

my money my future

MY
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401(k) & 457
Deferred Compensation Program

Participation Guide

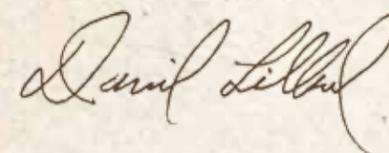
Welcome to Your State of Tennessee 401(k) and 457 Deferred Compensation Program

Unpredictability—it's the one thing about the future we can all expect. While it's true that none of us can see the future, we can take steps to prepare for it. Your Deferred Compensation Program is a tool that can help you manage unpredictability. This Program can help you plan for a future that may seem a long way off, but that will be here sooner than you think.

It's a simple equation: What you do today affects how you will live tomorrow. Your Deferred Compensation Program can help you turn that equation in your favor. This guide will start you on the journey toward planning the retirement you want. It outlines the compelling reasons why you should save and introduces you to the resources and information available from your Program that can help you make the decisions that are right for you.

We're looking forward to sharing the journey with you.

Sincerely,



David H. Lillard, Jr., Treasurer
State of Tennessee



My Money, My Future, My TennesseeSM 401(k) and 457 Deferred Compensation Program

When it comes to retirement planning, you can't afford to say, "I'll start investing someday." Your future starts today.

The State of Tennessee 401(k) and 457 Deferred Compensation Program gives you access to two voluntary tax-deferred options to supplement your defined benefit retirement plan offered through the Tennessee Consolidated Retirement System (TCRS). This is *your* chance to take control of your money, your future, your Tennessee 401(k) and 457 Deferred Compensation Program.

What is a 401(k) plan?

A 401(k) plan is a retirement savings plan designed to allow eligible employees to supplement any existing retirement and pension benefits by saving and investing *before-tax dollars* through voluntary salary deferral. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax and if taken before age 59½, may be subject to an additional 10% federal early withdrawal penalty.

What is a Roth 401(k) contribution?

A Roth 401(k) deferral is an option under the 401(k) plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing *after-tax dollars* through voluntary salary deferral. Distributions are tax-free upon reaching the age of 59½ if taken after the required five-year holding period.

You have the flexibility to designate all or a portion of your 401(k) elective deferrals as Roth contributions.

What is a 457 deferred compensation plan?

A governmental 457(b) deferred compensation plan (457 plan¹) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax. The 10% early withdrawal penalty does not apply to 457 plan withdrawals.



Who Is Great-West Retirement Services®?

Great-West Retirement Services (Great-West) is a business unit of Great-West Life & Annuity Insurance Company, specializing in servicing defined contribution retirement plans. Headquartered in Greenwood Village, Colorado, it represents more than 4.2 million participants as of September 30, 2009.

After a comprehensive selection process, the State of Tennessee chose Great-West to provide administrative, education and communication services. In conjunction with your Program, Great-West will help you understand your 401(k) and 457 plans by providing you with the information you need to make informed financial decisions for many years to come.

Making the Best Choice for You

You decide whether before-tax contributions to your 401(k) or 457 plan or after-tax Roth contributions make more sense for your situation.

If you expect to be in a lower tax bracket when you retire, you might want to consider contributing to your 401(k) or 457 plan on a before-tax basis. You won't pay taxes on your contributions or any earnings on your contributions until you take a distribution, which is usually at retirement (when many people expect their retirement earning power and tax burden to be lower than it is today).

The Roth 401(k) option essentially "locks in" today's tax rates on all contributions. For some people—especially those who expect higher taxes when they retire—the Roth 401(k) option may make the most sense. If you're one of those people, the Roth option allows you to pay taxes on your contributions when they are contributed (presumably at a lower tax rate than you would expect to pay at retirement). Earnings on Roth deferrals are not taxed at distribution if the deferrals remain on deposit for at least five years from the date of first deposit.

Representatives of the State of Tennessee and 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.

Invest in Your Program Today

Whether you choose to invest on a before-tax basis in your 401(k) or 457, after tax in your 401(k), or a combination of these options, this is your money, your future, your Tennessee 401(k) and 457 Deferred Compensation Program.

Valuable Resources for Planning

Your Retirement Strategy

Most people envision their retirement as a reward for a life of hard work. And it should be. But many financial experts say you may need to replace 70% to 80% of your current income for a comfortable retirement.* The truth is, saving enough to get to that level takes planning. You can take advantage of the DreamTrackerSM tool that is available on the Web site to help you determine how much you will likely need to save. And then you can use the Paycheck Comparison tool to see how saving that amount will affect your take-home pay.

Regardless of what your future holds, smart preparation requires good information. So let's start with some basic facts.

* Social Security Administration

** Bureau of Labor Statistics, <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>

Did you know?

- Many people are living longer and healthier lives. You may spend 20 to 30 years—or more—in retirement. Although you may have more time and energy to enjoy your retirement, you'll also need more money.
- The cost of living will increase. With inflation averaging about 3% per year**, you may need to save more today to achieve your dreams for the future. If you retire 30 years from now, the groceries that cost you \$50 today could cost about \$121 at retirement due to inflation.
- The sooner you start saving, the better.
- Investing in your **State of Tennessee 401(k) and 457 Deferred Compensation Program** is one way to save for retirement and defer paying income taxes.

Tax Advantage of Contributing

If you think you can't afford to take money out of your paycheck each month for a retirement you can't even imagine yet, consider this example of saving before tax through the Program versus after tax through some other savings vehicle.

Let's say Jill earns \$2,000 a month in gross pay and wants to save 5% of her income (i.e., \$100 a month) in her retirement plan. The table below shows a comparison of how much more money she would have in take-home pay if she saved and invested in her plan versus an after-tax vehicle like a savings account. As you can see, Jill has \$15 more in her pocket every month—that's \$180 more every year—when she saves and invests through her plan as opposed to an after-tax savings vehicle.

	Contributing Before Tax	Contributing After Tax
Monthly Gross Pay	\$2,000	\$2,000
Minus Before-Tax Contributions to the 401(k) and/or 457 Plan(s)	-\$100	-\$0
Taxable Pay	\$1,900	\$2,000
Minus Estimated Federal Income Tax Withholding	-\$285	-\$300
Minus After-Tax Contributions to Other Savings	-\$0	-\$100
Spendable Pay	\$1,615	\$1,600
Before-Tax Advantage	\$15	\$0

