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Top five New Year's retirement resolutions

A New Year offers fresh opportunities to give some attention to your retirement accounts. If you made a resolution to improve your financial situation in 2013, try one or more of these action steps.



Assess your personal situation. Will anything significant happen this year that has the potential to affect your outlook, such as a decision to retire earlier or later than expected? Have there been any major changes in your life, such as a marriage, divorce or birth of a child that might require you to save more or invest differently for the future? It may be time to recalculate your retirement goals or adjust your investing strategy.

Save more. Giving your contribution level a booster shot could have a big impact on the value of your retirement accounts in the future.

Review your investments. How long has it been since you checked the investments in your retirement accounts? So much can change over time, including the markets and your attitude toward investment risks and returns.

Your asset allocation strategy should reflect your objectives, level of comfort with risk, and when you expect to retire. Asset allocation is the process of choosing which asset classes to invest in and what percentage of a portfolio to invest in each: stocks, bonds and cash equivalents.

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2013 contribution limits

The Internal Revenue Service (IRS) increased the maximum amounts that participants may contribute to the Plans in 2013.

	401(k) Plan	457 Plan
Maximum Annual Contribution	\$17,500	\$17,500
Maximum including Age 50+ Catch-Up	\$23,000	\$23,000
457 Three-Year Traditional Catch-Up	—	Up to \$35,000

You may contribute up to the maximum in both the 401(k) and 457 Plans. Beginning the year you reach age 50, you are allowed to contribute an extra \$5,500 with the Age 50+ Catch-Up in 2013. If you are a 457 Plan participant who is within three years of retirement, you may be eligible to contribute up to \$35,000 for three years with the 457 Three-Year Traditional Catch-Up.

You may not use both catch-up options in the 457 Plan in the same year. ●

Plans win 2012 award

The State of Michigan 401(k) and 457 Plans received national recognition for excellence. The 2012 Leadership Award was presented to the state in October 2012 by the National Association of Government Defined Contribution Administrators (NAGDCA) in the category of effective communication. ●



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The Plans offer a range of investment options across the major asset classes so you can build and maintain a well-diversified portfolio. An alternative option is to consider investing in one of the Plans' target date retirement funds. A target date retirement fund invests in a diversified portfolio with an asset allocation that changes gradually as the fund approaches its target date. You choose the one fund that most closely matches the date you expect to begin withdrawing your money for retirement, and you're done.

Prior to making investing decisions, you should carefully review all fund information. For more information including fund fact sheets, call the Plan Information Line at **(800) 748-6128**.

Rebalance if necessary. Once you review your investments, you may find that over time, changes in the market have pushed your portfolio out of alignment with your original intentions. When that happens, it may be time to rebalance to restore your allocation to the original target percentages you set.

You could rebalance right away by selling assets in one or more of your investments and using the proceeds to buy shares of other investments in your portfolio. Or you could seek balance more gradually by adjusting the way your future contributions will be directed.

While you can rebalance manually, it is convenient to use the Plans' automatic rebalancing feature for rebalancing your investments on the schedule you choose. To learn more or sign up for automatic rebalancing, call **(800) 748-6128**.

If you have invested in one of the Plans' target date retirement funds, there's no need for rebalancing because the fund manager takes care of the investment decisions.

Get professional advice. If you would like to talk with an Investment Advisor Representative about your asset allocation strategy, investments or rebalancing options, call **(800) 748-6128**.

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1099-Rs reminder

Anyone who took a distribution from the 401(k) or 457 Plans in 2012 will receive a 1099-R form mailed by January 31, 2013 to arrive in early February. If you have not received your mailed copy by February 22, call **(800) 748-6128** to speak with a Participant Service Representative. ●



Toll-Free (800) 748-6128
TDD Line (800) 276-4106

For seminar information or to set up a personal meeting:

Lansing Office (517) 636-6071
Toll-Free (800) 381-5111 ext. 66071

This newsletter is not intended to provide legal, tax or investment advice. For such advice, participants should contact their legal, tax or investment advisers. ING administers the 401(k) and 457 Plans for State of Michigan employees.
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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, January 21, 2013
- Monday, February 18, 2013
- Friday, March 29, 2013

SKU#SPRS4Q12