

M E M O R A N D U M

To: Personnel Management Liaisons

Reference Code: 89-36

Effective Date: June 19, 1989

Date of Issue: June 19, 1989

PLEASE DISTRIBUTE THIS MEMORANDUM IMMEDIATELY TO ALL PERSONNEL OFFICERS

From: Department of Personnel Administration

Subject: Savings Plus Program

The following is important information regarding several recent changes to the Savings Plus Program. Please ensure that employees in your department receive a copy of the attached memorandum regarding these changes.

- o The enrollment forms for the Deferred Compensation Plan (DCP 277) and the Thrift Plan (DCP 350) have been combined into a single enrollment form. This form is now a Standard State Form entitled "Savings Plus Enrollment Authorization" and is numbered STD. 277 (New 4-89) (attached). This new form will be available in State Stores June 14, 1989. The material services "SLAM" number is 7540-000-2770-0. These forms cost 13¢ per set, one form is a set, and there are 100 forms in one package. Therefore, in order to receive one package of forms, you would order 100 sets.

Because of the significant change in format of the new STD. 277, the Deferred Compensation Office will not accept the old versions of the DCP 277 or DCP 350 after **August 1, 1989**. Please destroy all Deferred Compensation Enrollment Forms, DCP 277 and Thrift Plan Enrollment Forms DCP 350, and ensure that you have an adequate supply of the Savings Plus Enrollment Authorization STD. 277. Old forms received in our office after August 1, 1989 will be returned to participants.

- o Effective immediately, the Saving Plus "Enrollment Kits", will be available through the Deferred Compensation Office instead of Material Services. The Enrollment Kits have new information, which includes an educational pamphlet explaining the various types of investment options available in the Savings Plus Program. Also, new and changed investment option information is included. Call the Deferred Compensation Office for a supply, there will be no charge to departments for these Enrollment Kits. "Kits" should be made available to all new employees and to current employees upon request.
- o The Department of Personnel Administration is adding a new investment option to the Savings Plus Program. This new option is a Guaranteed Investment Contract or "GIC Fund Plus". Guaranteed Investment Contracts

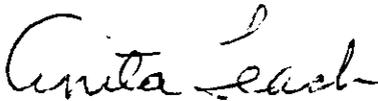
are insurance policies written by top-rated U.S. and Canadian life insurance companies. The issuing insurance companies guarantee the return of your principal investment and the payment of interest. The GIC Fund Plus is offered in the Savings Plus Program through Morley Capital Management, Inc. Call the Deferred Compensation Office "Hotline" at (916) 324-4466 or ATSS 454-4466 for interest rate information.

- o In tax year 1990, highly compensated employees will be considered those who earned more than \$54,480 in 1989. Employees who have earned less than this amount in 1989 may participate in the Savings Plus Thrift Plan (IRC 401[k]) 1990. Due to IRS regulations, employees earning more than \$54,480 (in 1989) are excluded from participating in the 401(k) Thrift Plan in 1990. Highly compensated employees may continue to participate in the Deferred Compensation Program (457).

The maximum annual Thrift Plan contribution allowable, which is indexed to the cost of living in 1990, will be \$7,950. The Deferred Compensation maximum contribution amount remains at \$7500.

- o Effective August 1, 1989, the Savings Plus Program will no longer offer California Western States or Nationwide Life Insurance Companies as annuity investments. If employees are currently contributing to either of these investments, they may continue; however, once deductions have been terminated, re-enrollment will not be permitted. Participants may continue to increase or decrease their monthly deductions.
- o The State is replacing these annuity investments and annuity payment options with a single premium annuity payout option to the Deferred Compensation Plan (457) and Thrift Plan (401[k]) effective September 1, 1989. Now, when an employee retires, they will have the choice of purchasing an annuity through several insurance companies.

Thank you for your cooperation in distributing this important information on the Savings Plus Program to the employees in your department/agency. If employees have questions regarding this information they should call the Deferred Compensation Office at (916) 322-5070 or ATSS 492-5070 from 9:00 a.m. to 4:00 p.m. daily.



Anita G. Leach, Chief
Benefits Division

AGL:rd

Attachment

SAVINGS PLUS ENROLLMENT AUTHORIZATION

BTD. 277 (NEW 4-89) (Formerly DCP 277 and DCP 360)

PLEASE TYPE OR PRINT LEGIBLY

Read the instructions on the reverse before completing the information required on this form. If it is not completed accurately or legibly, the form will be returned, unprocessed. Please send the completed form to the Department of Personnel Administration, Deferred Compensation Program, 1515 S Street, North Building, Suite 108, Post Office Box 944236, Sacramento, CA 94244-2360.

