



**Knox County
Retirement &
Pension Board**

**Volume 10 ♦ Issue 5
June 2009**

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KNOXNEWS

*Knox County Employee Benefit System
For Knox County Government & Classified School
Employees and Retirees*

**Employee Retirement & Asset Accumulation Program
Fund Change Blackout Period
July 24 @ 4 p.m. through July 31 @ 4 p.m.**

The Knox County Retirement & Pension Board, along with USI Consulting Group, monitors the funds under the Employee Retirement & Asset Accumulation Plan, Knox County Voluntary 457 Plan, and the Medical Expense Retirement Plan (MERP). After careful consideration and upon the recommendation of USI Consulting Group, the Board has approved changes to three investment styles. Please keep in mind that the funds being replaced will have similar investment objectives.

In order to convert to the new funds in the Asset Accumulation, Knox County Voluntary 457 Plan, and the Medical Expense Retirement Plan (MERP), the Voice Response and Internet Systems will be unavailable from 4:00 pm Friday, July 24, 2009 through 4:00 pm Friday, July 31, 2009. You will not be able to make inquiries or changes to any fund during the period. Keep in mind; you will have full access to the updated system no later than 4:00 pm Friday July 31, 2009.

While the system is unavailable, your assets will continue to be invested in the investment options you have chosen as of July 24th. No investment changes or distributions will be processed during the Blackout Period from the Knox County Asset Accumulation Program. Once the assets have been liquidated from the terminated funds, the assets will be re-invested in the new funds within 48 hours.

Write or Visit:

Knox County Retirement
& Pension Board
City-County Building,
Room 371
400 Main Street
Knoxville, TN 37902

Call, Fax or Email:

Phone: (865) 215-2323

Fax: (865) 215-2421

Email:

knoxcounty.retirement@knoxcounty.org

Website:

www.knoxcounty.org/retirement

Office Hours:

Monday thru Friday
8 a.m. - 4:30 p.m.

Retirement Staff:

Kimberly Bennett
Executive Director

Della Ledford
Assistant Executive
Director

Charlotte Welch
Budget/Communications
Manager

Janet Rowan
Benefit Manager

Terri Chase
Benefit Specialist

Jennifer Schroeder
Benefit Specialist

Angel Monroe
Administrative Support

Jonathan Dixon-Harris
Office Assistant

All monies invested in the Knox County Asset Accumulation Plan, the Voluntary 457(b) Plan, and the Medical Expense Retirement Plan (MERP) will change accordingly:

Current Investment	Replace with
Fixed Income Portfolio	
ING Intermediate Bond A	J.P. Morgan Core Bond
Moderate Portfolio	
John Hancock Bond A	Pioneer Bond
Balanced Portfolio	
John Hancock Classic Value A	Pioneer Equity Income

During the Blackout, along with the changes being made to three investment styles we are also adding three new blended funds offered by Vanguard. The new blended funds to be added are as follows:

◆ **Vanguard LifeStrategy Income**

- ◇ Typically hold between 5% and 30% stocks, remainder in bonds or cash equivalents
- ◇ As of 4/30/09, allocation at 27.81% stocks
- ◇ 55% of fund is indexed, 45% is actively managed



◆ **Vanguard LifeStrategy Conservative Growth**

- ◇ Typically hold between 25% and 50% stocks, remainder in bonds or cash equivalents
- ◇ As of 4/30/09, allocation at 48.11% stocks
- ◇ 55% of fund is indexed, 45% is actively managed

◆ **Vanguard LifeStrategy Growth**

- ◇ Typically holds between 65% and 90% stocks, remainder in bonds or cash equivalents
- ◇ As of 4/30/09, allocation at 87.70% stocks
- ◇ 75% of fund is indexed, 25% is actively managed

- A prospectus for all funds offered under the Knox County Asset Accumulation Plan, Knox County Voluntary 457 Plan, and Medical Expense Retirement Plan may be obtained by calling USI Consulting Group, 865-523-8353.
- A monthly summary of the rates of return on investments offered in the Knox County Plans may be obtained from the Knox County Retirement & Pension Board office and online at <http://www.knoxcounty.org/retirement>.

"We're here to make your retirement smooth sailing"

Investment Allocation



If you are currently investing in one of the portfolio's being changed, the account balance in those funds will be automatically transferred to the corresponding replacement funds.

If you carry balances in the portfolio's being changed and do not want your account balance automatically transferred to the new fund, you may choose to transfer your account balance into other investment options before July 24, 2009 at 4:00 p.m.

You may do this by accessing your account through the internet at www.usicg.com or by telephone at 1-800-828-4224. In addition, if your future contribution allocation is directed towards the funds being replaced, you may change your allocation to any of the other investment options in our Plan.

Transfers In and Transfers Out

For those participants with money in the funds being changed, you will see a "transfer in" and "transfer out" on your September 30th statement. This transfer represents the changes in the funds. Transfers due to fund changes are NOT losses or gains. Net effect of the Transfer In and Transfer out is 0 (zero).

See example below:

(this example **does not** represent current changes)

Activity Highlights	
Transfers In	\$373.65
Transfers Out	-\$373.65

This Blackout Period will affect the following Plans:

- Asset Accumulation Plan
- Knox County Voluntary 457 Plan
- Medical Expense Retirement Plan (MERP)

Your 401(a) & Knox County Voluntary 457 Plan Account:

You can access your account(s) at any time via the web or phone. However, certain restrictions apply, such as a blackout period.

USI Website and Phone Access:

www.usicg.com

VAT System:
1-800-828-4224

Contribution Withdrawals:

While you are actively employed, you **cannot** make withdrawals or borrow funds from your mandatory retirement plan.

Unforeseeable emergencies may apply to 457 plans. However, restrictions do apply based on IRS guidelines.

Employee Changes

Events or life changes occurring during the course of your Knox County employment may necessitate you contacting our office.

Changes such as:

- Address Change
- Beneficiary Change
- Birth or Adoption
- Death of a Spouse
- Divorce
- Employment Status
- Marriage
- Name Change



KNOX COUNTY RETIREMENT & PENSION BOARD

400 MAIN STREET CITY-COUNTY BLDG
SUITE 371
KNOXVILLE, TN 37902

Something new...

As an active employee, you will be receiving something new in the mail from the Knox County Retirement & Pension Board. We have put together an annual statement to reflect the value of your benefits as of December 31, 2008.