



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

In This Issue

Your Service Center Has Moved!	2
Holiday Schedule	2
PLAN Your Future	2
Retirement Planning Specialists	3
Opt In or Opt Out	3
It's There, Just Click	3
Year-End Leave Cash-Out	4
Program Champions	4

Ohio 457 Focus

1-877-644-6457 • www.Ohio457.org

Third Quarter 2009

Report from the Executive Director

As we continue to rebound from the events that rocked the financial markets in 2008 and early 2009, many things that we once took for granted must now be re-examined. Public pension plans are coming under increased scrutiny, a national debate regarding health care reform could impact all Americans, and home values are down while foreclosures are up. It is too early to tell how these events will affect your retirement plans.

The good news is that both the financial markets and the personal savings rate have recently gone up, and some fundamentals have not changed. For example, tax deferred savings and the impact of compounding still provide great opportunities if you save for retirement. You can accumulate significant financial resources to help you throughout retirement. So, Ohio Deferred Compensation is more important than ever.

We can help you simplify your savings with the SMarT automatic increase plan and with low-cost, target date funds that allocate your investments for you. The Program provides personal services that are just a phone call away. Now, more than ever, you need to take advantage of these and our other features and services. Give us a call.

Keith Overly



Ohio Deferred Compensation wants you to take action during **National Save for Retirement Week (October 18-24)**. Part of your strategy is remembering that you're in a race against time to get ready to retire. The good news is that participating in Ohio Deferred Compensation puts you in the driver's seat. As in any race, how well you do depends on knowing when to accelerate, how to get around obstacles, and what to do as you near the finish line. Just stick with it. Here are a few tips to keep your wheels on the ground.

- Get a Retirement Tune-Up – How is your strategy working? This may be a great time to increase your deferral or sign up for the SMarT Plan (automatic increase option). With the market continuing to change, it's also a terrific opportunity to tune-up your asset allocation strategy!
- Take Advantage of Deferred Compensation Tools & Resources – Contact us or your retirement system to learn about retirement planning seminars you can attend. Find out how to use the Program website to its potential.
- Consider Consolidation – Sometimes it's easier to have everything in one place. That's consolidation. Call us to learn more about your options in consolidating other pre-tax retirement accounts into Ohio Deferred Compensation.
- Confirm Your Beneficiaries – Confirm that your beneficiaries are up-to-date for Ohio Deferred Compensation, your primary pension plan, and every other retirement account you have.

Finish this race a winner! Stick with your plan, and we'll stick with you. For more information, visit www.Ohio457.org or call 1-877-644-6457.

Your Service Center Has Moved!

The Ohio Deferred Compensation Service Center has moved from its Dublin location to provide better, more convenient service for our participants. Our new downtown location is:

**257 East Town Street, Suite 457
Columbus, OH 43215-4626**

“Walk-in” visiting hours are from 8:00 a.m.–4:30 p.m. Please note that we cannot accept visitors without an appointment after 4:30 p.m. Our business hours for telephone assistance remain 8:00 a.m.–5:30 p.m.

Participants wishing to meet with a Program representative can visit us at our new location. Limited visitor parking is available. Our toll-free phone number, 1-877-644-6457, remains the same, but our new fax number is 614-222-9457. Visit our website for a more detailed map and directions.



Feeling as if your dreams aren't within reach? Take control. Your dreams might come true if you invest the **SMarT** (“Save More Tomorrow”) way.

With **SMarT**, your deferral amount will automatically increase each year by the amount **you choose**. Your automatic increase will take place each year in the month **you choose**.

Take control of your dreams the SMarT way. Sign up today. You're in control—you can sign up, opt out, or re-enroll at any time. It's easy to enroll and costs you nothing.

Download the SMarT Plan Enrollment form at www.Ohio457.org. Fill it out and return it to the Program. Or, call the Service Center and tell them you want to start saving the **SMarT** way.

