



The South Carolina  
Deferred Compensation Program

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## Important News About Enhancements to Your Deferred Compensation Program

Dear Program Participant:

We are pleased to announce that effective January 1, 2010, Great-West Retirement Services® (Great-West) will replace ING as the provider of services for the South Carolina Deferred Compensation Program (SCDCP or Program).

Great-West has more than 20 years of experience in record keeping for the SCDCP. This exciting change will benefit you in many ways, including:

- Reduced participant fees.
- An enhanced education and communication program that continues to include a local Program representative.
- Enhanced investment option lineup including continued access to the same investment options as you have today.
- Flexible account management tools that will be available 24/7, through both the Web site at **[www.southcarolinadcp.com](http://www.southcarolinadcp.com)** and an automated voice response system, KeyTalk®, at (877) 457-6263.<sup>1</sup>
- Investment help that is just a click or phone call away with the new suite of Reality Investing® Advisory Services (Advisory Services) offered by the Program.

And that's just the beginning. To learn more, see pages 2 through 6 or visit the Web site at **[www.southcarolinadcp.com](http://www.southcarolinadcp.com)**.

This transition will not change your account value—and you don't have to do anything during the transition process. There will be a period, however, when you won't have access to your account. This period, called a "blackout period," will occur from approximately December 30, 2009, to January 11, 2010. During this time, your account will be moved from ING to Great-West, and it will be processed and verified for accuracy. See the "Important Notice Concerning Your Rights Under the South Carolina Deferred Compensation Program" on page 6 for more details.

We are committed to making this transition as simple and seamless as possible, and we think you'll be pleased with the resulting improvements in the SCDCP. We're looking forward to transitioning to a new provider for your retirement needs.

Sincerely,

South Carolina Deferred Compensation Commission

# Changes to Your Deferred Compensation Program

## An Introduction to Great-West

Your new retirement provider, Great-West, is a business unit of Great-West Life & Annuity Insurance Company. With more than a century of experience in providing financial security for Americans, Great-West serves millions of customers through a range of retirement savings products and services. Headquartered in the metro Denver area with offices around the country—including local representatives to provide you with on-site service—it is a leading provider of employer-sponsored retirement savings plans.

Great-West Life & Annuity Insurance Company is rated by a number of nationally recognized rating agencies. The ratings represent the opinion of the rating agencies regarding the financial strength of the company and its ability to meet ongoing obligations to policyholders. Great-West Life & Annuity Insurance Company's current ratings, which have been in effect since July 2003<sup>2</sup>, are:

- A.M. Best Company, Inc.: A+ (Superior; highest of 10 categories) for financial strength, operating performance and business profile. (Affirmed January 22, 2009)
- Fitch Ratings: AA+ (Very Strong; second highest of nine categories) for financial strength. (Affirmed April 20, 2009)
- Moody's Investors Service: Aa3 (Excellent; second highest of nine categories) for financial strength. (Affirmed February 12, 2009)
- Standard & Poor's: AA (Very Strong; second highest of nine categories) for financial strength. (Affirmed February 12, 2009)

## Enhanced Plan Features

Beginning after the blackout period on January 11, 2010, you can benefit from the following SCDCP enhancements.

### Convenient Services, Education and Support

You'll have access to local representatives providing services for the Program.

Various financial education seminars will be available to help you understand and take full advantage of retirement savings opportunities.

Numerous informational materials will be available on topics such as Program features and benefits, investment fundamentals, asset allocation strategies and more.

### Reduced Fees for Many Participants

The base recordkeeping fee for the Program has been significantly reduced from .153% to .11%. This means more of your money will stay invested in the Program over time.

### The Same Investment Options, Plus Additional Choices

The same investment options will be available for you as you have today. Also, additional investment options will be added to provide you with more choices in your retirement planning.

### Easy Account Management

A range of improved services will make it easier for you to manage your account and obtain SCDCP information. A useful, interactive Web site designed exclusively for South Carolina participants at **[www.southcarolinadcp.com](http://www.southcarolinadcp.com)** and an interactive telephone account management system, KeyTalk at (877) 457-6263, will make it easier to keep an eye on your account and make transactions at any time you choose, 24 hours a day, seven days a week.<sup>1</sup>

<sup>1</sup> Access to the voice response system and Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or voice response system 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.

