COUNTY OF VENTURA

MEMORANDUM

County Executive Office / Human Resources Division

TO: Eligible Deferred Compensation Program Participants

FROM: Deferred Compensation Program

SUBJECT: DC Bulletin –January 2011

Mutual Window Fund Closure Suspension

The Deferred Compensation Committee has placed a hold on closing the Mutual Fund Window pending final review at a Special DC Meeting scheduled for January 26, 2011 at 8:30am – Pacific Conference Room- HOJ.

New contributions to the Mutual Fund Window will continue to be allowed and will not be frozen on February 1, 2011 nor will the option be eliminated on August 1, 2011. Participants will be notified of the final decision and revised timetable, if needed.

2011 Plan Contribution Limits

The limits recently released by the IRS are unchanged from 2010. This means you can contribute the following amounts to the 401(k) and 457 Plans in the 2011 Plan year.

401(k) Shared Savings Plan	$16,500
401(k) Shared Savings Plan Baby Boomer Catch-Up (If you're at least 50 or will turn 50 in 2011)	$22,000
Section 457 Plan	$16,500
Section 457 Plan Baby Boomer Catch-Up (If you're at least 50 or will turn 50 in 2011)	$22,000
Section 457 Plan Special Catch-Up (You must have prior years of unused deferrals and meet certain age and service requirements.)	$33,000

You are automatically enrolled in the Baby Boomer Catch-Up Program, with the higher limit of $22,000, for both Plans if you are at least 50 years old, or will turn 50 in 2011. If you want your contribution limit to be set at the regular limit of $16,500 contact the Deferred Compensation Program at 805/654-2620.

You are *not* automatically enrolled in the Section 457 Plan Special Catch-Up Program. If you want to participate in the Special Catch-Up Program, call the Deferred Compensation Program at 805.654.2620. If you enroll in the 457 Plan Special Catch-Up Program, you cannot participate in the Baby Boomer Catch-Up Program for either Plan.

To change your contributions, call Fidelity at 800.343.0860 or logon to Fidelity NetBenefits® at www.fidelity.com/atwork. Remember, there's a waiting period for increasing your 457 Plan contribution. Contact the Deferred Compensation Program for more information.

Plan contribution maximums are adjusted to reflect the maximums allowed by federal law. If you reach the annual contribution limit prior to the end of the year, the payroll system is programmed to stop your contributions, and we will make every effort to ensure you don't exceed the contribution limit. However, it is your responsibility to check your W-2 to make sure you don't overcontribute. According to the IRS, you are responsible for monitoring the total you defer to ensure that your deferrals are not more than the overall limit.

Fidelity Target 2003 Fund – Enron Corporation Settlement

Fidelity has received settlement proceeds related to a securities litigation class action involving Enron Corporation for the Fidelity Target 2003 Fund, which closed on September 30, 2003. Based on the dollar balance held by the Plan in the Fidelity Target 2003 Fund on September 30, 2003, the 457 Plan will receive $32.80 in proceeds.

Due to the small settlement amount, Fidelity will deposit the settlement proceeds in the Plan account. The proceeds will be used to pay reasonable Plan expenses.

Section 457 Plan Waiting Period

If you want to increase your biweekly contributions to the Section 457 Plan, there's a waiting period before those higher contributions can be deferred from your pay. This waiting period also applies for new enrollments and contributions you make from a buydown of your vacation or annual leave and any contributions you make from your payoffs when you separate from service. Your increased contributions to the 457 Plan can become effective the first payday in the month following the month you elect to make the contribution (*subject to administrative processing deadlines*).

If you elect to make the contribution by . . .	Your increased contributions can become effective
January 31	Pay period 11-03 (February 10 payday)
February 28	Pay Period 11-05 (March 10 payday)
March 31	Pay Period 11-07 (April 7 payday)

As you can see, it's important to plan ahead when enrolling in the Plan or increasing your 457 Plan contributions. Be sure to make arrangements to increase your contributions in advance of the pay period in which you want the increase to take effect. For more information on how the administrative processing deadlines affect the timing of your contributions, contact the Deferred Compensation Program (e-mail deferred.compensation@ventura.org or call 805.654.2620). And remember, to begin making biweekly contributions, change the amount of your biweekly contributions, or cancel your contributions, contact Fidelity Investments (call 800.343.0860 or logon to your account at www.fidelity.com/atwork). To make a one-time contribution from a buydown or payoff, contact the Deferred Compensation Program.