Holiday Schedule

The Service Center and exchange processing will be affected by the following New York Stock Exchange holiday schedule. When the Service Center is closed, you can still access your account by using the automated telephone system or the website. Exchanges received on the holiday closings will be processed as of the market close of the next business day.

<u>Holiday</u>	<u>Service Center Closed</u>	<u>Exchanges Processed</u>
Thanksgiving Day	11/26/09	11/27/09
Friday after Thanksgiving (Market closes at 1:00 p.m.)	11/27/09 (OPEN until 1:00 p.m.)	Exchanges after 1:00 p.m. processed on 11/30/09
Christmas Eve (Market closes at 1:00 p.m.)	12/24/09 (OPEN until 1:00 p.m.)	Exchanges after 1:00 p.m. processed on 12/28/09
Christmas Day	12/25/09	12/28/09
New Year's Day	1/1/10	1/4/10

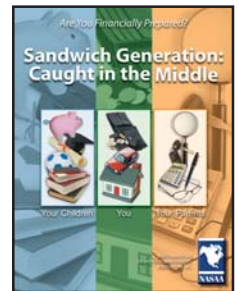
PLAN Your Future

Need help planning for retirement? The Ohio Retirement & Savings Awareness Initiative promotes personal finance education and personal savings. **PLAN—Prepare for retirement, Learn about saving, and Act Now.**

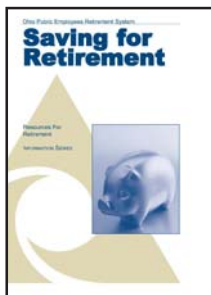
To find resources, look for the round green and blue logo on member websites, including ours, at www.Ohio457.org. Then follow the link to retirement planning and savings resources, including FREE publications, seminars, and events.



For example, the Ohio Department of Commerce Division of Securities offers many publications, including this one, at their website at www.com.ohio.gov/secu under “Investor Education/Publications.”



The Ohio Public Employees Retirement System (OPERS) provides retirement planning information at the following site to help you **PLAN**: www.opers.org/members/saving/.



Additional resources are available at the following Retirement & Savings Awareness Initiative member websites: Ohio Deferred Compensation, Ohio Public Employees Retirement System, School Employees Retirement System of Ohio, State Teachers Retirement System of Ohio, Ohio Police and Fire Pension Fund, Ohio Highway Patrol Retirement System, Ohio Attorney General, Ohio Treasurer of State, Ohio Tuition Trust, Ohio Department of Commerce's Division of Securities, and Ohio Department of Administrative Services.

Get Some Face Time

Meet with a Retirement Planning Specialist

We're here for you. If you are interested in meeting with a Retirement Planning Specialist at one of the locations listed below, just let us know. Call 1-877-644-6457, press 3, and an Account Executive will assist you with making your appointment.



November Meetings:

November 9, 2009 – Strongsville Library
November 13, 2009 – Portsmouth Library

December Meetings:

December 1, 2009 – Marietta Library
December 3, 2009 – Sandusky Library

The above dates and locations may be subject to change due to availability and participation. Information presented by the Retirement Planning Specialist is for educational purposes only and is not intended as investment advice.

We look forward to meeting with you soon!

Opportunity for New State Employees: Opt In or Opt Out

Now more than ever, it is important that all employees save for their own retirement. The Governor and the Ohio legislature recognize that fact and have mandated that all new State of Ohio employees be given information and the opportunity to join Ohio Deferred Compensation as soon as they are hired.

As part of the recently passed bi-annual state budget (HB1), the Ohio legislature passed and the Governor signed into law a requirement that all new State of Ohio employees be required to “opt in” or “opt out” of the Ohio Deferred Compensation Program.

For years, participants have told us that their biggest regret was that they had not joined the Program sooner. When asked why they had not, a surprising number said that they did not know about the Program, and many suggested making the Program a mandatory part of the new employee orientation. For State of Ohio employees, the groundwork is now in place to do just that.

