



# Your Money Tree



Spring Edition 2009

## Nevada Public Employees Deferred Compensation Program

### COMMITTEE MEMBERS

**Brian L. Davie**  
Chair

**Ginny Wiswell**  
Vice-Chair

**Andrew Clinger**  
**Diane Comeaux**  
**Don Hataway**

**Tara Hagan**  
Executive Officer

**Micah Salerno**  
Administrative Assistant

**Cameron Vandenberg**  
Deputy Attorney General

**R**ecent news reports about economic downturns and distressed financial institutions have prompted some Nevada Deferred Compensation participants to inquire about the security of their accounts. We recognize that market conditions are creating uneasiness and uncertainty.

Account values will, of course, fluctuate with market conditions and are subject to change. As to the safety of the holdings themselves, we asked the Program Providers, Hartford and ING, to answer specific questions that we've recently received from participants who inquired about the safety of their accounts. Below are the responses to the questions

#### **Q: Are my assets protected from State of Nevada creditors?**

Yes, assets in the Nevada Deferred Compensation Program are held in a trust arrangement which protects the assets from employer insolvency.

#### **Q: Is my account FDIC or SIPC insured?**

No, the Federal Deposit Insurance Corporation (FDIC) insures all depositors at member banking institutions against loss up to a certain dollar limit, in the event that member bank fails. The Securities Investor Protection Corporation (SIPC) protects brokerage firm customers who hold customer account assets. FDIC and SIPC are not an issue for your retirement plan assets because none of the plan's assets are maintained on deposit with a bank or in the account of a brokerage firm. As described below, the Plan's assets are invested primarily in life insurance compa-

nies separate account products, general account products, and/or investment company products held in a trust.

### HARTFORD INFORMATION

#### **In the case of insolvency, are my assets in the Hartford General Account protected from creditors**

Nevada assets in the Hartford General Account are part of the reserves of the company and subject to general creditors. While these accounts are not guaranteed by the U.S. Government or the FDIC, they do have certain protections against insolvency.

Hartford is a member of the Nevada Life and Health Insurance Guarantee Association. The purpose of this association is to assure the account holders will be protected, within limits, if Hartford becomes unable to meet its financial obligation in the "Hartford General Account". The Association cannot pay more than the value of the account and will pay up to \$100,000 per account. Therefore, if a participant has less than \$100,000 in the Hartford General Account, he/she would be fully protected.

#### **I have investments in mutual funds (bond funds, stock funds, combination funds) with The Hartford. How are these investments protected?**

All investment options with Hartford in the Program, other than the General Account, are considered distinct legal entities and are not subject to the claims of creditors. In addition, federal laws applicable to such

federal laws applicable to entities strictly limit the investments a mutual fund may make in securities issued by the parent company or affiliate. These types of accounts will be moved (transfer of shares in kind) to a new record-keeper, if appropriate.

### ING INFORMATION

#### **In the case of insolvency, are my assets in the ING Stable Value Fund protected from creditors?**

Nevada assets in the ING Stable Value Fund are not part of the reserves of the company and therefore not subject to general creditors. These accounts will be moved to a new record keeper, if appropriate.

#### **I have investments in mutual funds (bond funds, stock funds, combination funds) with ING. How are these investments protected?**

All investment options with ING in the Program are considered distinct legal entities and are not subject to the claims of creditors. In addition, federal laws applicable to such entities strictly limit the investments a mutual fund may make in securities issued by the parent company or affiliate. These types of accounts will be moved (transfer of shares in kind) to a new record-keeper, if appropriate.



## Hartford Credit Ratings

<b><u>HARTFORD CREDIT RATINGS (as of March 4, 2009)</u></b>		
<b><u>Rating Agency</u></b>	<b><u>Current Rating (Financial Strength)</u></b>	<b><u>Definition</u></b>
A.M. Best	A (3 <sup>rd</sup> highest of 15 categories)	Excellent
Fitch	A (6 <sup>th</sup> highest of 24 categories)	Strong
Moody's	A1 (5 <sup>th</sup> highest of 21 categories)	Good
Standard and Poor's	A (6 <sup>th</sup> highest of 20 categories)	Strong



## ING Credit Ratings

<b><u>ING CREDIT RATINGS (as of January 29, 2009)</u></b>		
<b><u>Rating Agency</u></b>	<b><u>Current Rating (Financial Strength &amp; Claims Paying Ability)</u></b>	<b><u>Definition</u></b>
A.M. Best	A+ (2 <sup>nd</sup> highest of 15 categories)	Superior
Fitch	AA- (4 <sup>th</sup> highest of 24 categories)	Very Strong
Moody's	A1 (5 <sup>th</sup> highest of 21 categories)	Good
Standard and Poor's	AA (3 <sup>rd</sup> highest of 20 categories)	Very Strong

## 2009 Required Minimum Distributions Waived

The President has signed The Worker, Retiree, and Employer Recovery Act (H.R. 7327) that suspends the need to take required minimum distribution (RMD) payments from your Nevada Deferred Compensation plan for the 2009 tax year. The measure was signed on December 23, 2008, following unanimous approval in Congress earlier in the month.