<sup>2</sup> Ratings subject to change.



Some of the improved technology services will allow you a simple and paperless solution to managing your SCDCP account. The new paperless solutions will include:

- Statements on Demand—Access your account data, including transaction history, on the Web site.
- Beneficiary Record Keeping—With this feature, you can update your beneficiary information on the Web site.
- Deferral Record Keeping—This allows you to change your contribution amount through KeyTalk, the Web site, or a retirement plan specialist.

### Investment Tools and Advice

If you would like to manage your portfolio and investments yourself, there are excellent tools available on the Web site:

- Financial tools and calculators, such as Paycheck Comparison, DreamTracker<sup>SM</sup> and College Planner, can help guide you through retirement planning and savings decisions.
- You can research investment option information, including fund fact sheets and investment performance returns, and view online prospectuses and/or disclosure documents.

If you would like assistance with your portfolio, the Program will offer Reality Investing<sup>®</sup> Advisory Services, which allows participants to access three different levels of tools and services:

- Managed Account
- Online Investment Advice
- Online Investment Guidance

With the Managed Account, which replaces the Personal Account Manager (PAM) through ING, you can have Advised Assets Group, LLC (AAG), an investment advisory services firm, manage your retirement account for you. Or, if you prefer to manage your retirement account on your own, you can use Online Advice or Online Guidance. If you are currently enrolled in the PAM service, you will receive separate notices about the changes.

These services provide a personalized retirement strategy for you. There is no cost to use Online Guidance or Online Advice.

If you choose to have AAG manage your account for you, the annual Managed Account fee is based on your account balance, as follows:

Participant Account Balance	Annual Managed Account Fee
Less than \$100,000	0.60%
Next \$150,000	0.50%
Next \$150,000	0.40%
Greater than \$400,000	0.30%

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.

# Investment Options

You will continue to have access to the same diverse investment lineup that was available to you prior to the transition, as well as additional investment options for more choice in your retirement planning.

*Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses and disclosure documents by calling KeyTalk at (877) 457-6263. Read them carefully before investing.*



## 1. New Investment Options

The following investment options are being added to your Program:

Asset Class	Investment Option	Ticker
Inflation Protected Bond <sup>3</sup>	BlackRock Inflation Protected Bond Instl. <i>This fund was designed to help protect your portfolio against rising inflation by making a long-term strategic allocation to Treasury Inflation Protected Securities.</i> <sup>4</sup>	BPRIX
Global Equity <sup>5</sup>	American Funds New Perspective R6 <i>The fund seeks to provide long-term growth of capital. This fund diversifies<sup>6</sup> among blue chip companies in the United States and abroad, emphasizing multinational or global companies and focusing on opportunities generated by changes in global trade patterns and economic and political relationships.</i>	RNPGX

## 2. New Share Class for Keeley Small Cap Value A

The share class for the Keeley Small Cap<sup>7</sup> Value A fund will change to Institutional. This will provide participants with a reduction in the Total Annual Fund Operating Expense ratio from 1.36 percent to 1.11 percent. The general features of the new fund, including investment objective and primary investment strategy, remain the same.

All existing balances in the Keeley Small Cap Value A fund (ticker symbol KSCVX) will be transferred to the Institutional share class of this fund, the Keeley Small Cap Value I (ticker symbol KSCIX), during this transition, and future contributions will be directed to the Institutional share class. Your account balance will not change as a result of the transfer.

## 3. New Self-Directed Brokerage Option

In addition to your existing core investment options, a self-directed brokerage (SDB) account through Charles Schwab will be available. The SDB account allows you to select from numerous mutual funds, individual stocks and bonds for additional fees. These securities are not offered through GWFS Equities, Inc. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

<sup>3</sup> A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

<sup>4</sup> U.S. Treasury securities are guaranteed as to the timely payment of principal and interest if held to maturity. Fund shares are neither issued nor guaranteed by the U.S. Government.

<sup>5</sup> Foreign investments involve special risks, including currency fluctuations and political developments.

<sup>6</sup> Diversification of an investment portfolio does not assure a profit and does not protect against loss in declining markets.