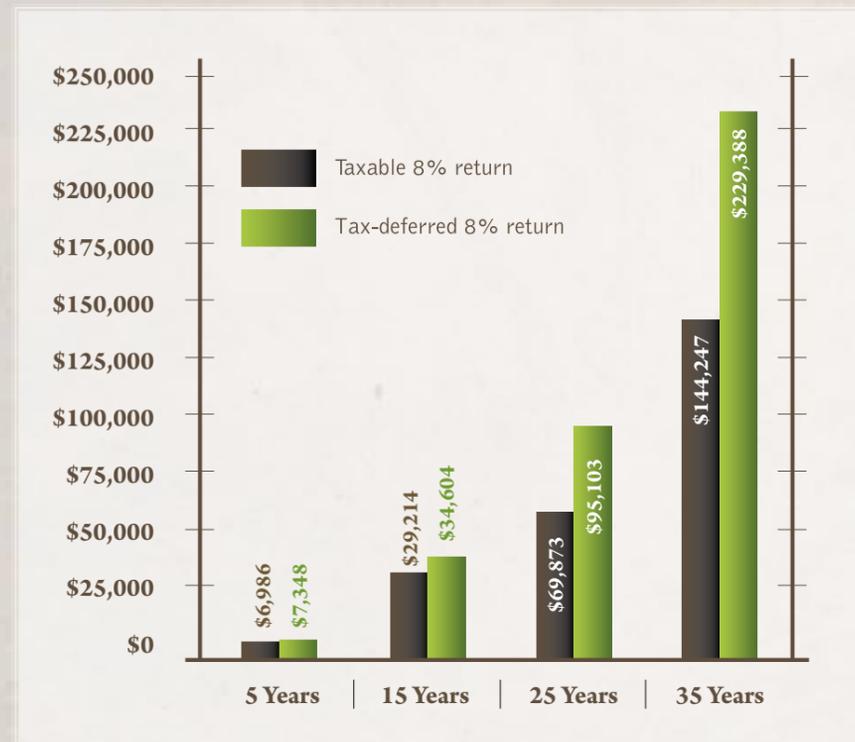
FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes a married participant earning \$2,000 a month in regular pay who contributes \$100 a month in the Program. The illustration compares a before-tax contribution of \$100 a month to the Program and an after-tax contribution of \$100 to some other type of savings vehicle. It also assumes 15% federal income tax withholding, but does not account for Medicare and Social Security taxes.

Lower Your Taxes

One of the greatest benefits of your State of Tennessee 401(k) and 457 Deferred Compensation Program is that your contributions are made before taxes are taken out (unless you elect to contribute to the Roth 401(k) option). When this tax-deferred contribution is deposited into your retirement savings plan account, it lowers your current taxable income, in turn lowering the amount you pay in taxes now. As a result, you may not notice much of a difference in your take-home pay when you start contributing to your 401(k) plan.

Tax-Deferred Saving and Investing

You may contribute to the State of Tennessee 401(k) and 457 Deferred Compensation Program from your before-tax income, which is then invested in your account where it could grow over time. The following graph illustrates how a monthly contribution of \$100 could grow in your tax-deferred Program as compared to the growth if the same amount was invested in a taxable investment, such as a bank account.



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration does not represent the performance of any investment options. It assumes an 8% annual rate of return, a 25% combined federal and state income tax bracket, and reinvestment of earnings, with no withdrawals. Rates of return may vary. Assumes that the taxable account does not hold any investment for more than 12 months. Distributions from a tax-deferred retirement plan are taxable as ordinary income, whereas taxable investments may qualify for lower capital gains rates. The illustration does not reflect any charges, expenses or fees that may be associated with your Program. The tax-deferred accumulations shown above would be reduced if these fees had been deducted. Comparison of taxable and tax-deferred growth is intended to illustrate the advantage of tax-deferred investing.



What Are Some Ways to Increase My Contribution?

Get into the Savings Habit

If you think you can't afford to save for retirement, consider some of the ways to save shown in the table below. There's nothing better than a home-cooked meal. Not only does it taste great, but it's also generally a more cost-effective way to eat. And the money you save by not going out or ordering pizza can add up in your Program account. Cutting back a little today can pay dividends down the road. By slightly reining in your spending on some typical indulgences and investing what you save, you can make a big difference in your retirement nest egg—something to think about the next time you go out to eat.

Expense	Skip expense to save	Monthly savings*	Value if invested for 25 years**
Dinner out	Once a week	\$100	\$95,103
Lunch out	Twice a week	\$50	\$47,551
Coffee and bagel	Twice a week	\$20	\$19,021
Vending machine soda	Once a day	\$12	\$11,412
Movie ticket	Once a month	\$10	\$9,510
Video rental	Once a month	\$6	\$5,706

FOR ILLUSTRATIVE PURPOSES ONLY.

* Monthly costs are based on general averages.

** This illustration is hypothetical and assumes an investment in a tax-deferred retirement account in which you earn an average annual rate of return equivalent to 8%, compounded monthly. This hypothetical example is not based on (or predicting the performance of) any specific investment plan or savings strategy, nor does it reflect any charges or fees associated with your plan. The accumulations shown above would be reduced if these fees had been deducted.

Even Geniuses Don't Know It All

Legend has it that Albert Einstein never learned his own phone number. Supposedly, he never memorized anything he could look up. The point is that even if you aren't a bona fide genius, when the right information is easily available, you can find the answers you need simply and quickly.

The State of Tennessee 401(k) and 457 Deferred Compensation Program offers multiple ways to get the information you need in the way that's most comfortable and convenient for you.



The Cost of Waiting to Save and Invest

Waiting just one year to start saving and investing through your Program could cost you more than you think. The sooner you start to save and invest, the sooner your money can start working for your future. Consider this example: Sarah and David both plan to retire in 30 years. Sarah starts saving \$100 a month immediately in a tax-advantaged plan, while David waits 10 years before starting to save. The chart shows what they both would have after 10, 20 and 30 years.



Investing Fundamentals

Who You Are Can Determine How You Invest

Effective retirement planning is more than picking the funds with the best performance over the past year. The investment options you choose will depend on your unique situation. How you should invest has multiple variables, but it all starts with two fundamental concepts: your life circumstances and your investor type.

Your Life Circumstances –

Do you have the time, motivation and confidence to research investment options on your own? Do you have other resources to draw on for emergency, pleasure or a special event after retirement? Are you aware of the many financial calculators and tools available online, many at no cost to you?

Your Investor Type –

How much risk are you willing to tolerate based on your age, your retirement goals and your financial situation? In other words, are you a conservative, moderate or aggressive investor?



Step 1:

Determining Your Investor Type

How comfortable are you with risk? Knowing whether you're a conservative, moderate or aggressive investor will help clarify which investment options may be right for you. Your responses to the following statements can help determine your specific investor type.

1. I am a knowledgeable investor who understands the trade-off between risk and return. I am willing to accept a greater degree of risk for potentially higher returns.

Strongly Disagree 1 2 3 4 5 Strongly Agree

2. I am willing to invest on a long-term basis.

Strongly Disagree 1 2 3 4 5 Strongly Agree

3. If one of my investments dropped 20% in value over six months due to stock market fluctuations, I would hold on to that investment, expecting it to recover its value.

Strongly Disagree 1 2 3 4 5 Strongly Agree

4. I have savings vehicles in addition to this Program that make me feel secure about my financial future.

Strongly Disagree 1 2 3 4 5 Strongly Agree



Step 2:

How Did You Score?

4-8 points: Conservative

You are probably comfortable with less risk for potentially lower returns.