Under the law, RMD payments will not be required from IRA accounts and defined contribution plans, such as 401(a), 401(k), 403(b) and governmental deferred compensation plans, for 2009. Participants who attain age 70½ in 2009 (who would have previously been required to take a 2009 RMD payment by April 1, 2010) are not required to receive an RMD payment for 2009.

However, the law does not eliminate the RMD requirements for 2008. Accordingly, participants who attained age 70½ in 2008 are still required to receive an RMD payment by April 1, 2009. These individuals will not be required to receive an RMD payment for the 2009 tax year.

*Please contact Harford at 1.888.457.7824 or ING at 1.866.464.6832 to learn more about suspending your 2009 Required Minimum Distribution (RMD).*

## Retired Public Safety Officers

The 2006 Pension Protection Act (PPA) permits retired public safety officers to exclude up to \$3,000 annually from Federal income taxes for health care premiums using monies distributed from an eligible retirement plan, including the Nevada Deferred Compensation Program. Retired public safety officers must have the payment made directly from the investment provider (Hartford or ING) to the qualified insurer.



Please note if a participant is utilizing this provision through another retirement plan, he/she is not eligible for an additional \$3,000 exclusion. *Contact Harford at 1.888.457.7824 or ING at 1.866.464.6832 to learn more about this provision.*

## Distributions Upon Retirement or Separation of Service

When you retire or separates service with your current employer, you have a variety of options in which to choose from regarding distributions from your NDC account. ***Please note that at anytime during your working career you may use your NDC account to purchase years of service with the Nevada Public Employees Retirement System (NVPERS). However, it cannot be completed once you retire.***

The following options are available:

- **Do nothing.** You will no longer be eligible to make contributions to the account but everything else stays the same (online access, quarterly statements, etc.) Contact your provider to begin a distribution. You can choose the method of payment and start date.
- **Roll monies into a traditional Individual Retirement Account (IRA) or other qualified retirement plan.** Check the fees and options associated with your new provider to ensure you have all the facts about moving out of the NDC Program.
- **PPA permits rollovers from your NDC account directly to a Roth IRA, subject to the following conditions:**
  1. The rolled-over amount generally must be included in income, and
  2. Adjusted gross income limits are imposed on the ability to perform such rollovers in 2008 and 2009 (the limits do not apply in 2010).

*For more information on your distribution options, please contact the NDC office at 775.882.0760.*

<b>Nevada Deferred Compensation Committee 2009 Meeting Dates</b>		
<b>Date</b>	<b>Location</b>	<b>Time</b>
June 10th	Legislative Bldg., 401 S. Carson Street, Carson City, Rm. TBA	9:00AM
August 26th	Legislative Bldg., 401 S. Carson Street, Carson City, Rm. TBA	9:00AM
Nov. 18th	Grant Sawyer Bldg., 555 E. Washington Ave., Las Vegas, Rm. TBA	9:00AM

# Hartford



## Keep your retirement account strong in a challenging economy

**T**hink you can't afford to save for retirement? Think again.

Maybe you can't afford not to.

Times are tough. Interest rates are low, the stock market is down, and homes are losing value. Like most consumers, you're probably feeling the pain of rising prices at the pump, at the supermarket, and in your home energy bills.

You might even be questioning whether you can afford to contribute to your employer's retirement plan right now.

After all, when you're facing immediate expenses, retirement can seem like it's a long way off.

But the truth is that retirement is closer than you think. That's because your savings need time to grow. With the power of long-term tax-deferred growth, even small contributions made regularly to your retirement account can really add up over time. That's why it's so important to make your contributions a priority— in good economic times and bad.

*So pay yourself first.* Don't sell your retirement savings short for a few more dollars in your paycheck now.

**Here are four great reasons to start — or keep — contributing to your employer's retirement plan now.**

### 1. It may cost less than you think.

Your contributions are deducted from your salary before taxes are taken out. Your taxable income is reduced, so the effect on your take-home pay could be less than you might expect.

### 2. Time is on your side.

You pay no taxes on your contributions and any earnings until you start making withdrawals. Even modest contributions can grow significantly over time.

### 3. It couldn't be easier.

Your contribution is deducted automatically every pay period. There's nothing for you to remember or do.

### 4. You can't put a price on peace of mind.

Ignoring retirement won't make it go away. So put your mind at ease by keeping up your retirement account contributions.

You may be able to find extra money in your budget simply by making some minor adjustments in your everyday activities.

