



**Montana 457 Deferred Compensation Plan (457 Plan)  
And  
PERS Defined Contribution Retirement Plan (DCRP)  
Participants**

**Montana Public Employee Retirement Administration (MPERA)**

**August 2010**

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Official publication of the  
Montana Public Employee  
Retirement Administration

Editor: Ann Reber

*Should any information in this  
newsletter conflict with statute or  
rule, the statute or rule will  
apply.*

**Important Changes to the DCRP  
and the 457 Retirement Plans**

The Employee Investment Advisory Council (EIAC) and the Public Employees' Retirement Board (PERB) completed their annual review of the investment options in the both the DCRP and the 457 plans.

Effective **November 23, 2010** the following funds will be **removed** from the investment options for failure to meet PERB's established performance benchmarks:

- ◆ Principal International Growth (currently available in the DCRP plan)
- ◆ Managers AMG Essex Small/Microcap Growth Fund (currently available in both the DCRP and the 457 plan)

Two new investment options will be **added** to the fund line ups on September 23, 2010.

- ◆ Vanguard Total International Stock Index (DCRP only)
- ◆ Vanguard Small Cap Growth Index (DCRP & 457 plan)

If you participate in either the 457 plan or the DCRP and have investments in the discontinued options you have until market close on November 23, 2010 to transfer your assets to any of the other investment options available in the plans.

To transfer your investments and change your future investment allocations, log on to your account at <https://mperadcplans.gwrs.com/login.do> or contact Great-West Retirement Services at 877-699-4015. For more information on transferring investments, see the article on page 2.

If you do not transfer your investments yourself, MPERA has directed Great-West Retirement Services to automatically transfer investments in the discontinued funds on November 23, 2010, as indicated below:

From	To
Principal International Growth	Vanguard Total International Stock Index
Managers AMG Essex Small/Microcap Growth Fund	Vanguard Small Cap Growth Index

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## 457 Plan and DCRP Asset Transfer and Freeze Period

Participants in either the 457 Plan or the DCRP who have assets in a discontinued investment option have until 2:00 p.m. MST, on Monday, November 23, 2010 to transfer their assets to other available investment options.

You can transfer your assets over the phone or on the internet.

- ◆ To Transfer by Telephone: call Great West Retirement Services toll free at (877) 699-4015 and choose either the voice response system or talking to a customer service representative. Representatives are available during normal business hours (8 a.m. to 5 p.m. MST).
- ◆ To Transfer Using the Internet: sign on to [mperadcplans.com](http://mperadcplans.com). Be sure to have your username and password ready. To request a username or password, contact the customer service representatives at the above toll-free number for assistance.

For personal assistance, you can also contact the Montana Great-West Retirement Services' offices toll-free at (800) 981-2786 or in Helena at (406) 449-2408.

**Assets remaining in Principal Investment Growth after 2:00 p.m. on Monday, November 23, 2010 will automatically be transferred to the Vanguard Total International Stock Index.**

**Assets remaining in the Managers AMG Essex Small/Microcap Growth Fund after 2:00 p.m. on Monday, November 23, 2010 will automatically be transferred to the Vanguard Small Cap Growth Index.**

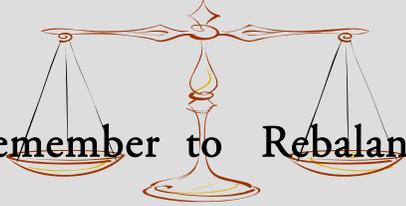
Please be aware, a transaction freeze period must occur when investment options are discontinued or changed. The freeze period allows for the asset transfer and reconciliation. A brief freeze period (or "quiet" period) will begin at 2:00 p.m. MST on Monday, November 23, 2010 and end the morning of Tuesday, November 24, 2010. All investment options will be closed to all inquiries and transactions during this period. ◆

## *National Save For Retirement Week*

We are gearing up for the third annual National Save for Retirement Week (NSRW) October 17-23, 2010. Our goal is to encourage public awareness about the importance of adequate retirement savings and the availability of employer-sponsored retirement plans.

Retirement costs are growing largely due to the fact that Americans are living longer and health care costs are steadily increasing. Benefits like traditional pensions and Social Security, which remain the bedrock of retirement income for a great majority of Americans, were never intended by Congress to be workers' sole source of income in retirement. Statistics have shown that while those benefits help provide workers a safety net in retirement, they may not be enough.