If you are not a state employee, urge your employer to follow the state’s lead and implement a similar requirement. Ask your employer to contact Ohio Deferred Compensation for information and a sample opt-in/opt-out form that can be placed in orientation packets. Your fellow employees will be glad you did.

It's There, Just Click...

Whether you come to our website looking for your account summary or investment education, chances are it's already there.

Change Username & Password: If you are using your Social Security number as your username, we encourage you to replace it to help prevent identity theft. You can change your account username to another username of your choice. Once you're logged into your account, click “Online Profile” and then “Username Password Change.”

FREE Online Workshops & Investment Education: Click the “Investment Education” tab and find links to interactive e-Workshops, Investment Basics, and 4 Steps to Retirement.

Account Summary & Fund Detail: Once you are logged in, your account balance information is displayed conveniently on the “Account Summary” page. Easy tabs and links are there to access your Transaction History, Online Profile, and Fund Detail. You can also increase your contributions or change your investment allocation by clicking “Transactions.”

Visit www.Ohio457.org right now to find out more!

www.Ohio457.org

OHIO DEFERRED COMPENSATION Choose the site that best meets your needs or login

Participant Services Enroll Now Get Forms About Us Program Information Search Contact Us Employer Website

Get ready now. Be ready later.

Enroll in Ohio Deferred Compensation today!

News Bulletins

Changes Coming to LifePath Target-Date Portfolios

Evening Workshops Offered in Cleveland and Dayton areas

Ohio Retirement & Savings Awareness Initiative

Your Service Center has Moved!

Up-coming Board Elections

2nd Quarter Newsletter Now Available (PDF)

[More News]

Holiday Schedule

Form Number NRW-1535OH-OH.7 (09/09)

Secure Login

Username:

Password:

Log In

Username and password are case sensitive

New Users | Reset Username & Password | Account Access Home | Copyright | Legal Terms

Save More Tomorrow

Sign up or learn more about the SMART Plan.

read more

Ohio Retirement and Savings Awareness Initiative

read more

Retirement Planning Specialist Services Travel Schedule

Retirement Planning Specialist Services Travel Schedule

read more

Fund Profiles and Prospectuses

Learn more about the Ohio Deferred Compensation funds

read more

Test Your Knowledge...

Ohio Deferred Compensation Quiz



True or False?

1. You can achieve diversification by investing in a single LifePath portfolio.
2. In order to contact Ohio Deferred Compensation, you must have access to the Internet.
3. When you leave employment, you have the option of deferring any unused sick and vacation pay to Ohio Deferred Compensation.

Answers:

1. **TRUE.** LifePath portfolios are unique in that they consist of a diversified mix of investments from various asset classes all within one investment option. In fact, LifePath portfolios are designed so that the typical investors should own only a single LifePath portfolio to simplify their approach to investing and to manage risk exposure over time. To get a prospectus, see the top of page 5.
2. **FALSE.** Ohio Deferred Compensation offers several ways for our licensed representatives to answer your questions and help guide you through making decisions about your account. Account Executives are available in our Service Center between 8:00 a.m. and 5:30 p.m. Monday through Friday to meet with you in person, or by calling 1-877-644-6457. Field Account Executives can also travel to your place of employment. Contact your Human Resources representative and ask to schedule a visit.
3. **TRUE.** Unused sick and vacation pay is usually available to be deferred to Ohio Deferred Compensation. Contact an Account Executive for details.

Program Champions

Ohio Deferred Compensation would like to recognize and offer our sincere thanks to participants who go out of their way to make a difference in the lives of others.

This quarter's featured recognition goes to Mr. Keith Dirham, Director of Finance at the City of Medina. Dirham is a vocal supporter of personal financial responsibility, saving for retirement, and Ohio Deferred Compensation. Account Executives from the Program regularly visit Medina as well as thousands of other Ohio public employer worksites. However, it isn't often that employers take their responsibility to educate employees so seriously.