1. CHECK APPROPRIATE BOX(ES)

ADDRESS CHANGE 457 401(k)

NAME CHANGE 457 401(k)

BENEFICIARY CHANGE 457 401(k)

2. SOCIAL SECURITY NUMBER _____

3. EFFECTIVE WITH PAY PERIOD BEGINNING (Mo.) / (Yr.) _____ / _____

4. PAYROLL OFFICE STATE CONTROLLER OTHER (Specify) _____

5. PARTICIPATING EMPLOYEE (First) (Middle) (Last)

6. ADJUSTED MONTHLY SALARY \$ _____

HOW OFTEN ARE YOU PAID? MONTHLY SEMI-MONTHLY / BI-WEEKLY

ADDRESS (Number and Street) _____ OFFICE PHONE (Indicate if ATSS) Ext. _____ BIRTHDATE (Month, Day, Year) _____

(City) _____ (State) _____ (Zip Code) _____ DEPARTMENT NAME _____

MARRIED SINGLE

IF INITIALLY ENROLLING, COMPLETE BENEFICIARY DESIGNATION ON REVERSE OF THIS PAGE

457 DEFERRED COMPENSATION PLAN

7. CHECK APPROPRIATE BOX(ES)

A. INITIAL ENROLLMENT B. RE-ENROLLMENT C. ADD NEW OPTION(S) D. CANCEL OPTION(S)

E. TERMINATE ALL DEDUCTIONS F. DOLLAR CHANGE G. CATCH-UP DOLLAR CHANGE

DED. CODE	OPC. CODE	INVESTMENT OPTIONS	8. TOTAL AMOUNT TO BE DEDUCTED PER PAY PERIOD FOR EACH COMPANY	9. TYPE OF ACTION (CIRCLE)		
				ADD OPTION	CANCEL OPTION	DOLLAR CHANGE ONLY
029	030	G.I.C. FUND PLUS - MORLEY	0.00	1	2	3
		MUTUAL FUNDS - KEMPER				
029	023	GROWTH FUND	0.00	1	2	3
029	021	HIGH YIELD FUND	0.00	1	2	3
029	020	MONEY MARKET FUND	0.00	1	2	3
029	024	SUMMIT FUND	0.00	1	2	3
029	022	TOTAL RETURN FUND	0.00	1	2	3
		MUTUAL FUNDS - T. ROWE PRICE				
029	011	CALVERT SOCIAL INVESTMENT FUND	0.00	1	2	3
029	010	EQUITY INCOME FUND	0.00	1	2	3
029	006	GROWTH AND INCOME FUND	0.00	1	2	3
029	002	GROWTH STOCK FUND	0.00	1	2	3
029	007	NEW ERA FUND	0.00	1	2	3
029	005	NEW INCOME FUND	0.00	1	2	3
029	008	NEW HORIZON FUND	0.00	1	2	3
029	009	PRIME RESERVE FUND	0.00	1	2	3
029	003	SAVINGS OPTION - GREAT WESTERN	0.00	1	2	3

401(k) THRIFT PLAN

7. CHECK APPROPRIATE BOX(ES)

A. INITIAL ENROLLMENT B. RE-ENROLLMENT C. ADD NEW OPTION(S)

D. CANCEL OPTION(S) E. TERMINATE ALL DEDUCTIONS F. DOLLAR CHANGE

DED. CODE	OPC. CODE	INVESTMENT OPTIONS	8. TOTAL AMOUNT TO BE DEDUCTED PER PAY PERIOD FOR EACH COMPANY	9. TYPE OF ACTION (CIRCLE)		
				ADD OPTION	CANCEL OPTION	DOLLAR CHANGE ONLY
029	530	G.I.C. FUND PLUS - MORLEY	0.00	1	2	3
		MUTUAL FUNDS - KEMPER				
029	523	GROWTH FUND	0.00	1	2	3
029	521	HIGH YIELD FUND	0.00	1	2	3
029	520	MONEY MARKET FUND	0.00	1	2	3
029	524	SUMMIT FUND	0.00	1	2	3
029	522	TOTAL RETURN FUND	0.00	1	2	3
		MUTUAL FUNDS - T. ROWE PRICE				
029	511	CALVERT SOCIAL INVESTMENT FUND	0.00	1	2	3
029	510	EQUITY INCOME FUND	0.00	1	2	3
029	506	GROWTH AND INCOME FUND	0.00	1	2	3
029	502	GROWTH STOCK FUND	0.00	1	2	3
029	507	NEW ERA FUND	0.00	1	2	3
029	505	NEW INCOME FUND	0.00	1	2	3
029	508	NEW HORIZON FUND	0.00	1	2	3
029	509	PRIME RESERVE FUND	0.00	1	2	3
029	503	SAVINGS OPTION - GREAT WESTERN	0.00	1	2	3

