

# State of Alaska PERS/TRS Defined Contribution Retirement Plan

## FINANCIAL FOOTNOTES

WINTER 2009

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

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## State of Alaska DRB Fund Changes: PERS/TRS

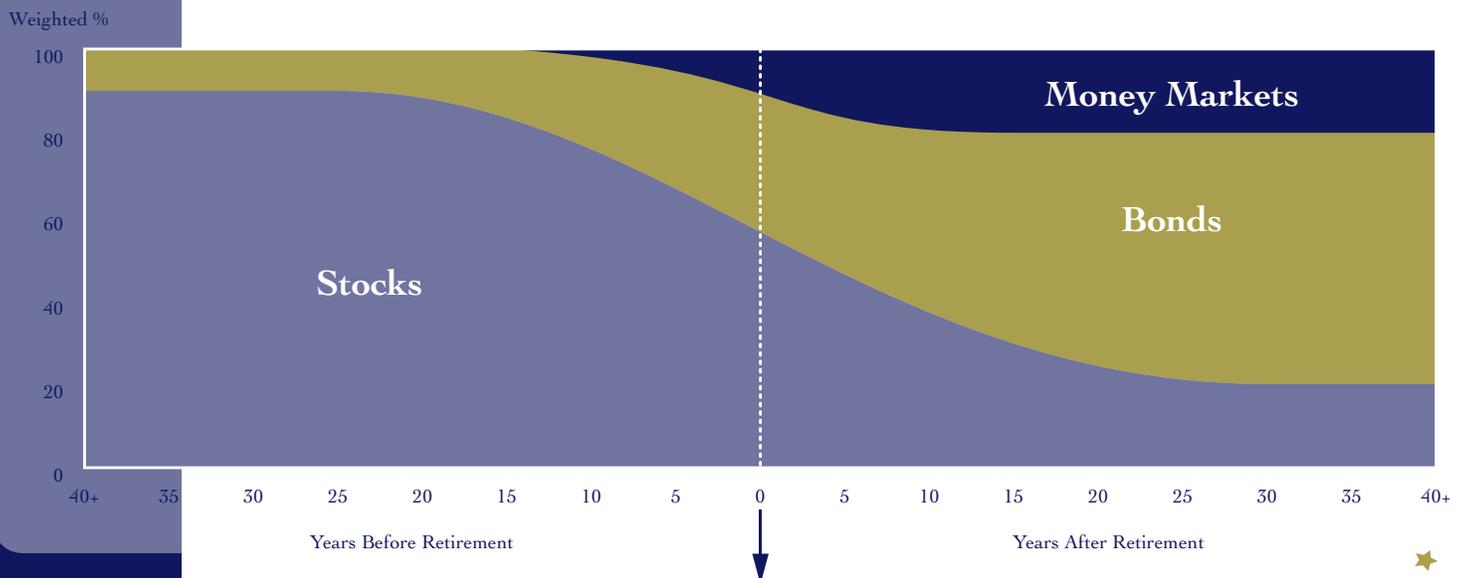
The Division of Retirement and Benefits, along with T. Rowe Price, is announcing a number of changes to the Alaska Balanced Trusts, the Alaska Target 2025 Trust, and the target date offerings available under the Alaska Defined Contribution Retirement (DCR) Plan.

### Asset Allocation Changes to the Alaska Target 2025 Trust and Expansion of Target Date Offerings

As the target date approaches, the Alaska Target 2025 Trust gradually invests more conservatively with decreasing exposure to stocks and increasing exposure to bonds and money markets. Currently, the trust would become invested approximately 65% in bonds and money markets and 35% in stocks upon reaching the target date of 2025.

Since research indicates that one of the biggest risks to plan participants is outliving their assets, it is important for many participants to have greater exposure to stocks throughout their retirement in order to help maintain purchasing power.

Beginning in April 2009, the Alaska Target 2025 Trust, as well as an entire series of Alaska Target Retirement Date Trusts, will manage the asset allocation between stocks, bonds and money markets through the target dates as illustrated in the following chart.



Continued on page 2



Retire ... In the Spirit of Alaska



### Choose an Alaska Target Retirement Date Trust

As a result of this change, the Alaska Target 2025 Trust will be renamed and a full series of options will be offered. Simply pick the trust with the target date that most closely matches the year in which you will retire. Effective April 1, 2009, the available target date options will be:

Name Effective April 1, 2009	Previous Trust Name
Alaska Target Retirement 2010 Trust	New Option
Alaska Target Retirement 2015 Trust	New Option
Alaska Target Retirement 2020 Trust	New Option
Alaska Target Retirement 2025 Trust	Alaska Target 2025 Trust
Alaska Target Retirement 2030 Trust	New Option
Alaska Target Retirement 2035 Trust	New Option
Alaska Target Retirement 2040 Trust	New Option