9-14 points: Moderate

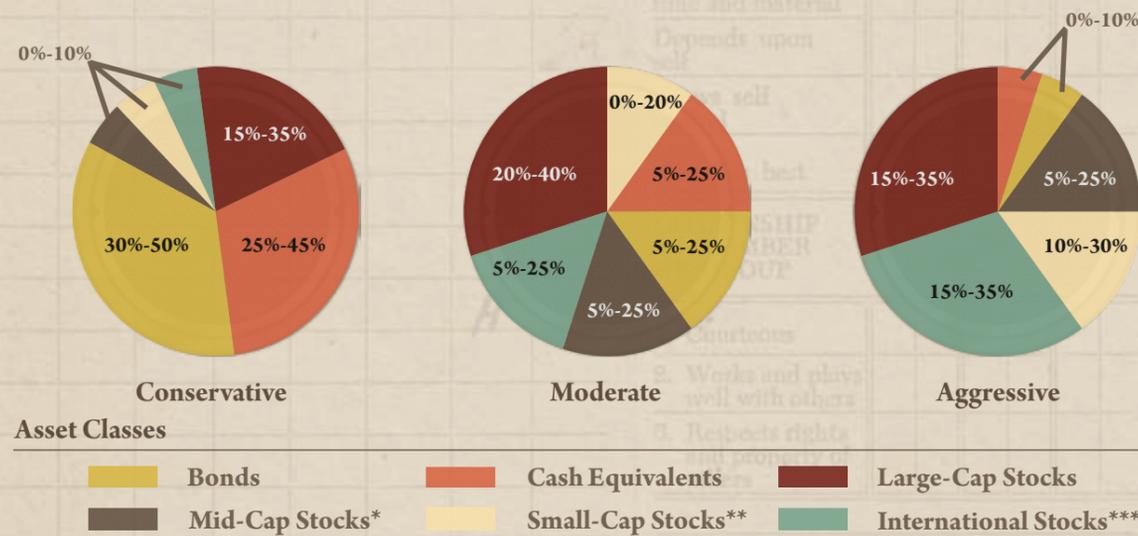
You most likely want a balance between lower- and higher-risk investments and are comfortable with some volatility.

15-20 points: Aggressive

You are probably comfortable with higher risk for potentially higher returns.

Step 3:

Choose Your Retirement Planning Strategy



FOR ILLUSTRATIVE PURPOSES ONLY. These hypothetical portfolios provide sample allocation models to illustrate possible investment portfolio allocations that represent an investment strategy based on risk. This is not intended as financial planning or investment advice.
 * Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.
 ** Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
 *** Foreign investments involve special risks, including currency fluctuations and political developments.

Your Program offers retirement planning that gives you the flexibility to build a portfolio that fits your goals and priorities.

Diversify Your Portfolio – The above sample portfolios demonstrate how contributions could be invested in different asset classes. To further manage risk and diversify the portfolio, each asset class percentage may consist of one or more different investments. A diversified portfolio can potentially help you manage risk by spreading your contributions among different asset classes. The theory is that while you may experience a decrease in one investment's performance, it is unlikely that all of your investments will decrease at the same time because they are diversified into several different investment types. The above sample portfolio allocations and the fund fact sheets may help you with selecting your investments. These hypothetical portfolios provide sample allocation models to illustrate possible investment portfolio allocations that represent an investment strategy based on risk. They are not intended as financial advice.

Investment Options – You may select from core investments, such as mutual funds, insurance fixed accounts and a bank depository account. Other options available through your 401(k) and 457 plans include a series of target date funds designed to change in relative risk exposure to stocks and bonds as you glide toward your chosen retirement date. You may choose a fee service, such as automated investment advice, as you consider your investment options. Current investment options are listed on the Web site. Each investment option offers its own risk. Please read the materials available to help you understand the options.

Build Your Own Portfolio – You can design your own investment strategy and research and select the investment options that fit that strategy using the tools available within your Program. For more information on each fund, including investment objectives, asset allocation, operating expenses and holdings, visit the Web site at www.tn.gov/treasury/dc.³



Making the Most of Your Money, Your Future, Your Tennessee 401(k) and 457 Deferred Compensation Program

Remember the main purpose of the Program—to help you save and invest for retirement. When you make regular payroll deductions over a long period of time, your contributions and any earnings can really add up thanks to compounding—gaining earnings on what you may have already earned, as well as on your initial contributions. Your State of Tennessee 401(k) and 457 Deferred Compensation Program is not a short-term savings account. Many financial experts suggest setting aside a separate emergency fund for unexpected expenses. Bear in mind that the Deferred Compensation Program has a long-term horizon as a retirement savings tool.

Quick and easy enrollment

A few simple steps and you're on your way to investing in your State of Tennessee 401(k) and 457 Deferred Compensation Program.

Investments

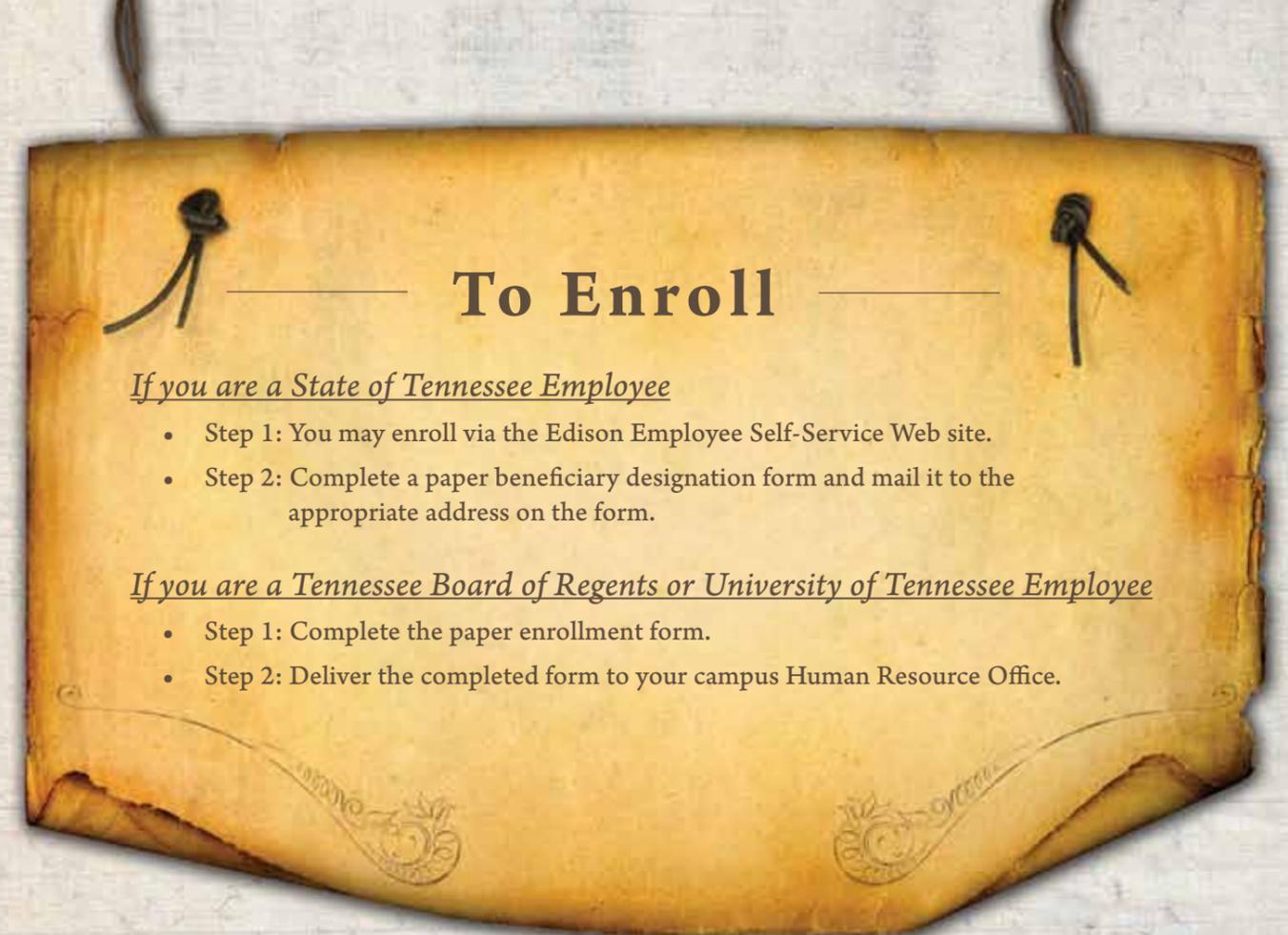
Know your options. Your State of Tennessee 401(k) and 457 Deferred Compensation Program offers a diverse array of investment options. Review the investment option information located in the back pocket of this guide or online via the Web site at www.tn.gov/treasury/dc.³ Read the descriptions and goals of the different options.

