

SMART Plan update

WINTER 2009 VOL 6, NO 4

EDUCATE

YOUR 457 DEFERRED COMPENSATION PLAN NEWSLETTER

FOR MORE INFORMATION: GO TO WWW.MASS-SMART.COM

A New Year's Checkup

Take stock of your SMART Plan account

The start of the new year is a good time to make sure you're on course with your retirement savings goals and to review the investment choices in your SMART Plan account. Here are three important steps to take on the road to a comfortable retirement.

1 Stay focused

Don't let market volatility distract you from reaching your long-term retirement savings goals. A full market recovery, although not guaranteed, can take time. Staying invested for the long haul is one of the ways to help manage your investment risk and weather market fluctuations.

2 Rebalance¹

When you initially began contributing to your SMART Plan account, you likely selected an asset allocation that suited your long-term investment goals. However, over time, some of your investments may have performed better than others and your portfolio may no longer reflect the original asset allocation you chose.

For example, you might have finished the year with a bigger share of your portfolio in bond funds and a smaller share in stock funds than you originally intended. You can return to your desired asset allocation by rebalancing your retirement account.

3 Keep saving and know your 2010 contribution limits

Your SMART Plan offers powerful tax advantages because you contribute money before it is taxed and your assets grow tax-deferred. The limits on contributions for tax year 2010 are the same as the 2009 levels. If you can't afford to contribute the maximum, try to at least contribute as much as you can, and then gradually increase your contribution each year thereafter. The table on page 3 describes the current contribution limits and special "catch-up" contributions that can be made as you approach retirement age.

¹ Rebalancing does not ensure a profit and does not protect against loss in declining markets.



A LETTER FROM
TREASURER TIMOTHY P. CAHILL

Dear SMART Plan Participant,

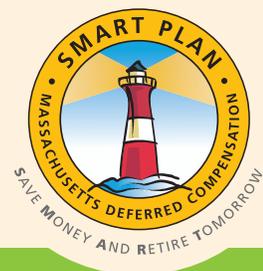
The new year has arrived and with it comes an important opportunity to assess your retirement goals. As you look forward to the future, keep in mind that setting goals is only the first step on the road to a successful retirement. To ensure that you meet the objectives you have established for your retirement plan, it is critical for you to periodically monitor and evaluate the status of your retirement savings account. The Massachusetts Deferred Compensation SMART Plan is proud to offer a number of tools that can help your account remain strong in the years to come.

This edition of the SMART Plan newsletter offers several articles and helpful reminders that will assist you in assessing the present course of your retirement account. Further, the newsletter provides additional support by helping to identify adjustments you may need to make in order to keep your assets in line with your expectations.

There are also many resources accessible to you on our Web site, which you can visit at <http://www.mass.gov/smartplan/>. Your local SMART Plan representatives are also available to answer any further questions that you may have. Best wishes on your retirement planning and for continued success in the new year.

Sincerely,

TIMOTHY P. CAHILL
SMART PLAN
PARTICIPANT
STATE TREASURER &
RECEIVER GENERAL



Utilize Your Web Site's Tools Today

Your SMART Plan Web site offers you many tools that can help you prepare for your retirement. Retirement calculators and Reality Investing® Advisory Services (Advisory Services) are just a few of the many resources that your Plan site provides.

Advisory Services provides you with the opportunity to choose from three varying levels of service and support to help put you on a successful path to retirement. Choosing the advisory service that may be right for you depends on the type of investor you are:

- **Do-It-For-Me InvestorSM** – Typically doesn't have the time, knowledge or desire to select or regularly monitor and manage investments
- **Help-Me-Do-It InvestorSM** – Typically wants to actively choose the investments, but may not want to spend time managing the account once the initial investment selection is made
- **Do-It-Myself InvestorSM** – Typically wants to actively choose the investments and monitor and manage the account over time

Regardless of which advisory service you may choose to help you with the accumulation phase of your retirement strategy, all three options provide you with Spend-Down Advice, which can help you when you retire and begin taking distributions. The Spend-Down Advice tool helps calculate the maximum sustainable amount you can spend based on your desired income and the number of years you expect to spend in retirement. By illustrating how long your desired income will last and determining how much you can spend, this tool helps ensure that your retirement savings will last for your lifetime.

Advisory Services is just one of the features you can take advantage of on the Web site. 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. See what other tools are available on your Plan site today, so you can make sure you are on track to reaching your retirement goals.



Rules for Deferring Funds at Retirement

At retirement, you are able to defer your sick and vacation pay into your Massachusetts Deferred Compensation SMART Plan account. A Participant who severs from employment due to retirement may elect to defer accumulated sick pay in accordance with M.G.L. c. 29. A retiring participant can elect to defer accumulated sick, vacation and/or back pay. You are only able to defer these payments at retirement.

Deferral of both sick and vacation pay and/or back pay is permitted provided the following conditions are met:

- Sick and vacation pay may be deferred for any calendar month only if the amount would have been available for use or would have been paid to the employee if employment had not terminated.
- The deferral is paid within two-and-a-half (2½) months following retirement (or other severance from employment).
- An agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available.

Please note that you cannot exceed the annual contribution limits set by the IRS.

The Voluntary Layoff Incentives that many agencies are offering their employees cannot be contributed to your deferred compensation account.

