



# Plan Update

## New Year, New Focus

If getting in shape is one of your New Year's resolutions, be sure to get your retirement savings strategy in shape too. (Even if you are already physically fit, the New Year is a good time to make sure you are also financially fit.)

**Add weight to your program.** Commit to increasing your contributions each year, as small increases add up over time.

**Attend a class.** Learn how to make the most of your retirement savings by attending a free OSGP Workshop.

OSGP Workshop dates for the first quarter 2007:	
Eugene	January 30
Newport	January 31
Tillamook	February 1
Salem	February 6
Albany	February 1
Astoria	February 16
Klamath Falls	March 6
Bend	March 8
Salem	March 27

Registration is required for all workshops. Call 503-378-3730 or register on line at <http://oregon.gov/PERS/OSGP>.

**Balance your workout.** Since different asset classes grow at different rates over time, your investment mix can get out of sync with your long-term strategy. To stay on track, log on to the OSGP Web site or call the Information Line to select the automatic rebalancing feature for your account.

**Keep pace with inflation.** The Consumer Price Index (CPI), which is the most widely used measure of inflation, was 3.3% in 2006. Take the time now to review your investments and make sure your investment mix is on track to at least meet inflation. You can go to "My Statement" on the OSGP Web site to instantly generate an online statement for the year-to-date, quarter, month, or the time period you select.

**Maintain a consistent regimen.** Through automatic payroll deductions into your Oregon Savings Growth Plan (OSGP)

account, you are saving consistently over time and taking advantage of dollar-cost averaging, which allows you to buy more of your investment when prices are low and limit your exposure when prices are high. Establishing an automatic program also helps eliminate the confusion of trying to guess when it's really the right time to make an investment.

It's easy to build up your retirement savings fitness program. Simply visit the OSGP Web site at [osgp.csplans.com](http://osgp.csplans.com) or call the Information Line at 800-365-8494 to make improvements for a healthier financial future.

## Fees and Expenses Vary

Small differences in fees can translate into large differences in returns over time. A fund with high costs must perform better than a low-cost fund to generate the same returns. As an OSGP participant, you may find a fund's expense ratio to be useful as a guide to the ongoing fees you will pay to invest in a particular fund. An expense ratio is the fee an investment manager charges to operate a fund, expressed as a percent. The expense ratio is one of many factors—including asset class, performance, and risk—to consider when creating a diversified retirement investment mix.

(Note: All proceeds from mutual funds for revenue sharing are credited back to the applicable Option and are reflected in the weighted average fees).

## Advisory Corner

Quarterly advisory meetings for 2007 have been scheduled as follows:

February 14, Archives Building, Salem

May 9, PERS Headquarters, Tigard

August 8, Archives Building, Salem

November 14, PERS Headquarters, Tigard

All meetings begin at 9:30 a.m.

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**CONTACT  
OSGP AT:**

**OSGP WEB SITE**  
[osgp.csplans.com](http://osgp.csplans.com)

**INFORMATION LINE**  
800-365-8494

**PERS/OSGP INTERNET SITE**  
<http://oregon.gov/PERS/OSGP>

## Contribution Limit Increase

The Internal Revenue Service (IRS) recently announced a cost-of-living adjustment for tax year 2007, increasing the annual contribution limit you can make to your OSGP account to \$15,500.

**Maximize your increase.** Participants who currently defer the maximum amount may need to change their deferral for 2007, especially if they are deferring a fixed dollar amount rather than a percent of pay. To change your deferral, please go to the OSGP Web site at [osgp.csplans.com](http://osgp.csplans.com) or call the Information Line at 800-365-8494. If you are deferring a percent of pay rather than a fixed dollar amount and want to ensure the percent you are currently deferring will be adequate to contribute the maximum amount for 2007, please call OSGP at 503-378-3730.

**Catch-up if you can.** Participants who are age 50 and above, or within three years of normal retirement age, may be able to select one of the two types of catch-up provisions\* that allow participants to save even more for impending retirement.

- Through the **50 Plus Catch-Up** provision, employees who are age 50 or older, and contribute at the maximum deferral rate, may also be eligible to contribute an additional amount of \$5,000 in 2007, for a total contribution of \$20,500.
- Through the **3-Year Catch-Up** provision, participants who are planning to retire with unreduced retirement benefits can save twice as much—an additional \$15,500, for a total contribution of \$31,000—each year during the three calendar years before reaching the year of their projected retirement date.

Don't miss this opportunity to save as much as you can for retirement. You can increase your contribution amount to reach both the pre-tax and catch-up contribution limits by calling OSGP at 503-378-3730.

\*You cannot participate in the 50 Plus Catch-Up and the 3-Year Catch-Up in the same year. You cannot participate in the 3-Year Catch-Up in the year of your retirement. Your total contribution limit will depend on which type of catch-up contribution you elect.

### QUARTERLY CALENDAR

The New York Stock Exchange is closed on the following days:

**Monday, February 19, 2007** and **Friday, April 6, 2007.**

Transactions made on these days will be processed the following business day.

## Keep Your Address Current

Each quarter OSGP receives several hundred statements that are returned due to incorrect or invalid addresses. Staff must then research each statement to try to find a current address and then forward it to the participant. OSGP wants to ensure that participants have the most up-to-date account information; unfortunately, we are not always successful in finding everyone.

If you work for a state agency and have recently changed addresses, please contact your Human Resource office to confirm that they have uploaded your most recent address in the state payroll system. On the monthly sweep of the payroll records, OSGP will pick up any changes made and automatically update the file.

For all other participants, including those who work for local government agencies, an Address/Name Change form is available on the OSGP Web site at [osgp.csplans.com](http://osgp.csplans.com), or you can obtain a form by calling the Information Line at 1-800-365-8494.

Also, if your address previously included a second line, such as an apartment number, and then you moved and changed your address with your employer, but the second line is still showing up on your statement, please send an email to OSGP customer service at [osgpcustsvc.PERS@state.or.us](mailto:osgpcustsvc.PERS@state.or.us) and it will be corrected.

## Beneficiary Update

The Fall 2006 Plan Update on beneficiary information generated hundreds of phone calls and inquiries to OSGP. Many participants verified their current information while others chose to complete a new Beneficiary Designation form. If you want a copy of your current beneficiary form, you will need to send a written request signed by you to OSGP at 800 Summer Street, Ste 200, Salem, OR 97301 or fax a request to 503 378-5888. Please allow 14 days for receipt of same. OSGP staff cannot give you beneficiary information over the phone. To save time, if you're not sure about your current information, you can always submit a new beneficiary form (available at [osgp.csplans.com](http://osgp.csplans.com)) that will supercede the one you currently have on file.



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This newsletter is not intended to provide legal, tax, or investment advice. For such advice, participants should contact legal, tax, or investment advisers.