## Upcoming Hartford

### Worksite Visits

- May 7th @ Attorney General Office, Grant Sawyer Building. Las Vegas, 10:00AM - 2:00PM
- May 13th @ SNAHMS, 6161 W Charleston Blvd. Las Vegas 9:00AM - 11:30AM
- May 13th @ SNAHMS, 1650 Community College Drive, Las Vegas, 1:30PM - 4:00PM
- May 20th @ Welfare Division, 1470 College Parkway, Carson City, 10:00AM - 4:00PM
- May 22nd @ Douglas County Court House, Minden, 10:00AM - 2:00PM
- May 27th @ NDOT, 310 Galletti Way, Reno, 9:00AM - 12:00PM
- June 10th, 2009 Department of Conservation, 901 S Stewart St., Carson City, 9:00AM - 4:00PM
- June 11th @ NDOT, 1263 S. Stewart St., Carson City 9:30AM - 4:00PM

## Your Hartford Team

**Northern Nevada** 9850 Double R. Blvd., Suite 201  
Reno, NV 89511 (775) 826-1227

Tom Verducci, Regional Manager , ext. 3

Sharon Brannon, Sr. Representative, ext. 4

Jake Honea , Representative, ext. 5

Anita Westfield, Administrative Support, ext. 2

Steve Watson, Consultant

**Southern Nevada** 4055 Spencer Street, Suite 210, Las Vegas, NV 89119 (702) 862-8296

Robert Trenerry, Western Regional Manager , ext. 60303

Janet Corral, Sr. Representative, ext. 60304

Anthony Cardone, Sr. Representative, ext. 60305

Patti Schofield, Administrative Support, ext. 60300

ING



## Taxing Time

**M**aybe you've already received – or are waiting for – a tax refund check. Or maybe you're waiting until the last minute to write a check to the federal government.

If you're anticipating a refund, a high definition television might sound appealing, but consider the potential impact tax-deferred investing might have for you at retirement. You can increase your contributions, up to the IRS limits, to your employer's defined contribution retirement plan.

If you're writing a check for taxes you owe, you're using previously taxed dollars to make that payment. When planning for next year's tax season, consider increasing your contributions, up to the IRS limits, to your employer's defined contribution retirement plan. This will allow you to reduce your current taxable income, while experiencing tax-deferred growth potential on your contributions and any earnings until amounts are withdrawn or distributed from the plan, at which time taxes would be due.

Whatever your scenario, take this

opportunity to think about your long-term financial objectives.

Whether you are just starting out or have been retired for 10 years, if it has been a while since you've last reviewed or discussed your account, please call the Nevada Regional ING office toll-free at 866.464.6832. We value your participation and want to help you get all the benefits that you deserve.

***You should consider the investment objectives, risks, and charges and expenses of the investment options offered through a retirement plan carefully before investing. Prospectuses containing this and other important information can be obtained by contacting your local ING representative. Please read the information carefully before investing.***

Neither ING or its affiliated companies or representatives offer legal or tax advice. Consult with your tax and legal advisors regarding your individual situation.

Securities are distributed by ING Financial Advisers, LLC (Member SIPC), One Orange Way, Windsor, CT 06095-4774, or through other Broker-Dealers with which ING has a selling agreement. C08-0226-004 (03/2008)

## Upcoming ING Worksite Visits

### Southern Nevada with Eric

- Tues., May 5th from 9Am - 1PM @ Division of Welfare, 701 N Rancho Dr., Las Vegas
- Wed., May 6th from 9AM - 1PM @ DETR, 2800 St. Louis Ave, Las Vegas
- Thurs., May 7th from 11AM—2PM @ Parole and Probation, 610 Belrose St., Las Vegas

**For more info contact Eric @ 702.990.3270**

### Northern Nevada with JoAnn

- Thur., May 7th from 10AM—4PM @ Sierra Regional Center @ 601 S. 21st St., Sparks
- Thur., May 21st from 11Am—3PM @ DMV, 305 Galetti Way, Reno
- Wed., June 10 from 10AM—4PM @ Secretary of State's Office 101 N. Carson St. Suite 3, CC

**For more info contact Jo Ann @ 775.886.2400**



## Your ING Team

Carson City	Las Vegas
844 West Nye Lane Suite 101 Carson City, NV 89703 Phone: 775.886.2400 Fax: 775.882.9758 Toll Free: 866.464.6832	3960 Howard Hughes Parkway Suite 520 Las Vegas, NV 89169 Phone: 702.990.3720 Fax: 702.990.3721
Steve Platt, Nevada Manager, 775.886.2402	Eric Wyrer, Representative, 702.990.3720
Jo Ann De Angelo Guerra, Representative, 775.886.2403	
Dianna Hennessey, Marketing Consultant, 775.886.2401	



## NEVADA PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

**We need your help!**



The Your Money Tree newsletter needs  
a fresh name and we want your help. Please e-mail  
your suggestions for a new newsletter name to:

**deferredcomp@defcomp.nv.gov**

**The winner will get a prize!**

1027 South Carson Street, Suite E, Carson City, NV 89701

Telephone 775.882.0760 Fax 775-882-0621

Email: [deferredcomp@defcomp.nv.gov](mailto:deferredcomp@defcomp.nv.gov)

Nevada Deferred Compensation Program  
1027 South Carson Street  
Suite E, Carson City NV 89701



PRSR STD  
US POSTAGE  
PAID  
Carson City, NV 89701  
PERMIT #15