<sup>7</sup> Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

## Important Dates to Remember<sup>8</sup>

### December 15, 2009

This will be the last day to make changes to how your future contributions will be invested for payroll contributions with ING.

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### December 30, 2009

This will be the last day to make any fund transfers or any other account changes with ING.

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### December 30, 2009 4:00 p.m. Eastern Time

As a result of the change to the SCDCP's recordkeeping service provider, you temporarily will be unable to:

- Make changes to your Program account
- Review your account online
- Obtain a loan from the Program
- Obtain a distribution from the Program

This period, during which you will be unable to exercise these rights otherwise available through the SCDCP, is called a "blackout period." The blackout period will begin at 4:00 p.m. Eastern time on December 30, 2009. You will not be able to make changes to your account again until approximately January 11, 2010.

To determine whether the blackout period has started or ended during the transition, call (877) 457-6263 or log on to [www.southcarolinadcp.com](http://www.southcarolinadcp.com).

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### January 1, 2010

Great-West will begin recording your account activity.

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### Week of January 4, 2010

A letter will be mailed with your new Personal Identification Number<sup>9</sup> (PIN). You will need your PIN to access the Program Web site and KeyTalk.

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### January 11, 2010

The blackout period will end and the Program will reopen to participant activity. The Web site and KeyTalk will be fully operational so you can manage your account and personalize your PIN and Username.

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### January 2010

You will receive two statements showing account activity for the fourth quarter of 2009. The first statement will be from Great-West, reflecting account activity for December 23, 2009, through December 31, 2009. The second will be from ING reflecting account activity from October 1, 2009, through December 31, 2009. This ING statement will have a zero balance reflecting the transfer of funds to Great-West.

You may notice on the ING statement a difference in the amount transferred to Great-West and the beginning balance shown on your first Great-West statement. This is because ING deducted your quarterly administrative fees from your account balance. In the future, you will see the amount you pay in quarterly fees itemized on your Great-West statements.

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<sup>8</sup> These dates are subject to change based on the ability of ING and Great-West Retirement Services to meet the associated deadlines and the successful transfer of data and assets by ING to Great-West Retirement Services.

<sup>9</sup> The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

# Important Notice Concerning Your Rights Under the South Carolina Deferred Compensation Program



This notice is to inform you that the South Carolina Deferred Compensation Program will be changing recordkeepers from ING, the prior recordkeeper, to Great-West Retirement Services® (Great-West). As a result of this change, you will temporarily be unable to:

- Direct or diversify investments in your individual accounts with the prior recordkeeper;
- Direct or diversify loan repayments in your individual accounts;
- Obtain a loan or any distribution from the Program.

This period, during which you will be unable to exercise these rights otherwise available under the Program, is called a blackout period. Whether or not you are planning retirement in the near future, we encourage you to consider how this blackout period may affect your retirement planning, as well as your overall financial plan.

The blackout periods for the Program are as follows:

- Begins on December 30, 2009, and ends January 11, 2010, for your ability to direct or diversify your loan repayments made at Great-West;
- Begins on December 30, 2009, and ends January 11, 2010, for your ability to obtain distribution or withdraw any individual account balances from the Program; and
- Begins on December 30, 2009, and ends January 11, 2010, for your ability to direct or diversify only your transferring accounts.

During the blackout period, you will be unable to direct or diversify the assets held in your individual account. For this reason, it is very important that you review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during the blackout period. For your long-term retirement security, you should consider the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments. You should be aware that there is a risk to holding substantial portions of your assets in one investment option. Please be aware that your account assets will continue to be invested in your current fund options during the blackout period.

If you have any questions concerning this notice, call KeyTalk at (877) 457-6263.<sup>1</sup>

**Core securities (except the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.**

Securities available through Schwab Personal Choice Retirement Account® (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated. ING and GWFS Equities, Inc. are separate and unaffiliated companies. Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates. Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser. Securities, when offered, are offered through GWFS Equities, Inc. 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. KeyTalk®, Great-West Retirement Services®, Reality Investing® and DreamTracker<sup>SM</sup> are service marks of Great-West Life & Annuity Insurance Company. ©2009 Great-West Life & Annuity Insurance Company. All rights reserved. Form# CB1121TB (11/09) PT# 94454