



State of Indiana

457/401(a) RETIREMENT PLANS

HOOSIER S.T.A.R.T.®

It's that time of year again... THE ANNUAL HOOSIER S.T.A.R.T. **FEE HOLIDAY** ENABLES YOUR PLAN TO WORK HARDER FOR YOU.

AS A REWARD for participating in the Hoosier S.T.A.R.T. Deferred Compensation Plan, the state is once again instituting a fee holiday for all Plan participants who take action between October 11, 2012, and February 28, 2013. If you qualify, your first quarter 2013 Plan administrative fee will be waived.

You can take action in one of the following ways:

- ➔ 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 goals¹
- ➔ Sign up for Reality Investing® Advisory Services (Online Investment Guidance, Online Investment Advice or the Managed Account option)
- ➔ Increase your contribution
- ➔ Roll over funds from another retirement plan

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.

For more information, visit the website at www.hoosierstart.in.gov.²



New Fund Information

Periodically, the investment lineup in your Hoosier S.T.A.R.T. Plan undergoes changes. These changes are made so you may continue to select from a diverse and competitive array of quality investment options. Effective Monday, September 17, 2012, two investment options were discontinued and replaced by new investment options.

The Perkins Mid Cap Value Fund is now a new share class with lower fee structure. By moving to the new share class, participants will have a net reduction in the fund's fee of 22 basis points. The old share class fee was 85 basis points (.85%) while the new share class fee effective September 17 is 63 basis points (.63%). That means Hoosier S.T.A.R.T. participants will have more of their money working toward their retirement!

The Artio International Equity II Fund was replaced with the American Funds EuroPacific Growth Fund.

Discontinued Investment Option	Mapped to Investment Option
Perkins Mid Cap Value Fund (JMVAX)	Perkins Mid Cap Value Fund (JDPNX)
Artio International Equity II Fund	American Funds EuroPacific Growth Fund (RERGX)

INTERNATIONAL—Foreign investments involve special risks, including currency fluctuations and political developments.
 MID CAP—Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

To view more information about these new funds, please visit the website at www.hoosier.in.gov or call (877) 728-6738.

Please consider the investment objectives, risks, fees and expenses carefully before investing. The prospectus contains this and other information about the investment options. Depending on the investment options offered in your Plan, your registered representative can provide you with prospectuses for any mutual funds; any applicable annuity contracts and the annuity's underlying funds; and/or disclosure documents for investment options exempt from SEC registration. Please read them carefully before investing. ■

Reality Check on Retirement Spending

Many financial planners recommend that you plan to replace 80% to 90% of your pre-retirement income to maintain your current standard of living in retirement. But a government study challenges that advice. It finds that spending in retirement could decline by just 1% to 6%, not the assumed 20%.⁶

Rather than rely on a big drop in spending after you retire, carefully consider likely decreases in income, the cost of the activities you are likely to pursue in retirement and other expenses like health care. You may want to count on having 100% of your current expenses. This could provide a more realistic benchmark for planning for a long retirement.

Why Contribute More?

Three ways your workplace plan helps your nest egg grow

You may find opportunities to boost retirement savings: a salary increase, for example, or cash freed up from paying off a loan. When such an opportunity arises, consider why increasing contributions to your workplace retirement plan is a good idea.

1. Tax relief

In 2012, you may be able to save up to \$17,000, before taxes, in your workplace plan. If you are age 50 or older and your plan allows, you may also be able to contribute an extra \$5,500 in so called "catch-up" contributions.⁴ You won't pay taxes on your contributions or earnings until you withdraw the money, usually during retirement, when most investors are in a lower income tax bracket than they were when they were working.

2. Greater compounding potential

You may reinvest every penny of your investment earnings without handing over any of it to Uncle Sam. Over time, these reinvested returns have greater potential to generate more returns than if they were reinvested in a taxable account such as a brokerage account. This is due to a phenomenon known as tax-deferred compounding. The longer you invest tax-deferred, the greater compounding's potential impact.

3. Retirement readiness

It doesn't take much to make a big difference. Even as little as a 1% annual boost in contributions today could add hundreds of dollars to the size of your monthly retirement plan account withdrawals.⁵

Your workplace retirement plan can be your most powerful savings tool. Make the most of it.

2012 Contribution Limits*	
\$17,000	Before taxes
\$22,500	If you are age 50 or older

*IRS limits on contributions to workplace retirement plan accounts. Amounts can vary by plan.

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.

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2 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 (4:00 p.m. Eastern 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.

4 "401(k) Resource Guide—Plan Participants—Limitation on Elective Deferrals, 2011," irs.gov.

5 "4 Ways to Improve Your Retirement Readiness," smartmoney.com, June 11, 2012.

6 "The Retirement Consumption Puzzle: Actual Spending Change in Panel Data," National Bureau of Economic Research and Rand Corp., April 2008.

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