During a recent two-day visit by our local Account Executive, Dirham took time out of each day to:

- Sit in on a retirement planning workshop
- Speak to employees about the importance of retirement savings
- Share his story about why he got involved in the Program
- Encourage employees to make a commitment to plan and save for retirement

Because of the belief and commitment of people like Dirham, many Medina employees have taken their first steps toward a more secure retirement. The Program applauds the efforts of Dirham and the City of Medina for taking an active interest in helping employees understand their retirement savings options.

Year-End Leave Cash-Out

Many employees can cash-out unused sick or vacation time at year-end. Also, employees who retire at year-end will get their unused sick or vacation time paid to them at termination. If either of these situations applies to you, you may have a golden opportunity to invest more into your Program account.

To defer your year-end leave cash-out, ask your payroll officer for the cash-out amount and date the cash-out will be paid. Your deferral paperwork must be completed at least 30 days in advance of that pay date. Many participants must complete this paperwork in early November in order to take advantage of an early December cash-out.

If your leave cash-out is because of your termination of employment, the IRS requires the cash-out deferral be made by the longer of either year-end or within 75 days of your termination date. The paperwork to defer your termination cash-out must be completed one month prior to that pay date.

If you would like to defer all or part of your leave cash-out, call the Service Center at 1-877-644-6457.





Keith Dirham, City of Medina Employee







Ohio Deferred Compensation

Investment Performance Report — As of September 30, 2009

The results shown represent past performance and should not be considered a representation of future performance or experience. Past performance cannot guarantee future results. Current investment results might be lower or higher than quoted in this report. The principal value and investment return of an investment will fluctuate so that an investor's units/shares, when redeemed, may be worth more or less than their original cost. You can get performance data current to the most recent month-end by visiting www.Ohio457.org. Although data is gathered from investment providers, the Program cannot guarantee completeness and accuracy. Please see other important disclosures at the end of this report. **Consider the investment objectives, risks, charges, and expenses carefully before investing by consulting your prospectuses, which contain this and other information. Prospectuses are available by calling 1-877-644-6457 or visiting www.Ohio457.org. Read the prospectus carefully before investing.**

VRU Fund #	Ticker Symbol	3rd Quarter	YTD	Average Annual Returns				Expense Ratio ⁽¹⁾		
				1 Year	3 Year	5 Year	10 Year			
Ohio DC Options										
	LifePath Portfolios	<u>Inception Date</u>								
120	LifePath Retirement ⁽²⁾	8/1/2005	n/a ⁽³⁾	8.96%	13.97%	5.73%	2.66%	3.77% ⁽⁴⁾	n/a	0.25%
121	LifePath 2015 ⁽²⁾	7/5/2006	n/a ⁽³⁾	11.03%	16.73%	3.38%	0.86%	2.23% ⁽⁴⁾	n/a	0.25%
122	LifePath 2020 ⁽²⁾	8/1/2005	n/a ⁽³⁾	12.28%	18.64%	2.32%	-0.08%	2.46% ⁽⁴⁾	n/a	0.25%
123	LifePath 2025 ⁽²⁾	7/5/2006	n/a ⁽³⁾	13.42%	20.44%	1.31%	-0.95%	0.57% ⁽⁴⁾	n/a	0.25%
124	LifePath 2030 ⁽²⁾	8/1/2005	n/a ⁽³⁾	14.61%	21.99%	0.39%	-1.74%	1.58% ⁽⁴⁾	n/a	0.25%
125	LifePath 2035 ⁽²⁾	7/5/2006	n/a ⁽³⁾	15.52%	23.41%	-0.45%	-2.45%	-0.82% ⁽⁴⁾	n/a	0.25%
126	LifePath 2040 ⁽²⁾	8/1/2005	n/a ⁽³⁾	16.45%	24.68%	-1.19%	-3.14%	0.75% ⁽⁴⁾	n/a	0.25%
127	LifePath 2045 ⁽²⁾	7/5/2006	n/a ⁽³⁾	17.38%	25.75%	-1.95%	-3.81%	-2.09% ⁽⁴⁾	n/a	0.25%
128	LifePath 2050 ⁽²⁾	9/30/2007	n/a ⁽³⁾	18.22%	27.39%	-1.47%	-13.29% ⁽⁴⁾	n/a	n/a	0.25%
	Stable Value		(Annualized Return)	3 rd Quarter 2009	4.30%	4 th Quarter 2009	4.00%			
101	Stable Value Option		n/a ⁽³⁾	1.07%	3.08%	4.25%	4.73%	4.75%	5.30%	0.34%