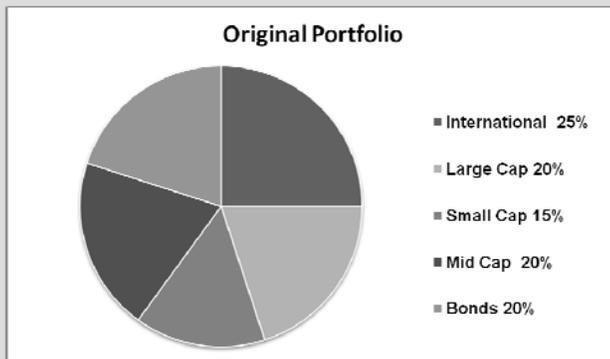
For more information about MPERA's National Save for Retirement Week events, visit our website at: [www.mpera.mt.gov](http://www.mpera.mt.gov). ◆



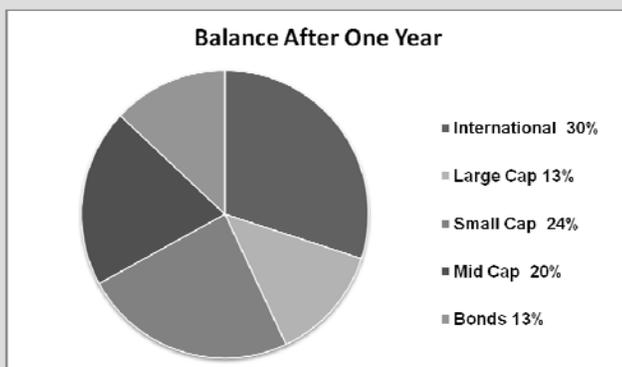
## Remember to Rebalance

A well-designed portfolio is one with a mix of assets that match your investment objectives, risk tolerance and time horizon. As markets rise and fall, your portfolio will change shape. Over the course of a year, the market value of each security you have in your portfolio will earn a different return. This causes a change in the proportion of your allocations.

An example of a portfolio:



After one year, the portfolio may look like this:



It's tempting to keep putting money into the areas that are doing well for you. But remember, the markets can and will change. What is currently doing well may not do so in the future.

Originally you set up your allocations to match your objectives and risk tolerance. If that has not changed, your allocations should not change either.

To rebalance, consider shifting some money from your high-performing assets to those that have lagged. That way, you position yourself to benefit should the weaker investments recover.

It's a Three-Step Process:

1. Assess your current asset mix. Group your investments into three categories: stock funds, bond funds and cash equivalent funds (such as money market funds). Your current allocation is the percentage of your total account in each category.
2. Think about your investment objectives, time horizon and risk tolerance. Remember, a very important time horizon should be how much longer you expect to work.
3. Transfer money among your stock, bond and cash equivalent funds to restore your portfolio to its original mix. You can do this online on Great - West's Web site at: [www.mperadcplans.com](http://www.mperadcplans.com). ♦

## Great-West Contact Information

If you have any questions regarding either your Defined Contribution Retirement Plan or 457 Deferred Compensation Plan, Great-West Retirement Services can help. You can contact Great-West at (406) 449-2408 or toll free (800) 981-2786. You can also visit their website at <http://www.mperadcplans.com> to access to your personal account. The website also provides important fund information as well as various investment tools such as a loan calculator and a college planner. Great-West Retirement Services Helena Office is located at: 208 N Montana Ave Suite 103-C Helena, MT 59601.

## Have You Thought About Diversifying Your DCRP Account?

**D**id you know that approximately 51% of Defined Contribution Plan (DCRP) members keep their money in the Vanguard Balanced Index Fund? This is the default fund for new DCRP members who have not decided which funds they wish to allocate their money.

If you have not yet moved your money, please consider logging in to your account, doing your research and diversifying your funds. You will be happy you did.

For more information regarding your investment options, contact Great-West Retirement Services at: 1-800-981-2786. ♦

10,200 copies of this public document were published at an estimated cost of \$0.575 cents per copy for a total cost of \$5,870.00 which includes for \$1,710.00 printing and \$4,160.00 for distribution.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1992, ALTERNATIVE ACCESSIBLE FORMATS OF THIS DOCUMENT WILL BE PROVIDED UPON REQUEST.

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RETIREMENT ADMINISTRATION (MPERA)  
PO BOX 200131  
HELENA MT 59620-0131