

THE MONTGOMERY COUNTY DEFERRED COMPENSATION PLAN



Today, most financial experts agree that you will need 70% to 85% of your income to maintain your current lifestyle during retirement. And, while you may have other retirement money and Social Security benefits available to you when you retire, that may not be enough.

The Montgomery County Deferred Compensation Plan ("Plan") is a voluntary deferred compensation plan established by the County. The Plan offers you a **smart, easy, and affordable** way to save for retirement. Whether your retirement is years down the road or just around the corner, the Plan can help you attain a more secure financial future.

Smart. Contributions to the Plan are tax-deferred, which means you don't pay taxes until you withdraw money from your account. This allows your account to grow faster than a taxable account.

Easy. You can make changes to your account online or by phone 24 hours a day, seven days a week.

Affordable. Contributions are deducted from your paycheck automatically, so your money goes to work right away. If you are not sure how much you can afford to contribute, start with the \$10 minimum contribution and gradually increase the amount over time.



It's smart.
It's easy.
It's affordable.



HOW TO ENROLL:

Complete the required *Enrollment and Beneficiary Forms* and return to the indicated address.

If you have questions or need a form, call 1-888-240-8080 or 240-777-5054 to speak with a Plan representative.



It's smart.
It's easy.
It's affordable.



Board of Investment Trustees
Montgomery County Employee
Retirement Plans
101 Monroe Street
15th Floor
Rockville, Maryland 20850

YOUR PARTICIPATION IN THE PLAN WILL BEGIN AS SOON AS ADMINISTRATIVELY POSSIBLE.



Eligible employees hired after June 1, 2010 will be automatically enrolled in the Plan, contributing 1% of their salary into a BlackRock LifePath Fund selected based on their date of birth and expected retirement date. For more information about automatic enrollment or the Plan, call 1-888-240-8080 or contact an on-site ING representative at 240-777-5054.



QUESTIONS ABOUT THE PLAN OR NEED HELP ENROLLING?

Online: The Plan Web site provides details on all the fund options along with articles and resources on investing and retirement planning. In addition there are interactive calculators to help you decide how much to save and how to set your retirement income goals.

By phone: A Plan representative can help you conduct transactions and answer your account-specific questions. Call 1-888-240-8080, weekdays 8 a.m. to 8 p.m.

In person: An ING on-site representative can help you review your asset allocation, fund options, investing-related topics, and answer any Plan or account-specific questions. The ING representative is located in the Office of Human Resources, EOB, 101 Monroe Street, 7th Floor. The ING representative can also be reached by phone at 240-777-5054, weekdays from 8 a.m. to 4:30 p.m.

GETTING STARTED:

1. Determine how much you want to save.

You can contribute the amount of your pay that best suits your financial situation, up to the current annual IRS limit. See <http://montgomerycountymd.ingplans.com> for current IRS limits.

2. Choose your investment options.

Saving for retirement involves choosing the right investments to match your goals. That's why the Plan offers a variety of professionally-managed investment options. More information about the Plan's investment options is available at <http://montgomerycountymd.ingplans.com>. The Plan offers a variety of investment options, including:

- Five target date funds for easy investing
- 21 core funds
- A Self-Directed Brokerage Window with access to many no-load, no-transaction fee funds

INVESTMENT OPTIONS:

Tier	Fund Name	Asset Class	Description
Tier 1	BlackRock LifePath Retirement	Lifecycle	Each LifePath Portfolio is diversified among broad types of asset classes and is adjusted over time to gradually become more conservative as the year approaches when investors expect to need their money. The number, as in the LifePath 2020 Portfolio, represents the approximate year when you expect to need your money.
	BlackRock LifePath 2020	Lifecycle	
	BlackRock LifePath 2030	Lifecycle	
	BlackRock LifePath 2040	Lifecycle	
	BlackRock LifePath 2050	Lifecycle	
Tier 2	SSgA Passive Aggregate Strategy	Intermediate-Term Bond Index	Seeks to match the total rate of return of the Barclays Capital Aggregate bond Index during a calendar year.
	SSgA S&P 500® Index Fund	U.S. Large Cap Equity Index	Seeks to track the performance of 2,500 companies beyond the S&P 500. It includes the securities in the Russell 3000 Index, which measures the performance of the 3,000 largest U.S. companies, minus the companies in the S&P 500 Index.
	SSgA Mid Small Index Fund	U.S. Mid and Small Cap	Seeks to track the performance of 2,500 companies beyond the S&P Equity Index
	SSgA Daily MSCI EAFE Index Fund	Foreign Equity Index	Seeks to match the performance of the MSCI EAFE Index while providing daily liquidity.
	Tier 3	SEI Stable Asset Fund	Stable Value
Goldman Sachs Short Duration Government Fund		Short Term Government Bond	A high level of current income and secondarily, in seeking current income, may also consider the potential for capital appreciation.
Hartford Bond Fund		Intermediate Term Bond	Seeks a high level of current income, consistent with a competitive total return, as compared to bond funds with similar investment.
Fidelity Inflation-Protected Bond Fund		Intermediate Term	Seeks a total return that exceeds the rate of inflation over the long term by investing at least 80% of its assets in inflation-protected debt securities of all types, currently focusing on those issued by the U.S. Treasury.
Fidelity Strategic Real Return		Conservative Allocation, Inflation Hedge	Seeks real return consistent with reasonable investment risk.
PIMCO High Yield Fund		High Yield Bond	Seeks maximum total return, investing for both current income (bond coupons and dividends) and capital appreciation (bond price).
Hartford Dividend and Growth Fund		U.S. Large Cap Value Equity	The Fund employs a bottom-up stock picking approach that seeks to add value by identifying large capitalization companies selling at attractive valuations relative to their upside potential.
Legg Mason ClearBridge Appreciation Fund		U.S. Large Cap Equity	Seeks long-term appreciation of shareholders' capital.
The Growth Fund of America®		U.S. Large Cap Growth Equity	Seeks long-term growth of capital.
Hartford Capital Appreciation Fund		U.S. Large Cap Equity	The Fund is total return-oriented. In seeking high total return, the investment approach seeks maximum capital appreciation from all companies regardless of market capitalization — smaller company stocks with high earnings growth potential and larger-cap stocks with attractive valuations and catalysts for appreciation.
Fidelity Low-Priced Stock Fund		U.S. Small Cap Equity	Seeks capital appreciation by normally investing at least 80% of its assets in low-priced common stocks (\$35 or less), which can lead to investments in small and midsize companies.
Northern Small Cap Value		U.S. Small Cap Value Equity	Seeks long-term capital appreciation.
Fidelity Small Cap Stock Fund		U.S. Small Cap Equity	Looking for tomorrow's market leaders today.
Legg Mason ClearBridge Small Cap Growth Fund		U.S. Small Cap Equity	Seeks long-term growth of capital.
Oppenheimer Global Fund		Global Equity	Designed to seek out the strongest investment ideas in both domestic and international markets. This Fund focuses on solid growth potential from U.S. and international stocks.
Fidelity Diversified International Fund	Foreign Equity	Seeks capital growth.	
SSgA Tuckerman Active REIT Fund	Real Estate	Seeks to provide income and capital growth by investing primarily in publicly traded securities of real estate companies.	

Self-Directed Brokerage Window

Please be sure to read the fund information carefully before you invest. To obtain a prospectus for funds available through the Self-Directed Brokerage Window, contact State Street Global Advisors at 877-505-6279, the mutual fund directly, or the ING on-site representative at 240-777-5054.

COST OF WAITING:

The sooner you start saving, the greater your balance will be at retirement. The chart to the right reflects the penalty of delaying participation in the Plan by 10 years.

Consider Amy and Jeff. Both contribute \$50 per pay period, but Jeff stops and restarts contributions after 10 years. The difference is more than \$30,000!



PLAN FEATURES:

- **Eligibility:** All active Montgomery County employees are eligible to join the Plan with the exception of employees represented by the IAFF or FOP and MCGEO members who were hired after December 1, 2004.
- **Age 50 and Older Catch-up:** If your age is 50 or older, you may be eligible to contribute an additional \$5,500 to your account in 2010.
- **Three-Year Catch-up:** If you are within three calendar years of the year in which you are eligible to retire and you have not made the maximum contribution to the Plan, you may be eligible to contribute up to twice of the IRS-limited amount. *You cannot use the "Age 50 and Older Catch-up" and "Three-Year Catch-up" provisions at the same time.*
- **Rollovers from a former employer's plan:** You can transfer or "roll over" money from a former employer's retirement plan to your Montgomery County Deferred Compensation Plan. 403(b) Plan rollovers are also allowed.
- **Unforeseeable emergency withdrawals:** You may withdraw money from your account if you qualify for a 457 unforeseeable emergency.
- **24/7 account access:**

ONLINE at <http://montgomerycountymd.ingplans.com> to:

- Access account information and make transactions
- Download quarterly account statements and tax forms
- Review fund information, publications, and articles
- Use planning and savings calculators

BY PHONE

- Call **1-888-240-8080** to access your account information and perform transactions, 24 hours a day, seven days a week
- Speak with an ING on-site representative at **240-777-5054**, weekdays 8:30 a.m. to 4:30 p.m.

Congratulations on taking the first step to saving for your future. Enroll in the Plan today!