Mutual Funds

	International Stock Funds									
532	Templeton Foreign	TEMTX	25.90%	48.87%	12.77%	1.04%	7.33%	5.92%	1.14%	
209	Vanguard International Growth ⁽⁵⁾⁽⁶⁾	VWILX	19.25%	36.07%	4.56%	-1.19%	7.74%	4.08%	0.35%	
310	Vanguard Total International Stock Index ⁽⁵⁾	VGTSX	19.67%	32.54%	4.67%	-1.63%	7.69%	3.68%	0.34%	
	Small-Cap Stock Funds									
402	FPA Capital ⁽⁵⁾	FPPTX	21.55%	45.42%	2.77%	-0.34%	4.22%	9.55%	0.93%	
403	Hartford Small Company	HIASX	16.44%	22.53%	-9.54%	-2.93%	5.33%	3.50%	0.71%	
210	Vanguard Small-Cap Index	VSCIX	21.91%	31.01%	-3.89%	-2.67%	3.82%	5.90%	0.09%	
	Mid-Cap Stock Funds									
208	Vanguard Capital Opportunity ⁽⁵⁾⁽⁶⁾	VHCAX	16.58%	36.99%	4.52%	-0.42%	5.86%	8.41%	0.43%	
	Large-Cap Stock Funds									
202	Dodge & Cox Stock	DODGX	19.88%	25.63%	-3.68%	-8.75%	0.82%	5.96%	0.52%	
306	Fidelity Contrafund	FCNTX	13.91%	20.38%	-4.22%	-1.20%	5.07%	4.11%	0.95%	
307	Fidelity Growth Company	FDGRX	16.49%	31.55%	0.69%	0.37%	5.65%	2.15%	0.97%	
291	Janus Twenty	JAVLX	13.45%	36.33%	5.36%	5.63%	8.34%	0.31%	0.86%	
565	Vanguard Institutional Index	VINIX	15.61%	19.39%	-6.77%	-5.38%	1.05%	-0.11%	0.05%	
	Balanced Funds									
201	Dodge & Cox Balanced	DODBX	15.97%	23.65%	3.41%	-4.30%	1.85%	6.29%	0.53%	
	Bond Funds									
207	PIMCO Total Return	PTRAX	5.98%	12.52%	18.04%	8.89%	6.66%	7.28%	0.89%	
215	Vanguard Total Bond Market Index	VBPIX	3.72%	5.98%	10.65%	6.56%	5.22%	6.17%	0.08%	

⁽¹⁾ Investment returns for the Ohio DC Options and Mutual Funds have been reduced for gross Expense Ratios. These average Expense Ratios might vary from time to time. The Expense Ratios for the Ohio DC Options are established by the Program and include a 0.10% Program administrative expense.

⁽²⁾ Returns shown for the periods prior to 12/18/2007 are those of the respective LifePath Index F series, net of historical Program administrative expenses.

⁽³⁾ LifePath portfolios and Stable Value Option (SVO) are not publicly traded mutual funds and do not have a ticker symbol or prospectus. These options are available only through Ohio Deferred Compensation. The value of the securities held by the SVO will fluctuate. The SVO focuses on principal preservation and a stable rate of return.

