



FOURTH QUARTER
2011

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Higher 2012 contribution limits

Maximum Annual Contribution	\$17,000
Total including Age 50+ Catch-Up	\$22,500
Total including Three-Year Special 457(b) Catch-Up	Up to \$34,000

If you are at least age 50 in 2012, you are allowed to contribute an extra \$5,500 with the Age 50+ Catch-Up, for a total of up to \$22,500. To take advantage of the Age 50+ Catch-Up Provision, complete a *Participant Change Authorization Form* and submit to your Benefits Office.

If you are within three years before the year in which you will reach the Normal Retirement Age defined by the CalPERS Supplemental Income 457 Plan, you may be eligible to contribute up to \$34,000 with the Three-Year Special Catch-Up. To take advantage of the Three-Year Special 457(b) Catch-Up Provision, complete a *Participant Change Authorization Form* and *Three-Year Special 457(b) Catch-Up Worksheet* with your employer.

Since the Three-Year Special 457(b) Catch-Up option takes into account your prior contributions, please work closely with your employer to calculate the catch-up amount available to you. Remember, if you are eligible for both catch-up options, IRS rules provide that you cannot use both in the same year. ●

A tax credit on Plan contributions

You may be eligible to claim a tax credit on your 2011 and 2012 federal tax returns for up to half of the first \$2,000 you save in a retirement account each year if your adjusted gross income does not exceed these limits. For more information, go to www.irs.gov or contact your tax adviser. ●

	Tax Year 2011	Tax Year 2012
Single, married filing separately, or qualifying widow(er)	\$28,250	\$28,750
Head of household	\$42,375	\$43,125
Married filing jointly	\$56,500	\$57,500

Required Minimum Distributions reminder

You are required by law to begin annual withdrawals, called Required Minimum Distributions (RMDs), from your CalPERS 457 Plan account and other retirement accounts by April 1 following the year in which you reach age 70½, or in the year you retire, whichever is later. If you do not take all or a portion of your RMD by the required deadline, you may be subject to a 50% IRS penalty on the amount not taken, even if you withdraw it later. For information, call the Plan Information Line at **(800) 260-0659** or talk with your financial or tax adviser. ●



Name a beneficiary and a back-up, too

It is important to name both primary and contingent beneficiaries who would receive your CalPERS 457 Plan account benefits in the event of your death.

Your **primary beneficiary** is the person or persons designated as the first to receive the proceeds of your account upon your death. The **contingent beneficiary** receives the benefit only if the primary beneficiaries die before you.

Review the beneficiary designation information in the Beneficiary section of your statement or log into your account online at <https://calpers.inplans.com>.

If you are married or in a domestic partnership and have designated a primary beneficiary other than your spouse or domestic partner at this time or at any time in the future, you will need to complete and resubmit a *Beneficiary Designation Form* and follow these steps:

- Obtain the *Beneficiary Designation Form* on the Plan website or call the Plan Information Line.
- If you are married or in a domestic partnership and have designated a primary beneficiary other than your spouse or domestic partner, your spouse or domestic partner will need to provide a notarized signature on the *Beneficiary Designation Form* acknowledging the change in beneficiaries you are designating.
- Complete and return the form to your Benefits Office.

To update your beneficiary information, complete and return the *Beneficiary Designation Form* available at <https://calpers.inplans.com> or call **(800) 260-0659** to request the form. ●

A financial calendar for the year ahead

You could probably accomplish small and large financial goals in the New Year simply by focusing on one specific priority each month. This calendar may stimulate your thinking about a variety of dollars-and-cents objectives.



January

Pay off any holiday season credit card bills as soon as the charges show up on your monthly statement. It may be tempting to pay only the minimum, but if spring and summer arrive and you're still paying interest on last year's gifts, then the cost of those items will continue to rise.

February

Speak with the other members of your household to determine which strategies you will collectively use to minimize unnecessary spending. For example, you might all agree to put on a sweater when it gets chilly instead of turning up the thermostat right away, a particularly good idea in light of today's energy prices.

March

Get your financial paperwork in order. Organize the documentation you need for filing taxes. Review financial documents (retirement accounts, bank and investment statements, wills, and insurance policies) to make sure your beneficiaries and other personal information are up to date.

April

Reflect on what you did with last year's tax refund if you received one. Did you splurge and have nothing to show for it later? Or did you pay down debt, set aside emergency savings, and/or increase retirement assets? Can you do better this year? Have you completed an annual financial review?

May

Schedule a tune-up for your vehicle. Whether you do the work yourself or pay a professional to spend some time under the hood, you may be rewarded with increased fuel efficiency and a smoother ride.

June

Conduct an informal mid-year financial review. Have you managed to cut down on debt and free up money for goals such as retirement during the first half of the year?

July/August

Search for vacation bargains on travel websites. They're out there, especially if you can be a little flexible with your schedule.

September

The holidays will be here before you know it. Try to set a budget for your shopping and get it out of the way sooner rather than later. You may feel less rushed and will have time to seek out better prices.

October

Request a free copy of your credit report from the three major credit reporting agencies: Equifax, Experian, and TransUnion. By law you are entitled to one free report each year. If you notice errors, request corrections right away.

November

Ensure that the people who depend on you are protected and your final wishes are honored by developing an estate plan.

December

Assess your retirement investments and rebalance your asset allocation if necessary. ●



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quarterly calendar

Transactions made on these dates when the New York Stock Exchange is closed will be processed the following business day.

- **Monday, February 20, 2012**
- **Friday, April 6, 2012**

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