028 Administrative Charge/DCP USE ADD 1 CANCEL 2

FOR PROGRAM INFORMATION CALL THE DEFERRED COMPENSATION OFFICE (9:00 a.m. to 4:00 p.m.) (916) 322-5070 ATSS 492-5070

FOR INVESTMENT INFORMATION PLEASE CALL Great Western Bank Kemper Financial Services T. Rowe Price & Assoc. 1-800-252-7800 1-800-621-1048 1-800-638-5660

"HOT LINE" INVESTMENT INFORMATION (916) 324-4466 ATSS 454-4466

I hereby agree to the terms of the Plan, have read the Plan brochure and certify that I have received a copy of the mutual fund prospectus pertaining to the Plan(s) to which I subscribe, and have read the same. I hereby authorize the State Controller or other authorized payroll office to deduct from my salary the amount specified and to transmit the deduction(s) to the above named company(ies). This authorization will continue in effect until I submit a timely termination.

EMPLOYEE'S SIGNATURE _____ DATE _____

APPROVED BY - STATE OF CALIFORNIA, DEPARTMENT OF PERSONNEL ADMINISTRATION



DEPARTMENT OF PERSONNEL ADMINISTRATION**DEFERRED COMPENSATION PROGRAM**

DEPARTMENT OF PERSONNEL ADMINISTRATION

15 S STREET, NORTH BLDG., SUITE 108

POST OFFICE BOX 944236

SACRAMENTO, CA 94244-2360



June 19, 1989

All State Employees:

The Department of Personnel Administration would like you to be aware of the following important information regarding recent changes to the Savings Plus Program - Deferred Compensation Plan 457 and Thrift Plan 401(k).

- o A single "Savings Plus" enrollment form for both the Deferred Compensation Plan 457 and the Thrift Plan 401(k) is now available. This form entitled "Savings Plus Enrollment Authorization" STD. 277 (4-89) must be used for all enrollment or changes in plans. This form may be obtained by calling the Deferred Compensation Office or your Personnel Office. Effective August 1, 1989, we will no longer accept old forms DCP 277 or DCP 350.
- o Effective immediately, the Savings Plus "Enrollment Kits" are available. The "Kit" contains new educational and investment information. This should be read carefully before enrolling in the "Savings Plus Program". Call the Deferred Compensation Office or your Personnel Office for an Enrollment Kit.
- o Effective July 1, 1989, the Department of Personnel Administration is adding a Guaranteed Investment Contract as an investment option to the Savings Plus Program. Effective August 1, 1989, the Savings Plus Program will no longer offer California Western State's or Nationwide Life Insurance Companies as annuity investments. The State is replacing these annuity investments with a single premium annuity payout option effective September 1, 1989. When an employee retires, they will have the choice of purchasing an annuity through several insurance companies.
- o Employees who have earned less than \$54,480 in 1989, may participate in the Savings Plus Thrift Plan IRC 401(k) in 1990. Due to IRS regulations, "highly compensated" employees earning more than \$54,480 (in 1989) are excluded from participating in the 401(k) Thrift Plan in 1990. Highly compensated employees may participate in the Deferred Compensation Program 457.

The maximum annual Thrift Plan contribution allowable (indexed to the cost of living) in 1990 will be \$7,950. The Deferred Compensation remains at \$7,500.

- o In the months of September and October, Employee Benefits staff will be traveling throughout the State discussing the Savings Plus Program and FlexElect. Information on times and dates we will be in your area will be in a pay warrant flyer and through your department's Personnel Management Liaison in the near future. Please look for these announcements so you can attend presentations to learn about ways to save taxes, increase your take home pay and save for a secure retirement.

If you have any questions regarding this information, please call the Deferred Compensation Office at (916) 322-5070 or ATSS 492-5070.

**The Savings Plus Program —
Stake a Claim For Your Future**



