the top of the page.

## Suspension of Required Minimum Distributions for 2009

On December 10 and 11, both the U.S. House and Senate passed H.R. 7327, the “Worker, Retiree, and Employer Recovery Act of 2008.” The Act includes a relief measure that waives the requirement for taxpayers age 70½ and older to take a Required Minimum Distribution (RMD) for 2009. However, 2008 RMDs required to be taken by April 1, 2009, must still be paid. For more information, please contact the Division of Retirement and Benefits, Supplemental Annuity Plan Section.

**Annual Financial Statements for the Alaska Supplemental Annuity and Alaska Deferred Compensation Plans are now available at [www.state.ak.us/drbb](http://www.state.ak.us/drbb).<sup>6</sup>**



### Contacts/Account Maintenance

Alaska Division of Retirement and Benefits	1-800-821-2251
From Juneau	1-907-465-1600
Website	<a href="http://www.state.ak.us/drbb">www.state.ak.us/drbb</a>
Account information online	<a href="http://www.akdrb.com">www.akdrb.com</a> <sup>4</sup>
KeyTalk®—account inquiries and maintenance	1-800-232-0859 <sup>4</sup>

<sup>4</sup> Access to KeyTalk and the Website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Website or KeyTalk received on business days prior to close of the New York Stock Exchange (12:00 p.m. Alaska Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

<sup>5</sup> The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

<sup>6</sup> This Website is provided by Alaska Division of Retirement and Benefits as a benefit to the users of the site. Great-West Retirement Services is not responsible for and does not endorse the content contained in the additional Website provided.

Please note: This newsletter does not constitute investment or financial planning advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

**Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.**

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates.

Great-West Retirement Services® and KeyTalk® are service marks of Great-West Life & Annuity Insurance Company. Not intended for use in New York.

©2009 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1027N-SBS (01/2009)

PT75955