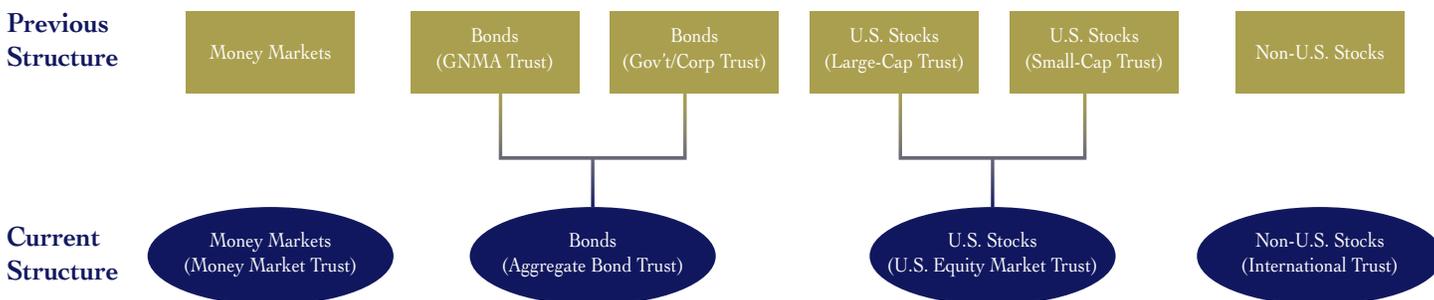


You do not need to take any action related to these changes. However, if you do wish to make investment option changes to your account (including if you are in the Alaska Target 2025 Trust and do not wish to move to the new Alaska Target Retirement 2025 Trust), please refer to the *Making Changes to Your Account* section of this newsletter.

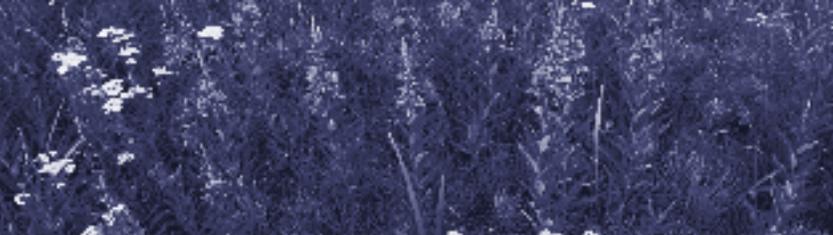
For further information, please refer to the December 31, 2008 Investment Option Detail Sheets available in mid-February at [www.state.ak.us/drdb](http://www.state.ak.us/drdb). Under *Programs*, click on *Defined Contribution Retirement Plan*.<sup>2</sup>

### Additional Changes to the Alaska Target 2025 Trust and Alaska Balanced Trusts

The 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 four underlying trusts, as shown below.



*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.*



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>1</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).

*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.*

<sup>1</sup> Diversification of an investment portfolio does not assure a profit and does not protect against loss in declining markets.

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## Making Changes to Your Account

### Website Instructions

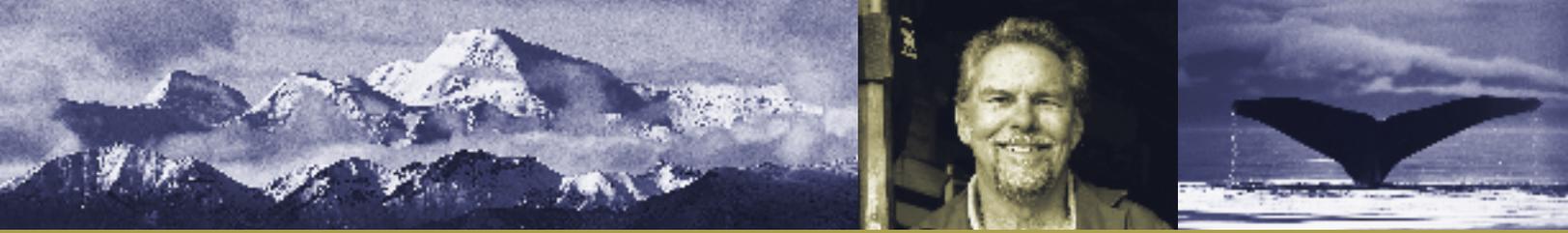
- To make changes online, access the Website at [www.state.ak.us/drbb](http://www.state.ak.us/drbb).<sup>2</sup>
- Under *Programs*, click on *Defined Contribution Retirement Plan*.
- Click on *Account Information Online*. You will need your Personal Identification Number (PIN) and Username to access your account and make changes.<sup>3</sup>
- Click on *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>2</sup>

### KeyTalk® Instructions

- Call KeyTalk at 1-800-232-0859.<sup>2</sup> You will be prompted to enter your Social Security number and PIN.<sup>3</sup> If you have misplaced or forgotten your PIN, stay on the line to order a new PIN.
- 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>2</sup>

<sup>2</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>3</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.



## 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>2</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.

	<i>Contacts/Account Maintenance</i>	
	Alaska Division of Retirement and Benefits	1-800-821-2251
	From Juneau	1-907-465-5700
	Website	<a href="http://www.state.ak.us/drb">www.state.ak.us/drb</a>
	Account information online	<a href="http://www.akdrb.com">www.akdrb.com</a> <sup>2</sup>
KeyTalk® – account inquiries and maintenance	1-800-232-0859 <sup>1</sup>	

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.

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