Convenient account management

Detailed Program and account information and the flexibility to make changes to your account are available on the Web site at www.tn.gov/treasury/dc; click on the "Great-West Access" link and sign in to your account. These features are also available by calling KeyTalk® toll free at (800) 922-7772, option 2.³

Electronic statements

Elect to receive your quarterly statements online with Online File Cabinet®.



To Enroll

If you are a State of Tennessee Employee

- Step 1: You may enroll via the Edison Employee Self-Service Web site.
- Step 2: Complete a paper beneficiary designation form and mail it to the appropriate address on the form.

If you are a Tennessee Board of Regents or University of Tennessee Employee

- Step 1: Complete the paper enrollment form.
- Step 2: Deliver the completed form to your campus Human Resource Office.

Once You Are Enrolled

Start to invest in yourself and your future with your State of Tennessee 401(k) and 457 Deferred Compensation Program!

Statements – You will receive statements quarterly by mail or may choose to receive your statements online. To elect to receive statements electronically and access past statements online, for free, sign up for Online File Cabinet. You will be notified by e-mail when statements are issued if you have elected electronic statements. Please read the special messages when your statement arrives.

Your account balance is built by your salary deferrals and any earnings on your deferrals. How much do you want to have accumulated when you retire? The amount you accumulate for the future depends upon what you set aside now. Enroll now to defer future earnings. You will thank yourself later.

Distributions – When you retire and are ready to start distributions from your 401(k) and/or 457 plan account(s), you may choose to receive your funds over a period of time or as needed. Contact the participant account representatives at (800) 922-7772, option 2, to request a distribution form.

Contact Us

On the Phone

(800) 922-7772

Finding the latest information on your Program and investment options is as easy as calling KeyTalk toll free at (800) 922-7772, **option 2**, and speaking with a Program representative.³

On the Web

www.tn.gov/treasury/dc³

Saving and investing for your future—and tracking your progress—can be exciting when you know where to view your account. You can research your investment options—and even change your investment lineup—anytime, anywhere via the Web site at www.tn.gov/treasury/dc.³ Click on the “Great-West Access” link to sign in to your account.

By E-mail

tn401k457@gwrs.com

You can e-mail tn401k457@gwrs.com anytime and a Great-West representative will respond to your e-mail.

In Person

Schedule an individual meeting with a Great-West representative at the local service center or attend an educational seminar to help you understand how you can best reach your retirement goals.⁴

Investment Education Opportunities

The Program provides group education and orientation sessions in the workplace around the state. E-mail tn401k457@gwrs.com, visit www.tn.gov/treasury/dc, or call (800) 922-7772, **option 2**, to

Past performance is not a guarantee or prediction of future results. Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact TD AMERITRADE at (866) 766-4015. Read them carefully before investing.



State of Tennessee 401(k) and 457 Deferred Compensation Program Features and Highlights

The State of Tennessee 401(k) and 457 Deferred Compensation Program is a powerful tool to help you reach your retirement dreams. As a supplement to other retirement benefits or savings that you may have, these tax advantaged voluntary plans allow you to save and invest extra money for retirement.

You may choose to defer taxes immediately or pay the taxes now and watch the earnings grow tax free, you may build extra savings consistently and automatically, select from a variety of investment options, and learn more about saving and investing for your financial future. You may defer to both the 401(k) and the 457 plans!

Read these highlights to learn more about your Program and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document or the Summary Plan Description, the Plan Document and/or the Summary Plan Description will govern.

Getting Started

What is a 401(k) plan?

A 401(k) plan is a retirement savings plan designed to allow eligible employees to supplement any existing retirement and pension benefits by saving and investing your-tax advantaged dollars through voluntary salary deferral. You may select from pre-tax (401(k)) and after tax (Roth 401(k)) deferral options. Pre-tax contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax and if taken before age 59½, may be subject to an additional 10% federal early withdrawal tax.

What is a Roth 401(k) contribution?

A Roth 401(k) deferral is an option under the 401(k) plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing after-tax dollars through voluntary salary deferral. Distributions are tax-free upon reaching the age of 59½ if taken after the required five-year holding period. You have the flexibility to designate all or a portion of your 401(k) elective deferrals as Roth contributions.

What is a 457 deferred compensation plan?

A governmental 457(b) deferred compensation plan (457 plan¹) is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants are typically receiving less income and may be in a lower income tax bracket than while working. Distributions are subject to ordinary income tax. The early withdrawal penalty does not apply to 457 plan withdrawals.

Why should I participate in the Program?

You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. Your State of Tennessee 401(k) and 457 Deferred Compensation Program can be an excellent tool to help make your future more secure.

You may also qualify for a federal income tax credit by participating in this Program. For more information about this tax credit, please contact your Great-West Retirement Services[®] (Great-West) representative.

The Program also offers a Roth contribution option, which allows participants to contribute on an after-tax basis. This may be an attractive feature if you expect to be in a higher tax bracket during your retirement. The “qualified” distributions of contributions and earnings from the Roth 401(k) account are generally tax-free, if they satisfy the at least five year length of deposit restrictions. Please refer to the Distributions and Taxes sections for additional information.

Is there any reason why I should not participate in the Program?

