Winter 2013

GREAT-WEST FINANCIAL

GREAT-WEST FINANCIAL℠

FINANCIAL FOOTNOTES

A New Look and Feel

Our logo and brand name has changed, but the business stays the same

We at Great-West Retirement Services® are proud to share our new brand and logo, which we have changed to be consistent with our newly launched corporate brand of the Great-West companies. **The Great-West Retirement Services business segment is unchanged**, other than that it will use our new corporate brand logo.

Our new brand name, **Great-West Financial℠**, and logo are reflected on your statement. Soon our new brand and logo will appear on all communication materials, with the new look we're using in this issue of *Financial Footnotes*.

In addition, our Maxim and Orchard Trust funds names have changed. **All funds now carry the Great-West name and no longer reference the names Maxim or Orchard Trust.*** However, the funds and their underlying investments are not affected.

Committed to retirement planning

Great-West remains the same strong, stable company committed to its employees, customers and markets. We're excited to be able to share the new name and logo with you, and we look forward to continuing to serve your retirement planning needs. ■

*During the fund name transition period, you may still see materials where the Maxim and Orchard Trust names are used.

Beneficiary Update

When you first filled out the documents for your retirement plan, you probably listed your account beneficiaries—that is, the people who will receive the assets in your plan after you pass away. Be sure to revisit these designations every year in case you need to make a change; in most cases, *beneficiary listings override wills.*

Beyond your spouse

It's also a good idea to name secondary beneficiaries. For example, listing your children as secondary beneficiaries allows your assets to pass to your kids in the unlikely event that something happens to both you and your spouse.

Staying current with your beneficiaries will ensure that your money will go to the right people when then time comes. ■

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Should You Rebalance?

A strategy that can help you keep your asset mix intact

The market's ups and downs can have a profound effect on your retirement savings. Your asset allocation—the way you originally divided your money among stock funds, bond funds and cash investments based on your financial goals and years until retirement—may have shifted off course. You can correct that by rebalancing, typically by going online and resetting your allocations back to their original targets.

Asset allocation and rebalancing do not ensure a profit and do not protect against loss in declining markets.

Get back on track

Rebalancing involves transferring money out of some investments that are performing better than others, and into some investments that aren't performing as well. That may feel counterintuitive, but consider the benefits.

When you sell some of your best-performing shares, you lock in your gains, assuming there were positive returns. And when you buy additional shares of an asset that has lagged, you may be getting them at a bargain price, increasing your potential return if that investment recovers. For example, in 2008, investors who rebalanced their portfolios by moving money from high-performing bond funds into poorly performing stock funds were rewarded the following year. In 2009, stocks rebounded, gaining 26.5%, while bonds fell 2.4%[1]

Do an annual review

Some retirement plans rebalance automatically. If yours doesn't, check your allocation annually. Many financial professionals recommend rebalancing when your portfolio mix strays by 5% or more from its original targets. ■

Past performance is no guarantee of future results. Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses.

[1]Morningstar, Inc., *Ibbotson® SBBI® 2012 Classic Yearbook*.

Smart Tax Moves

What to do with a tax refund

Nearly eight out of 10 U.S. tax filers received a refund in 2012, and the average refund was about $3,000. Used wisely, that kind of cash can make a big difference in your financial future. You could:

- **Boost retirement plan contributions.** Getting a refund means you gave the government an interest-free loan for the year. Consider decreasing the tax withheld from your paycheck by adjusting your W-2 and contributing that money into your workplace retirement plan account. Saving an extra $2,000 every year would boost your nest egg by nearly $168,256 over 30 years, assuming your investments averaged an 6% annual return.
- **Open a 529 college savings plan.** Already on track for retirement? Get a head start on saving for your child's future college costs. A 529 account allows you to make withdrawals tax-free as long as the money is used to pay for college-related expenses. Most states have their own plans, and you may invest through any of them. Savingforcollege.com and other sites can help you research the different plans.

You owe. Now what?

If you face a tax bill you can't pay by mid-April, you can opt to pay in monthly installments by filing IRS form 9465. However, you'll have to pay a fee plus interest. ■

Source: irs.gov. 2012