

State of Colorado Defined Contribution (DC) Plan

Features & Highlights

The State of Colorado DC Plan is a powerful tool to help you reach your retirement dreams. Please read these highlights to learn more about your DC Plan, and how simple it is to enroll.

Getting Started

What is a 401(a) plan?

A 401(a) plan is a retirement savings plan designed to allow employers to supplement their employees' existing retirement and pension benefits by contributing to a plan on the employees' behalf. Contributions and any earnings on contributions are tax-deferred until money is withdrawn.

Who is eligible to enroll?

Eligible employees are a member of the General Assembly, the Governor, the Lieutenant Governor, the Attorney General, the Chief Deputy Attorney General, the Solicitor General, the Secretary of State, the Deputy Secretary of State, the State Treasurer, the Deputy State Treasurer, a District Attorney, an Assistant District Attorney, a Chief Deputy District Attorney, a member of the Public Utilities Commission, an Executive Director of a department of state appointed by the Governor, an employee of the Senate or the House of Representatives, and a non-classified employee of the Office of the Governor.

Effective January 1, 2006, any Employee who commences employment with the State of Colorado on or after January 1, 2006, and has not been a member or retiree of the Public Employees Retirement Association (PERA), or an active participant in a defined contribution plan established pursuant to part 2, article 52, title 24, C.R.S. during the twelve months prior to the date that the individual commenced employment.

Employees of any state college or university, any institution under the control of the Board of Regents of the University of Colorado or an institution governed pursuant to part 5, article 21, title 23, of C.R.S. are not eligible for the Plan.

How do I enroll?

Complete the appropriate enrollment forms indicating your investment option selection(s), and a beneficiary designation(s). Please return the form(s) to your Great-West Retirement Services representative.

What is my contribution?

To participate in this DC Plan, the mandatory contribution amount is 8%.

How much is the employer contribution?

The DC Plan provides for non-discretionary employer contributions in an amount of 10.15%. These contributions benefit all participating employees.

What are my investment option choices?

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets. Investment option information is also available through the Web site at www.colorado401a.com and KeyTalk[®], toll free at (800) 838-0457. The Web site and KeyTalk[®] are available to you 24 hours a day, 7 days a week.¹ In addition to the core investment options, a Self-

¹ Transfer requests made via the Web site or KeyTalk[®] received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected. Access to KeyTalk[®] and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades and maintenance or other reasons.

Directed Brokerage (SDB) account offered through *Harrisdirect* is available. The SDB account allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. For prospectuses on Self-Directed Brokerage, contact Harris Investor Services, LLC at (877) 355-7040. Read them carefully before investing.

Managing Your Account

How do I keep track of my account?

Great-West Retirement Services will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and move money between investment options on the Web site at www.colorado401a.com or by calling KeyTalk[®] at (800) 838-0457.¹ *Harrisdirect* will also send quarterly statements. *Harrisdirect* will send you a monthly statement if you have account activity.

How do I make investment option changes?

Use your Personal Identification Number (PIN)² and Username to access either the Web site or KeyTalk[®].¹

You can move all or a portion of your existing balances between investment options (subject to Plan rules) and change how your payroll contributions are invested.

Rollovers

May I roll over my account from my former employer's plan?

Yes. But only approved balances from an eligible governmental 401(k), 403(b) or 401(a) plan or an Individual Retirement Account (IRA) may be rolled over to the Plan. Please check with your Great-West Retirement Services representative regarding any applicable fees on the rollover account.

May I roll over my account if I leave employment with my current employer?

If you sever employment with your current employer, you may roll over your account balance to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA. Please contact your Great-West Retirement Services representative for more information.

Vesting

When am I vested in the Plan?

Vesting refers to the percentage of your account you are entitled to receive upon the occurrence of a distributable event. Your contributions to the Plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

² The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

Distributions

When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- retirement;
- permanent disability;
- severance of employment (as defined by the Internal Revenue Code);
- death (your beneficiary receives your benefits).

Ordinary income tax will apply to each distribution. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty.

What are my distribution options?

- 1) Leave the value of your account in the Plan until a future date;
- 2) Receive:
 - periodic payments;
 - fixed annuity payments;
 - partial lump sum with remainder paid as periodic payments or annuity payments;
 - a lump sum;
- 3) Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan, that accepts such rollovers, or to an IRA.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact a Great-West Retirement Services representative to request a distribution.

Fees

Are there any recordkeeping or administrative fees to participate in the Plan?

An annual Mortality & Expense Risk Charge of .30% is calculated and deducted daily as a part of the unit value of each of your variable investment options. There is no annual Contract Maintenance Charge fee.

Are there any fees for the investment options?

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. The Vanguard Institutional Index and Vanguard Total Bond Market Index funds charges an additional administrative fee of .20% annually. Fees pay for trading individual securities in the underlying investment options and other management expenses.

There is an additional \$12.50 quarterly fee and transaction fees to participate in the Self-Directed Brokerage Option by *Harrisdirect*.

Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. For more information, please refer to the fund's prospectus and/or disclosure documents.

Are there any distribution fees?

There are no distribution fees for this Plan.

Loans

May I take a loan from my account?

Your Plan does not allow loans.

Taxes

How does my participation in the Plan affect my taxes?

Employer contributions and any earnings are tax-deferred until you withdraw money, usually at retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies) at your then current tax rate. A 10% early withdrawal federal tax penalty may also apply to distributions taken before age 59½.

Investment Assistance

Can I get help with my investment decisions?

The State of Colorado DC Plan has a solution. Learn how you can have Advised Assets Group, LLC (AAG) manage your account for you. Or if you want to manage your retirement account on your own, you can learn about the online investment guidance and advice tools. Called Reality InvestingSM, these services provide a personalized retirement strategy for you.

For more detailed information, please visit the Web site at www.colorado401a.com, via KeyTalk[®] at (800) 838-0457, press 6, then 3 to speak with an AAG adviser representative.

How do I get more information?

Visit the Web site at www.colorado401a.com or call KeyTalk[®], toll free at (800) 838-0457, ¹ for more information. The Web site provides information regarding your Plan, financial education information, financial calculators and other tools to help you manage your account.

Call or visit your local Great-West Retirement Services office at:

1775 Sherman Street; Suite 2820
Denver, CO 80203
(800) 947-4409

Managed account, guidance and advice services are offered by Advised Assets Group, LLC, (AAG) a federally registered investment adviser. Securities, where offered, are offered through GWFS Equities, Inc. AAG and GWFS Equities, Inc. are wholly owned subsidiaries of Great-West Life & Annuity insurance Company. Representatives of GWFS Equities, Inc. are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

Investment options may be offered through mutual funds, collective trust funds, and/or a group fixed and variable deferred annuity issued by Great-West Life & Annuity Insurance Company.

Securities available through the Self-Directed Brokerage Account are offered by Harrisdirect Services, LLC. Additional information can be obtained by calling Harrisdirect at (877) 355-7040.

Your Plan may use one or more of the following annuity contract form numbers: GTSMF 1-84, GDCMF 1-84, GDCMF 190, GDC 990 FFSII, GTDAMF 92 ER, GTDAMF 92 VOL, GTDAGF 92 VOL, GTDAGF 92 ER, QGAC 1-94, STAC 1-95, GFF 1-97, GPF 1-00, GFAC 1-02, GFVAC 1-02.

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