Participating may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or expect to need the money prior to retirement.

Who is eligible to enroll?

All current employees of the State of Tennessee, the University of Tennessee and the Tennessee Board of

¹ All references to the 457 plan are to a governmental 457(b) plan.

Regents who are eligible to enroll in TCRS or ORP are also immediately eligible to participate in the 401(k) and 457 plans.

How do I enroll?

If you are a State of Tennessee employee:

1. You may enroll via the Edison Employee Self-Service Web site.
2. Complete a paper beneficiary designation form and mail it to the appropriate address on the form.

If you are a Tennessee Board of Regents or University of Tennessee employee:

1. Complete the paper enrollment form.
2. Deliver the completed form to your campus Human Resources office.

Contact Great-West to select your investment options.

Is there an employer match?

The State of Tennessee as your employer may match your 401(k) contributions up to an annually appropriated limit, for the plan year ending on June 30, 2010 it is \$50 per month. **Availability of the match is subject to funds being appropriated each year.** In general, employees who are actively contributing to the 401(k) plan and who are eligible to participate in the TCRS or the Optional Retirement Program will be eligible to receive matching contributions. Contact your Human Resources office or your campus resource office for current information on employer contributions.

There is no match offered to the 457 plan.

What are the contribution limits for the 457 plan?

In 2010, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or \$16,500, whichever is less. It may be indexed in \$500 increments after 2010.

Participants in the 457 plan have two different opportunities to catch up and contribute more if they meet certain requirements. "Standard Catch-Up" allows participants in the three calendar years prior to normal retirement age to contribute more to the 457 plan (up to double the annual contribution limit—\$33,000 in 2010). The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were able to contribute in previous years but did not.

Also, participants turning age 50 or older in 2010 may contribute an additional \$5,500. You may not use the Standard Catch-Up provision and the Age 50+ Catch-Up provision in the same year.

What are the contribution limits for the 401(k) plan?

In 2010, the maximum contribution amount is 100% of your includible compensation, less any mandatory before-tax contributions to a governmental pension plan, or \$16,500, whichever is less. It may be indexed in \$500 increments after 2010. These limits may be reduced depending on the terms of your Program. If you have questions, call KeyTalk® at (800) 922-7772.²

Participants turning age 50 or older in 2010 may contribute an additional \$5,500.

If you participate in both the 457 and 401(k) plans, you can contribute up to \$16,500 to each plan, for a possible total of \$33,000. Participants turning age 50 and older in 2010 may also contribute an additional \$5,500 to each plan.

Roth 401(k) contributions

The Roth option will give you the flexibility to designate all or part of your 401(k) elective deferrals as Roth contributions.

In 2010, the combined maximum limit for 401(k) elective deferrals, for both traditional before-tax and Roth 401(k) contributions, is 100% of your compensation or \$16,500, whichever is less. The maximum contribution amount may then be indexed for inflation in \$500 increments in subsequent years.

Roth contributions are made with after-tax dollars, as opposed to the pre-tax dollars you contribute to a traditional 401(k). In other words, with the Roth option, you've already paid taxes on the money you contribute. With the traditional 401(k), your contribution is made on a pre-tax basis and you pay taxes only when you take a distribution.

What are my investment options?

A wide array of core investment options is available through your Program. Each option is explained in further detail in your Program's fund data sheets. Investment option information is also available through the "Great-West Account" link on www.tn.gov/treasury/dc and KeyTalk, toll free, at (800) 922-7772, option 1. The Web site and KeyTalk are available 24 hours a day, seven days a week.² You

² Access to KeyTalk and the 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 KeyTalk 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.

may also e-mail your local representatives at tn401k457@gwrs.com.

In addition to the core investment options, a self-directed brokerage account (SDBA) is available. The SDBA allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc. The SDBA is intended for investors who acknowledge and understand the risks associated with many of the investments contained in the SDBA.

Managing Your Accounts

How do I keep track of my accounts?

Great-West will mail you a quarterly account statement showing your account balances and activity. Or, you may choose to receive your statements online. To elect to receive statements electronically and access past statements online, for free, sign up for Online File Cabinet[®]. You will be notified by e-mail when statements are issued if you have elected electronic statements. Please read the special messages when your statement arrives.

You can also check your account balances and move money among investment options by accessing your Great-West account on the Web site at www.tn.gov/treasury/dc or by calling KeyTalk at (800) 922-7772, option 1.² You will also receive quarterly statements on your SDBA from your SDBA provider. The SDBA provider will send you a monthly statement if you have account activity in any given month.

How do I make investment option changes?

Use your Personal Identification Number³ (PIN) and Username to access the Great-West Web site through the “Great-West Account” link on www.tn.gov/treasury/dc, or you can use your Social Security number and PIN to access KeyTalk. You can move all or a portion of your existing balances among investment options (subject to Program rules) and change how your payroll contributions are invested.²

How do I make contribution changes?

Log in to Edison Employee Self-Service or fill out a Salary Reduction Agreement, which is available from your employer’s Web site at www.tn.gov/treasury/dc or your Great-West representative at (800) 922-7772, option 2.

Rollovers

³ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

May I roll over my account from my former employer’s plan?

Yes, but only approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the 457 or 401(k) plan, depending on the terms of the plan. Distributions from these plans, other than a 457 plan rolling into the 457 plan, may be subject to the 10% early withdrawal federal tax penalty. Please check with your Great-West Retirement Services representative regarding any applicable fees on the rollover account.

May I leave my accounts with the State of Tennessee or roll them over if I leave my current employment?

Yes. You can leave your entire account balance in your State of Tennessee 401(k) and 457 Deferred Compensation Program account. If you sever employment with your current employer, you may roll over your account balances to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan if your new employer’s plan accepts such rollovers. You may also roll over your account balances to an IRA. Compare fees, commissions, trading expenses and other transaction costs before making a decision.

Please keep in mind that if you roll over your 457 plan balance to a 401(k), 403(b) or 401(a) plan or an IRA, distributions taken before age 59½ may also be subject to the 10% early withdrawal federal tax penalty. Please contact your Great-West representative for more information.

Vesting

When am I vested in the 457 and 401(k) plans?

Vesting refers to the percentage of your account you are entitled to receive from the Program upon the occurrence of a distributable event. Your contributions to the Program and any earnings they generate are always 100% vested (including rollovers from previous employers).

Distributions

When can I receive a distribution from my accounts?

Qualifying distribution events are as follows:

- Retirement
- Unforeseeable emergency (457 plan only, as defined by the Internal Revenue Code and if allowed by your Program’s provisions)

- Financial hardship (401(k) plan only, as defined by the Internal Revenue Code and your Program’s provisions)
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Attainment of age 59½ (401(k) plan)
- Death (upon which your beneficiary receives your benefits)

Each distribution is subject to ordinary income tax. Distributions taken before age 59½ from the 401(k) plan may also be subject to a 10% early withdrawal federal tax.

Roth 401(k) accounts:

If you withdraw your Roth contributions and earnings after you’ve reached age 59½ or severed employment due to death or disability and have held the account for at least five years, the distribution is income tax- and penalty-free.