New Core Option

For the past several meetings, the Deferred Compensation Committee has been conducting a comprehensive review of the Plans' investment options, looking at individual core options as well as the investment option structure as a whole. As a result of this review, the Committee recently added a new core option – Spartan Extended Market Index Fund. Please contact Fidelity for more information regarding this fund at 800-343-0860 or www.fidelity.com/atwork.

Target Date Funds

The Department of Labor (DoL) and the Securities and Exchange Commission (SEC) released their long-anticipated Investor Bulletin on Target Date Retirement Funds. Designed for individual investors and participants, the Bulletin is intended to help them better understand how target date funds (TDFs) operate and their related risks. The Bulletin summarized key items participants should consider when evaluating TDFs:

- Whether the participant wants a more hands-off approach as opposed to taking a more active role in managing investments, noting that TDFs nonetheless need ongoing monitoring.
- The strategy and risks of the TDF.

Target Date Fund (cont'd)

- How the TDFs investment mix will change over time and when it will reach its most conservative asset allocation.
- Whether the TDFs investment mix at the target retirement date and thereafter fits with the participants' plans for withdrawal versus continued investment in retirement.

Note, the Bulletin includes content regarding comparing TDF options with the same retirement date, which is not applicable for our Plan participants since we only offer a single TDF series – the Fidelity Freedom Funds.

There is no requirement for plan fiduciaries to distribute or make the Bulletin available to plan participants. However, we believe it's important information for our participants to review. For this reason, the SEC Investor Bulletin accompanies this memo as a separate attachment for your reference.

It's Your Responsibility

What better way to start the New Year then by checking to make sure your beneficiaries are up to date, or your 401(k) and/or 457 contributions are set correctly for the New Year? As we enter a new plan year we would like to remind participants of a few things they are responsible for throughout the year.

- Monitor your biweekly paystubs – Are your contributions correct? Are your year-to-date totals correct?
- Review your Plan statements – Is all the information correct?
- Check your W-2s – Does it show the correct amount of your annual Plan contributions? According to IRS Publication 525, "you are responsible for monitoring the total you defer to ensure that the deferrals are not more than the overall limit."
- Review the amount of your contributions towards the end of each year – Based on age, you may be eligible for higher contribution limits for the coming year. Do you need to increase your contributions to take advantage of the higher limits?
- Look at the amount of your 401(k) contributions after you receive a pay increase – Are you trying to maximize the County match by making a contribution every pay period? If so, make sure the new higher biweekly contributions won't cause you to max out early.
- Review your asset allocation at least annually - Is it out of balance? Has your risk tolerance changed? Should you be more or less aggressive based on your time horizon and personal situation?
- Verify your confirmation statements whenever you make a change to your account – Was your transaction processed correctly?
- Confirm your investment elections – Are your funds being invested as you directed?
- Check your beneficiaries – Can you see your designated beneficiaries online at www.fidelity.com/atwork? Are they still appropriate?
- If you don't want to participate in the Baby Boomer Catch-up Program, notify the Deferred Compensation Program each year you do not wish to participate.
- If you weren't a County employee the first pay period of the year, and you want to participate in the Baby Boomer Catch-up Program, contact the Deferred Compensation Program.
- If you contribute to another employer's 401(k) or 457 plan, you need to ensure your aggregate contributions don't exceed the annual contribution limit.
- If you're enrolled in the 457 Plan Special Catch-up Program, you'll need to adjust your contributions throughout the program, and at the end of the 3-year period.

If you have questions, or to report a problem, contact the Deferred Compensation Program at 805.654.2620 or by e-mail at deferred.compensation@ventura.org.

Are You 5 or Fewer Years from Retirement?

If so, you might be interested in our comprehensive pre-retirement workshop, presented in partnership with the Ventura County Employees' Retirement Association (VCERA) and other Benefits personnel. The workshop covers the following topics: 401(k) and 457 Plan options; retirement income planning; VCERA benefits; Social Security and Medicare; County medical, dental, and vision plan options after you leave County service; mental health issues; and the perspective of current retirees.

We're happy to announce our 2011 workshop schedule as follows: February 8, May 17, August 2, and November 10. All workshops will be held in Ventura.

Previous workshop attendees have told us they've received key information for their pre-retirement planning. We encourage you to take charge of your retirement by attending one of the scheduled workshops. You'll need to register in advance by contacting Brenda Cummings from VCERA at 805.339.4264. If you have any questions on the workshops, contact the Deferred Compensation Program by e-mailing us at deferred.compensation@ventura.org or calling 805.654.2620.

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