⁽⁴⁾ Average annual return since inception date.

⁽⁵⁾ This fund might be subject to a redemption fee. Please consult the Program website or fund prospectus for additional information.

⁽⁶⁾ Returns include performance of a different share class achieved prior to the inception of the Admiral or Institutional share classes. Returns were not recalculated to reflect the fees of the Admiral share class.

Contact Us

Ohio Deferred Compensation Program is a supplemental retirement benefit plan regulated by Section 457 of the Internal Revenue Code. There are 195,000 participant accounts, with over \$7.1 billion in assets.

If you have questions regarding the Program, write or call an Account Executive at:

Ohio Deferred Compensation
257 East Town Street, Suite 457
Columbus, OH 43215-4626

Hours: Monday - Friday
8:00 a.m. - 5:30 p.m.

Automated Telephone System: 24 hours a day, 7 days a week

1-877-644-6457 • www.Ohio457.org

Ohio Deferred Compensation Board

Sharon M. Downs, Chair
Retired Group

Kimberly A. Russell, Vice Chair
State College and University Employees

Charlie R. Adkins
Investment Expert

Jay Hottinger
House of Representatives

John W. Maurer
Retired Group

Eddie L. Parks
State Employees

Hugh Quill
Director, Ohio Department of Administrative Services

Cynthia Sledz
Miscellaneous Employees

Ken Thomas
Municipal Employees

James R. Tilling
Investment Expert

Jason H. Wilson
Senate

Lennie Wyatt
Investment Expert

Helen Youngblood
County Employees

Keith Overly
Executive Director

Withdrawal Election

Participants who have severed from employment are able to **start, stop, change, and restart withdrawals from the Program anytime**. At age 70½, participants must meet the minimum distribution requirements of the Internal Revenue Code.

Withdrawals may begin after the Program has received the employer's verification of severance, final deferral, and completed Withdrawal Election form. All requests to start withdrawals must be made on signed Program forms. If the forms are returned by the 15th day of the month, withdrawals will **start on the 20th day of the following month**.

Payment Options

There are flexible payment options from which to choose:

- Annual percent, dollar amount, or time period
- Partial lump sum
- Full lump sum

Payments can be made annually, semi-annually, quarterly, or monthly. Participants may delay withdrawals until the year they turn age 70½. Funds that remain in the Program will stay invested as the participant chooses and will continue to be subject to market risk.

The Program permits rollovers of any portion of an eligible distribution. However, before making a rollover decision, a participant should carefully compare the investment options available, associated fees, expenses, and accessibility.

Investment Performance Report Notes

Investment Performance: Investment returns on the Investment Performance Report do not reflect the deduction of historical asset fees or the administrative fee. The Board may suspend the administrative fee at its discretion. All reported mutual fund returns assume reinvestment of capital gains and dividends and reflect the fund's expense ratio. The Ohio DC Options are not mutual funds or registered investment companies.

Stable Value Option: Annualized returns are net of investment management, custody, principal protection, and plan administration fees. You can get a fund profile for the Stable Value Option by calling 1-877-644-6457 or visiting www.Ohio457.org.

LifePath Portfolios: Portfolios are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, these portfolios experience risks and expense ratios, including applicable fees and expenses, of the underlying funds. The use of asset allocation and/or diversification does not guarantee profits.

International Funds: Funds that invest internationally involve risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting, and the limited availability of information.

Small Company Funds: Funds investing in stocks of small or emerging companies might have less liquidity than those investing in larger, established companies and might be subject to greater price volatility and risk than the overall stock market.

Bond Funds: Bond funds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds owned by the fund.

Historical Asset Fee

Time Period	Mutual Funds/ Stable Value
4/1/99 - 12/31/99	.05%

Administrative Fee

Time Period	Quarterly Amount
1/1/00 - 9/30/06	\$2.00

The quarterly \$2.00 administrative fee has been suspended 10/1/06 - Present.