If you take a distribution from your Roth 401(k) account before age 59½, death or disability or before the five-year period beginning with your first Roth contribution, you will pay income taxes plus a 10% penalty tax on any earnings that are distributed. There is no income or penalty tax due on the Roth contributions distributed from the plan because contributions are made with after-tax dollars.

What are my distribution options?

1. Leave the value of your accounts in the Program until a future date.
2. Receive:
 - Periodic payments
 - Partial lump sum with remainder paid as periodic payments or annuity payments
 - A lump sum
3. Roll over your account balances to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an IRA.

What happens to my accounts when I die?

Your designated beneficiary(ies) will receive the remaining value of your accounts, if any. Your beneficiary(ies) must contact a Great-West representative to request a distribution.

Fees

The Program’s administrative costs are paid by participants. For employees enrolling in the 401(k) plan, the cost of administration is currently 0.25% of assets (25 basis points) annually or \$3 per quarter, whichever is greater. For employees enrolling in the 457 plan, the cost of administration is currently 0.25% of assets (25

basis points) annually. Administrative costs for the Program are subject to change in the future. Some of the investment providers assist in paying record keeping costs.

Are there any fees for the investment options?

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option’s management company before the daily price or performance is calculated. Fees pay for trading individual securities in the underlying investment options and other management expenses.

Funds may impose redemption fees on certain transfers, redemptions or exchanges resulting from presumed market timing.

There are additional quarterly fees and/or transaction fees to participate in the SDBA option.

Loans

May I take a loan from my account?

Your 401(k) plan allows you to borrow the lesser of \$50,000 or 50% of your total account balance. The minimum loan amount is \$2,000, and you have up to five years to repay your loan—up to 15 years if the money is used to purchase your primary residence. There is also a \$50 origination fee for each loan, plus a monthly fee of \$2.

Your 457 plan does not allow loans.

For more information about loans, please contact your Great-West representative.

Taxes

How does my participation in the Program affect my taxes?

Because your traditional contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any current earnings or losses on your accounts on your current income tax return, either. Your accounts are tax-deferred until you withdraw money, usually at retirement.

Distributions from the plans are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies). Distributions taken before age 59½ from the 401(k) plan may also be subject to a 10% early withdrawal federal tax penalty. The 10% early withdrawal penalty does not apply to 457 plan withdrawals.

For Roth 401(k) contributions:

- Taxes are paid at the time of contribution.
- Distributions of earnings and contributions are not taxable if you have reached age 59½ or severed employment due to death or disability and have held the account for at least five years.
- Income taxes and a 10% early withdrawal federal tax penalty may apply to any earnings distributed before age 59½, death or disability or before the five-year period beginning with your first Roth contribution.

Investment Assistance

Can I get help with my investment decisions?

Employees of Great-West and the State of Tennessee cannot give investment advice. There are financial calculators and tools on the Web site that can help you determine which investment options might be best for you if you would like to construct your Program accounts yourself.

How can I get help choosing my investment options?

Your Program offers access to three different levels of investment advisory tools and services called Reality Investing[®] Advisory Services. 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 investment guidance and advice tools. These services provide a personalized retirement strategy for you. 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.

For more detailed information, please visit your Program Web site at www.tn.gov/treasury/dc (Click on the "Great-West Account" link and then the Reality Investing tab) or call (800) 888-4952, ext. 41066, to speak to an AAG adviser representative.

What fees do I pay to participate in Reality Investing Advisory Services?

While there is no cost to use the Online Investment Guidance tool, there is a \$25 annual fee assessed quarterly for the Online Investment Advice tool.

If you choose to have AAG manage your account for you, the annual Managed Account fee will be 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%

For example, if your account balance is \$50,000, the maximum annual fee will be 0.60% of the account balance. If your account balance is \$500,000, the first \$100,000 will be subject to a maximum annual fee of 0.60%; the next \$150,000 will be subject to a maximum annual fee of 0.50%; the next \$150,000 will be subject to a maximum annual fee of 0.40%; and any amounts over \$400,000 will be subject to a maximum annual fee of 0.30%.

How do I get more information?

Visit the Web site at www.tn.gov/treasury/dc or call KeyTalk, toll free, at (800) 922-7772, option 2, for more information. The Web site provides information regarding your Program and financial education, as well as financial calculators and other tools to help you manage your accounts.

Call or visit your local Great-West office at:

545 Mainstream Drive, Suite 407
Nashville, TN 37228
(800) 922-7772, option 2

Securities (except for the Self-Directed Brokerage Account (SDBA) option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary 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.

GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution and administrative services.

Managed account, guidance and advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary 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.

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Web Site Quick Reference Guide

Visit the Web site at www.tn.gov/treasury/dc¹

- To request that a new Personal Identification Number (PIN) be mailed to you, or to personalize your PIN² (You may also call (800) 922-7772, toll free, to request a temporary PIN. You will receive a PIN that must be used within 24 hours.)
- To view your account balance, investment option allocations and past transactions
- To transfer among funds¹
- To change future contribution allocations
- To obtain investment option information
- To use financial calculators and tools
- And for many other options!

Visit www.tn.gov/treasury/dc¹ and click "Great-West Access" on the left navigation menu to log on to your account

View Account

- View your account balance, investment option allocations and asset allocation.
- Look at your contribution, transfer and withdrawal history.
- See your individual rate of return.

Change Account

- Change your PIN.²
- Transfer among funds.¹
- Change future contribution allocations.
- Use the Rebalancer and Dollar Cost Averaging tools.³

Fund Choices

- **Fund Overview** to view a one-page summary of each investment option
- **Fund Performance** to view the historical investment option performance
- **Online Prospectuses** to view the prospectus for each investment option
- **Fund Values** to view the unit/share fund values for the past 18 months
- **Fund Value Graph** to chart the unit/share values

Personalized Home Page

- Customize your home page.
- Review important news about your Program or Web site updates.
- Read financial planning articles from *SmartMoney*.⁴

Online File Cabinet[®]

- Elect to receive statements electronically.

Education

- Read about planning ahead, saving and investing for your future, and becoming a wise investor.
- Review general questions and answers about your Program.

Tools

- Use DreamTrackerSM and Paycheck Comparison.

Remember to log out when you leave the Web site to protect the security of your personal information!

Questions? Call KeyTalk[®], toll free, at (800) 922-7772.

¹ Access to KeyTalk and the 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 KeyTalk 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.

² The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services[®] immediately if you suspect any unauthorized use. ³ Dollar Cost Averaging and/or Rebalancer do not ensure a profit and do not protect against loss in declining markets. Investors should consider their financial ability to continue a dollar cost averaging and/or rebalancing plan during periods of fluctuating price levels.

⁴ GWFS Equities, Inc. is not affiliated with SmartMoney.

