WESTERN
STATE COLLEGE OF COLORADO

Voluntary Tax Deferred Retirement Savings Plans

Features	Type of Plan		
	457	401(k)	403(b)
Eligibility	Government employees	Government employees	Higher education employees
Plan Sponsor / Manager	PERA/ Great West Life	PERA/ING	WSC / five vendors
Contributions	Pre-tax, payroll deduction	Pre-tax, payroll deduction	Pre-tax, payroll deduction
Minimum 2007 Contribution	$25 per month	1%	Depends on the vendor chosen
Maximum 2007 Contribution	The lesser of $16,500 or 100% of salary (Can be in addition to 401(k) or 403(b) maximum amounts)	The lesser of $16,500 or 100% of salary	The lesser of $16,500 or 100% of salary
Employer Match?	None	None	None
Make-Up Provisions	3 consecutive years prior to retirement can contribute up to *twice* the available limit, with certain restrictions.	Not available	Not available
Catch-Up if Age 50 and Over	Additional $5,500 allowed	Additional $5,500 allowed	Additional $5,500 allowed
Loans permitted?	Yes	Yes	May be, but it depends on the vendor chosen.
Distributions	Employment ends, retirement, disability, de minimis, death	Employment ends, age 59 ½ retirement, disability, death	Employment ends, age 59 ½ retirement, disability, death
Active Service Withdrawl	Hardship	Hardship, or after age 59 1/2	Hardship, or after age 59 1/2
Available to Purchase PERA Service Credit?	Yes	Yes	Yes
Rollover Provisions	Yes, *incoming* from other 457 plans, ok. If from 401(k) or 403(b), it rolls into a 401(a). At end of employment, can rollover *out* to 457, 401(k), 403(b) or IRA.	Yes, between 401(a), 401(c) "Keoghs", 457, 401(k), 403(b), IRA	Yes, between 457, 401(k), 403(b), IRA
Penalty for withdrawls before age 59 ½?	No penalty	10% penalty unless rolled over or retiring from PERA at age 55 or older	10% penalty unless rolled over
Plan Fees	Investment management fees but NO quarterly administrative fees*.	Investment management fees and $24 to $39 annual administrative fees depending on balance.	Depends on the vendor and type of product chosen.

**subject to change from time to time.*

Voluntary Tax Deferred Retirement Savings Plans

Contact Information:	**Type of Plan**	
	457	**401(k)**
	HR Office for Materials	HR Office for Materials
Organization:	**Great-West Retirement Services** **State of Colorado 457 Plan**	**ING, LLC** **Colorado PERA 401(k)**
Contact Person:	Chris Bowen	
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Phone:	719-622-0196 Cell: 719-337-9077 800-947-4409	800-759-7372
Web-site:	www.colorado457.com	www.copera.org
E-mail:	christopher.bowen@gwrs.com	

403(b) Contact Information:			
Organization:	**VALIC**	Organization:	**Security Benefit**
Contact Person:	Scott Martin (HR Office for Materials)	Contact Person:	Otis Cutright
Address:	PO Box 4584 Grand Junction, CO 81502	Address:	2337 South Elm Dr. Denver, CO 80222
Phone:	Voicemail: 800-892-5558 Ext: 88577 Mobile/Office: 970-623-6986	Phone:	303-758-5353
Web-site:	www.aigvalic.com	Web-site:	
E-mail:	scott.martin@valic.com	E-mail:	ocutright@aol.com
Organization:	**MetLife**	Organization:	**TIAA-CREF**
Contact Person:	Ed Rosenburg	Contact Person:	Pat Connell (HR Office for Materials)
Address:	MetLife Resources 720 S. Colorado Blvd #950N Denver, CO 80246-9791	Address:	370 17th Street, Ste. 1800 Denver, CO 80202
Phone:	800-758-3231	Phone:	800-842-2009 ext. 242797
Web-site:		Web-site:	www.tiaa-cref.org
E-mail:		E-mail:	pconnell@tiaa-cref.org
Organization:	**Fidelity**		
Contact Person:	Kevin Erickson (HR Office for Materials)		
Address:	49 North 400 West Salt Lake City, UT 84101		
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Web-site:	www.fidelity.com/atwork		
E-mail	kevin.erickson@fmr.com		

The Advantage of Saving for Retirement Early

Starting early can potentially result in a greater accumulation of money with less of a contribution.

A Tale of Two Savers					
	Starting Age	**Ending Age**	**Total Contributed**	**Years Contributed**	**Approximate Value at age 65**
Katie	21	31*	$10,000	10	$231,000
Matt	35	65	$30,000	30	$125,000
Advantage Katie*			-$20,000	-20	**+$106,000**

This hypothetical example is based on monthly contributions of $83 to a tax-deferred retirement plan, for a total annual contribution of $1,000, earning an 8% annual rate of return compounded monthly. Your own plan account may earn more or less than this example, and income taxes will be due when you withdraw from your account.
**While Katie stopped contributing to the plan, assets remained invested in the plan until age 65.*

Putting time on your side makes "tax-deferred compounding" work hard for you. Compounding allows your money the potential to grow by building up the earnings on your previous earnings, and because your plan account is a tax-deferred account, no income taxes are withheld until you withdraw your money. With the help of tax-deferred compounding, small contributions over time can yield surprising results.

The reduction to your net pay is less than your plan contribution!

Because contributions are from pre-tax income, you actually reduce your current income tax bill. Compared with taxable investments made outside of work, contributing to the workplace retirement savings plan can increase your take home pay!

Contributing pre-tax can increase your take-home pay		
	Pre-tax plan	**Taxable outside plan**
Annual Gross Salary	$30,000	$30,000
6% annual **pre-tax** contribution	**- $1,800**	$0
Taxable income	$28,200	$30,000
Deduct 27% federal income tax	-$7,614	-$8,100
Deduct 5% state income tax	-$1,410	-$1,500
Net paycheck	$19,176	$20,400
6% after tax contribution to a taxable account outside the workplace plan	$0	**-$1,800**
Net disposable income	$19,176	$18,600
Annual difference in disposable income	**+ $576**	

This hypothetical example assumes that the employee is married and that the standard deduction and personal exemptions have already been taken into account in the spouse's salary. The "cost" to contribute $1,800 pre-tax is $1,224 in net pay, in this example. Individual situations will vary. Other benefit deductions may also be withheld.