If you have any further questions regarding deferrals or enrollment in the Massachusetts Deferred Compensation SMART Plan, please call the SMART Plan Service Center at **(877) 457-1900**, option 2, or visit the Web site at www.mass-smart.com.²

OBRA Statements

Enclosed with this newsletter, OBRA employees will find their annual statement showing contributions, earnings, fees, distributions and the total value of your account. Please review your statement carefully to ensure your information is correct. It is extremely important that you keep the Plan administrator advised of your current address.

To update your address, call the SMART Plan Service Center at **(877) 457-1900**. You can also go to www.mass-smart.com > Find a Form. Click on the link OBRA Mandatory Personal Information Change Request. Mail or fax the completed form to the address or fax number provided on the form.

2010 Contribution Limits

Contribution Type	Maximum Limit for 2010
Normal Contributions Contribute a maximum of 100% of your includible compensation, not to exceed the annual IRS limit.	\$16,500
Age 50+ Catch-Up* For participants age 50 or older during the 2010 calendar year.	\$5,500
Special Catch-Up* During the three consecutive years prior to but not including the year you attain normal retirement age, you're eligible if you have under-contributed to the SMART Plan or another employer-sponsored retirement plan in the past.	\$33,000

* The Special Catch-Up and Age 50+ Catch-Up provisions cannot be used in the same year. You should evaluate which catch-up provision is most favorable for you.

Beneficiary Information

Selecting a beneficiary is an important step in your retirement planning. By selecting a beneficiary, you ensure that the funds you worked a lifetime to save will be used to provide stability for your loved ones after you are gone.

Be sure to update your beneficiary information regularly to keep up-to-date with any changes that may occur in your life, such as the birth of a child or a marriage.

To designate a beneficiary for your SMART Plan, visit www.mass-smart.com and select the link Update Beneficiary after you log in. You can also designate your beneficiary(ies) by completing a form. Visit www.mass-smart.com > **Find a Form.**

If you have any further questions regarding your beneficiary information on file with the Plan, please call the SMART Plan Service Center at (877) 457-1900, option 0.



The SMART Plan Welcomes New Members!

The SMART Plan welcomes all incoming employees of the Norfolk, Dukes, Barnstable, Bristol, Nantucket, Plymouth and Suffolk County Sheriff's Departments, as well as employees of the Massachusetts Turnpike Authority. As of January 1, 2010, employees of the remaining seven independent county sheriff's departments will become state employees. As of November 1, 2009, all employees of the Massachusetts Turnpike Authority fall under state jurisdiction under the Department of Transportation.

GOT QUESTIONS? NEED ANSWERS?

SMART Plan Customer Service Center²

Call us today at **(877) 457-1900!**
Available Monday through Friday
from 9:00 a.m. to 8:00 p.m. ET

Regional Service Center Waltham

255 Bear Hill Rd.
Waltham, MA 02451
Available Monday through Friday
from 9:00 a.m. to 5:00 p.m.

Boston

One Ashburton Place, 12th Floor
Boston, MA 02108
Available Monday through Friday
from 9:00 a.m. to 5:00 p.m.

Boston

31 St. James Avenue, Suite 810
Boston, MA 02116
Available by appointment

Springfield

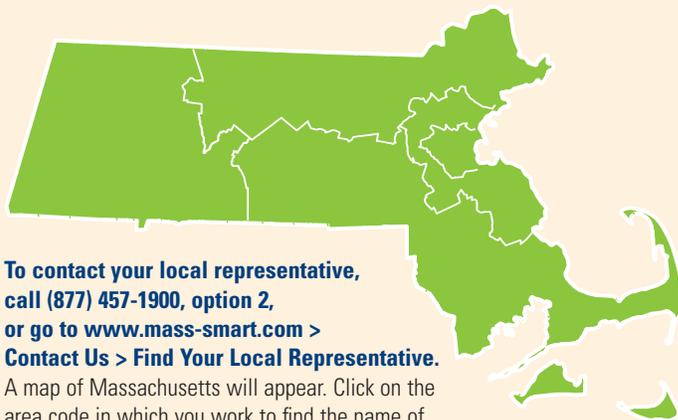
436 Dwight Street, Room 109
Springfield, MA 01103
Available Monday,
Wednesday and Friday
from 9:00 a.m. to 5:00 p.m.

Worcester

2 Chestnut Place/22 Elm Street
Worcester, MA 01608
Available Monday and Thursday
from 9:00 a.m. to 5:00 p.m.
Tuesday, Wednesday and Friday
from 9:00 a.m. to 3:00 p.m.

Quincy

859 Willard Street
Quincy, MA 02169
Available by appointment



**To contact your local representative,
call (877) 457-1900, option 2,
or go to www.mass-smart.com >
Contact Us > Find Your Local Representative.**

A map of Massachusetts will appear. Click on the area code in which you work to find the name of your local representative.

smart

² Access to the SMART Plan Service Center and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

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

Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser. AAG and GWFS Equities, Inc. are wholly owned subsidiaries of Great-West Life & Annuity Insurance Company. 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. 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 Reality Investing[®] are service marks of Great-West Life & Annuity Insurance Company. Do-It-For-Me InvestorSM, Help-Me-Do-It InvestorSM and Do-It-Myself InvestorSM are service marks of Advised Assets Group, LLC. ©2010 Great-West Life & Annuity Insurance Company. All rights reserved. CB1096N (1/2010) PT#96537.