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Investment Options

The following chart is intended to illustrate investment options available to you under the State of Tennessee 401(k) and 457 Deferred Compensation Program and their associated risks. *Past performance is not a guarantee or prediction of future results. Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact TD AMERITRADE at (866) 766-4015. Read them carefully before investing. The date in a Target Date Fund represents an approximate date when an investor would expect to start withdrawing his or her money. The principal value of the funds is not guaranteed at any time, including the target date. An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.*

Fixed	Bonds ³	Balanced	Large Cap Equity	Mid Cap ⁵	Small Cap ⁶	International ⁷
<ul style="list-style-type: none"> • ING Fixed Plus Account¹ • Regions Bank² 	<ul style="list-style-type: none"> • Calvert Income I Fund (CINCX) • Fidelity Money Market Trust Retirement Government Market Fd (FGMXX) • Vanguard Total Bond Market Index Signal (VBTSX) 	<ul style="list-style-type: none"> • Fidelity Puritan (FPURX) • Vanguard Target Date Funds: Retirement Income (VTINX) 2010 (VTENX) 2015 (VTXVX) 2020 (VTWNX) 2025 (VTVVX) 2030 (VTHR X) 2035 (VTTHX) 2040 (VFORX) 2045 (VTIVX) 2050 (VFIFX) 	<ul style="list-style-type: none"> • Allianz NFJ Large Cap Value Instl[*] • Fidelity Contrafund (FCNTX) • Fidelity Magellan (FMAGX) • Fidelity OTC Portfolio (FOCPX) • SSgA S&P 500[®] Index Fund- Class II⁴ 	<ul style="list-style-type: none"> • Columbia Acorn Z[*] • Columbia Mid Cap Value Z[*] 	<ul style="list-style-type: none"> • Fidelity Small Cap Independence (FDSCX) • Morgan Stanley Inst US Small Cap Value I[*] 	<ul style="list-style-type: none"> • DFA International Value Fund I (DFIVX) • Fidelity International Discovery (FIGRX)
<p>Relative Risk Increase </p>						

* Indicates separate account funds offered through ING

1 The ING Fixed Plus Account is backed by the general assets of ING.

2 The Regions Bank Fixed Fund is backed by the general assets of Regions Bank. For account balances with over \$10,000 in the fixed fund, the fund has transfer out restriction of 20% of the fixed fund's account balance per calendar year.

3 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.

4 S&P 500[®] Index is a trademark of the McGraw-Hill Co., and is an unmanaged index considered indicative of the domestic Large-Cap equity market.

5 Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

6 Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

7 Foreign investments involve special risks, including currency fluctuations and political developments.

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My Money, My Future, My TennesseeSM 401(k) and 457 Deferred Compensation Program Comparison of the Governmental 457(b) and 401(k) Plans

Provision	401(k) plan		
	457 Plan	401(k) Plan	Designated Roth 401(k)
Authorization	Internal Revenue Code (IRC) Section 457(b)	IRC Section 401(k)	IRC Section 402A(a)
Eligibility	State and higher education employees, upon date of hire or anytime thereafter.	State and higher education employees, upon date of hire or anytime thereafter.	State and higher education employees, upon date of hire or anytime thereafter.
Is My Contribution Taxable in the Year I Make It?	No.	No.	Yes.
Is My Contribution Taxed When Distributed?	Yes.	Yes.	Only the employer contribution.
Are the Earnings on My Contributions Taxed When Distributed?	Yes.	Yes.	No, provided the distribution occurs after age 59½, death or disability and at least five years after your first contribution.
Maximum Annual Deferral	Under Age 50: You may defer a maximum of \$16,500 in 2010 to both plans. Age 50+: \$22,000 in 2010. The annual contribution limit will be indexed for inflation in future years. According to Internal Revenue Service (IRS) regulations, the increases can only take place in \$500 increments and may not occur every year.	Under Age 50: \$16,500 in 2010. Age 50+: \$22,000 in 2010. The annual contribution limit will be indexed for inflation in future years. According to IRS regulations, the increases can only take place in \$500 increments and may not occur every year.	
Deferral Amounts Coordinated with Other Retirement Plans	If an employee is eligible to contribute to either a 401(k) or 403(b) plan and, in addition to that 401(k) or 403(b) contribution, is also eligible to contribute to a governmental 457(b) plan, then that employee may defer the maximum annual contribution to both plans (either 401(k) and 457(b) or 403(b) and 457(b)) for a total contribution of \$33,000 in 2010. This does not include catch-up contributions.	If an employee is able to contribute to both a 403(b) and a 401(k) plan, that employee may contribute to both. However, total aggregate contributions to both plans may not exceed the annual contribution limit, which is \$16,500 for 2010 or \$22,000 if an employee is 50 years of age or older.	
Employer Contributions	None.	State match amount is subject to annual appropriation. Notice of amount is announced annually.	
Standard Catch-Up Allowed	Yes. If not using Age 50+ Catch-Up, Standard Catch-Up is available during the last three calendar years before the year an employee attains normal retirement age. An employee may be eligible to make contributions up to a maximum annual contribution of \$33,000 in 2010. The Standard Catch-Up and Age 50+ Catch-Up cannot be used in the same tax year.	No.	



Provision	457 Plan	401(k) Plan	Designated Roth 401(k)
Withdrawals Permitted	Retirement, death, termination of employment or approved unforeseeable emergency. (Unforeseeable emergency is a severe financial hardship resulting from a sudden illness, disability or accidental property loss, subject to strict IRS guidelines.)	Retirement, death, termination of employment, attainment of age 59½, or approved financial hardship caused by certain types of financial needs. Hardship withdrawals may not include earnings after December 31, 1988, or employer contributions.	
Benefits Must Begin No Later Than ...	April 1 of the year following the later of the year a participant turns 70½ or the year of retirement from the employer sponsoring the Plan.		
Saver's Tax Credit	Eligible participants will receive a non-refundable tax credit of up to 50% on an annual contribution of \$2,000 in elective deferrals, in addition to the tax deferral. This generally applies to joint filers with an adjustable gross income (AGI) of up to \$55,500 and single filers with an AGI of \$27,750 in 2010. To submit, complete federal Form 1040.		
Tax Penalties	No 10% penalty tax for distributions of 457(b) money taken prior to age 59½. A 50% excise tax applies if minimum required distributions are not taken before April 1 of the year following the attainment of age 70½ or retirement, if later.	A 10% federal penalty tax may apply to distributions taken prior to age 59½. A 50% excise tax applies if minimum required distributions are not taken before April 1 of the year following the attainment of age 70½ or retirement, if later.	Premature distribution of Roth earnings taxed plus 10% penalty unless an exception applies. If a distribution is made from your Roth 401(k) account before you reach age 59½ and it is not due to death or disability, or reaching the five-year period beginning with your first Roth contribution, you will pay income taxes plus a 10% penalty tax on any earnings that are distributed.
Transfers/Rollovers out of the Plan	Funds may be rolled over into a 401(k) plan, a governmental 457 plan, a 401(a) plan, a 403(b) plan or an IRA once you have met the eligibility requirements for withdrawal. Please check with your new plan provider to determine if rollovers are allowed into your new plan. Funds may also be transferred to TCRS for purchasing prior service credit.	Funds may be rolled over into another 401(k) plan, a governmental 457 plan, a 401(a) plan, a 403(b) plan or an IRA once you have met the eligibility requirements for withdrawal. Please check with your new plan provider to determine if rollovers are allowed into your new plan. Funds may also be transferred to TCRS for purchasing prior service credit.	Funds may be transferred to a Roth IRA, 401(k) or other plan with a designated Roth account that accepts rollovers.
Loan Provisions	None.	Active employees who have accumulated \$4,000 in the Plan may borrow up to half of their account balance, not to exceed \$50,000. Refer to the Loan Brochure for details.	
Ownership of Assets Prior to Withdrawal	Trust established for the benefit of the Plan participants.		

Note: Statements regarding federal income tax requirements and Plan rules are based upon the State of Tennessee's current understanding of the law and are subject to change as a result of subsequent amendments, regulations and interpretations. Participants are urged to consult their own tax advisors for advice concerning their particular circumstances.

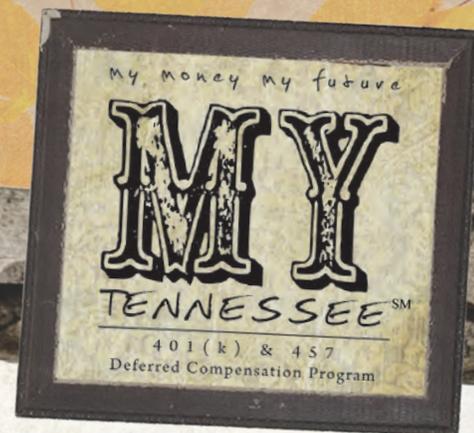
The above is only a brief discussion of applicable tax requirements. Specific limitations and requirements are stated in detail in the Plan Documents and the Internal Revenue Code and regulations.

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Catch-Up Contributions

My Money, My Future, My TennesseeSM 401(k) and 457 Deferred Compensation Program

Why catch up?

If you are over age 50 or getting close to normal retirement age, you might be feeling a little behind on your retirement savings. Fortunately, the federal government makes it easier for people to catch up on their savings at a faster rate by providing two special catch-up provisions: Age 50+ and Standard. Taking advantage of a catch-up option not only allows you to save at an accelerated rate, it also may lower your current taxable income. That means more money in your pocket today!

Age 50+ Catch-Up

You may already know that, in 2010, all State of Tennessee Deferred Compensation Program participants can contribute a maximum of 100% of your includible compensation up to the IRS limit of \$16,500 to both the 401(k) and the 457 plans. However, if you are turning age 50 or older during the 2010 calendar year, you can take advantage of the Age 50+ Catch-Up provision and contribute an additional \$5,500 to both the 401(k) and 457 plans. Your date of birth will determine if you qualify to use this option.

Standard 457 Catch-Up

If you are within three years of your normal retirement age and undercontributed in prior years, you may use the Standard Catch-Up provision, which allows you to contribute up to an additional \$16,500 in 2010. This amounts to a total possible maximum contribution of \$33,000.

To take advantage of Standard Catch-Up in 2010 you must verify that you underutilized your 457 plan contribution opportunities in the past. To do this, review your Program statements, tax returns and paycheck stubs from previous years to collect information about your annual contributions to the 457 plan in prior years. Then, compare amounts contributed to the 457 plan with amounts you were allowed to contribute in prior years. Then, determine whether you may contribute any underutilized contributions from prior years as a Standard Catch-Up in 2010, up to the maximum amount of \$16,500.

For example, the limit in 2009 was \$16,500. If you contributed \$11,000 that year into the 457 plan

then you have \$5,500 available to use in 2010 toward the \$16,500 Standard Catch-Up amount.

The Standard Catch-Up is a once-in-a-lifetime opportunity and can be utilized up to a maximum of three consecutive years. You cannot use it for one year, skip a year, and then expect to use it again over a two-year period.

May I use both at the same time?

No. The Age 50+ Catch-Up provision and the Standard Catch-Up provision cannot be used in the same calendar year. In addition, you may not use the Standard Catch-Up in the year you reach normal retirement age.

How do I get more information?

You can obtain information regarding the catch-up contribution provisions by calling (800) 922-7772. Press "2" to talk with a Great-West Retirement Services[®] (Great-West) representative.¹

You may also log in to your Great-West account on the Internet at www.tn.gov/treasury/dc.¹

2010 Catch-Up Contributions	
Age 50+ (401(k) and 457 plans)	Standard (457 plan only)
Participants age 50 and older during the 2010 calendar year	Participants within three years of normal retirement age and under-contributed in prior years
Contribute an additional \$5,500	Contribute up to an additional \$16,500
No application required	Application available from the Program
Maximum total contribution: \$22,000	Maximum total contribution: \$33,000

¹ Access to the automated voice response system 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.

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Stay with the Program

Even if you are no longer employed by the State of Tennessee, you can keep your 401(k) and/or 457 account right where it is. In fact, you have a number of options with your State of Tennessee 401(k) and 457 Deferred Compensation Program (Program). Keeping your money in the Program, administered through Great-West Retirement Services® (Great-West), may provide you with better retirement opportunities than other investment products.

Five reasons to stay with the Program:

1. You might pay less in fees if you stay in the Program.

If you're approached about moving your Deferred Compensation Program account to a broker's company, be sure to compare your current Program fee structure with the broker's fee structure. If the expenses are higher with the alternative, what is the real reason to move your money? Who will it benefit? Consider all options. After all, it's your money.

2. This Program is low-cost.

This Program offers you investment products that are competitively priced when compared to many other mutual funds. Low investment fees continue to keep more of your retirement money working for you in your portfolio.

3. The Program offers flexible, easy account management.

You may continue to call KeyTalk® at (800) 922-7772¹ to speak with Participant Services representatives about your plan-specific questions.² The Web site www.tn.gov/treasury/dc¹ allows you to log in to your Great-West account to manage your retirement savings and access financial education information that can help you effectively prepare for retirement. Access both KeyTalk

and the Web site at any time for account information or to make changes to your investments.

4. Quick and easy transfers among investment options are still available.

Stay in your State of Tennessee 401(k) and 457 Deferred Compensation Program and there is no paperwork to transfer your assets among investment options. Transfers made online or by phone are processed within 24 hours.¹

5. Retain distribution flexibility with a variety of payout options.

The Program offers you a variety of distribution options to suit your financial needs, including periodic payments and partial withdrawals. You can also change your distribution arrangement as many times as necessary to meet your needs as long as you begin receiving payments during the year after you reach 70½.

Contact a retirement education counselor who can work with you and provide information about the Program that may affect your decision.

Another option is to keep your money right where it is, with the Program, even if you retire or leave your job.

Questions?

Call KeyTalk®, toll free, at (800) 922-7772,
or e-mail tn401k457@gwrs.com.

My Money, My Future, My TennesseeSM 401(k) and 457 Deferred Compensation Program

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