

THE SOUTH CAROLINA DEFERRED COMPENSATION PROGRAM



SCDCP

ACHIEVING YOUR RETIREMENT GOALS

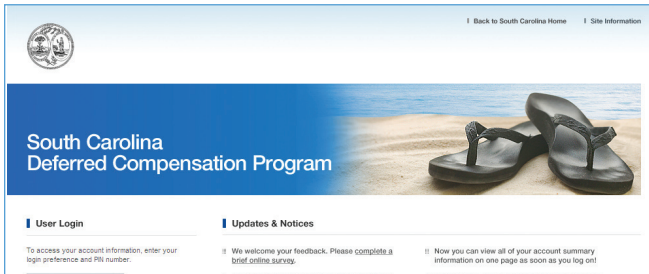
SUMMER 2007

NEW LOOK!

The South Carolina Deferred Compensation Program (SCDCP) quarterly newsletter has a new design—delivering the same great news and updates as always, with a fresh new look and feel to help participants achieve their retirement goals!

THE WEB SITE IS GETTING AN UPDATE

The Program Web site is one of the best ways to help you plan smarter. Soon, it's going to have a fresh new look and feel, and transactional improvements are in the works, too. Here are some of the design changes and feature enhancements:



- The new [page design](#) uses more of the screen, making information easier to view.
- The new [Log in Page](#) displays secure access, important Program notices, and a link to your Program's Information section, without logging in, so Program rules and details are at your fingertips whenever you need them.
- A new [Message Board](#) automatically opens when you enter the site and the messages will be displayed on the home page.
- The new [Home Page](#) displays Program summary information, message links, and a new [Market Watch List](#) tool.
- Personal Performance is accessible directly from [My Account](#).
- A new [Search](#) tool helps you find site information by topic or keyword. And a new [Site Map](#) links to all navigation options within the site.
- There are various educational and planning tools for you to discover in the new [Resource Center](#), including access to calculators, personalized online education through [My Learning Center](#) with articles, audio (MP3) files and streaming videos, quarterly news, and a new [Featured Content](#) section.

Visit <http://scrs.csplans.com> this August and make the connections between managing your account, learning more about your benefit, and staying informed.

ADDITIONAL INVESTMENT OPTION KEELEY SMALL-CAP VALUE FUND

Beginning on October 1, 2007, SCDCP participants will have more opportunities to help reach their retirement savings goals. The Keeley Small-Cap Value Fund, a new investment option, will be added to the Program's investment lineup. With this additional fund option, you can build a diversified portfolio with your choice of 19 different investments. Adding the Keeley Small-Cap Value Fund to your portfolio allows you to invest in stocks of small capitalization companies that the fund manager believes are undervalued but have a stable or improving earnings record and sound finances.

Watch for more information on this new fund option coming soon.

CONTACT INFORMATION

Information Line: 1.866.826.7283

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Third quarter 2007 annualized rate for the
84-month certificate is 5.74%

Third quarter 2007 annualized rate for the
Stable Value Fund is 4.92%

STICK WITH WHAT YOU'VE GOT

Whether you're just starting out or have been saving for years, the SCDCP has just what you need to keep yourself on track.

When you retire or separate from service, you have several options to consider for your SCDCP accounts. Take your time to think things through and consider taking full advantage of all that you have now with your SCDCP:

Investment opportunities

As a Program participant, you get the benefit of "strength in numbers" by being part of a large group plan. This allows you access to institutional pricing for your investments not typically available to individuals or smaller retirement programs. What it really means for you is that more of your money stays invested in your funds, working for you, rather than being absorbed by the funds for fees.

Another feature is the variety of investment choices available to you.

- If you're looking for simplicity, the SSgA Target Retirement Funds are a set of diversified portfolios. All you have to do is select the one fund with a maturity date that matches the time period when you expect to retire or begin withdrawing money.
- If you want to build your own portfolio, you can choose from the 13 core investment funds that can provide complete asset coverage and the opportunity for a well-diversified portfolio. This includes a Stable Value option and the 84-month certificate—good options to help add stability to your diversified portfolio.

24/7 access

A key advantage of the Program is the ability to access account information, 401(k) and 457 plan information, and investment education 24/7—either online or by phone. You can also change your contribution amounts and make transfers. The Online Statement feature lets you generate a statement, including transaction history, for the time period you specify. And, in the Resource Center on the Web site, you can access information about investing and other personal financial planning topics.

Personal support

Program Consultants are available to assist you with all your Program questions and needs. They also conduct group seminars and one-on-one meetings. Contact a consultant to set up a group or individual meeting by logging on to the Web site at <http://scrs.csplans.com> or by calling the local office at 1.803.754.7997.

Program and investment oversight

As the Program's fiduciary, the South Carolina Deferred Compensation Commission works for you by creating Program rules and choosing which investments to offer to ensure you have the best opportunities to reach your retirement savings goals. Consider this an extra set of eyes watching out for your retirement savings.

Before you make any hasty decisions, consider whether or not a different retirement plan or an Individual Retirement Account (IRA) can do as much for you as the SCDCP. Keep in mind that if you cash out your account and take a lump-sum distribution, the entire amount will be considered taxable income in that year. In addition, distributions from the 401(k) plan may be subject to a 10 percent early withdrawal penalty. Even though your 457 plan assets are not subject to the 10 percent early withdrawal penalty tax, if you rollover your 457 plan account balance to an IRA, most IRA distributions before age 59½ will incur a 10 percent penalty tax.

NATIONAL 401(K) DAY

National 401(k) Day is September 7, 2007. As retirement follows work, 401(k) Day follows Labor Day. This annual celebration spotlights the importance of employer-sponsored retirement savings plans. Remember to celebrate by checking your Personal Performance regularly either on your quarterly statement or online to make sure your current investment mix is providing the growth you expect for your goals. If your returns are falling short, consider changing your investment mix to reach for higher returns or increasing your contributions—or both.

LOAN POLICY CHANGE

Beginning October 1, 2007, the SCDCP loan program will change. The current policy allows participants only one loan from each Program account. The new loan policy allows participants to request a total of two (2) loans, no matter which Program account(s) you have. This means that if you are participating in either the 401(k) OR the 457 plan, you may request up to two loans from that plan. If you have an account in both plans, you may request one loan from each plan or two loans from either Program account. You are allowed to have two loans outstanding at any one time and the maximum dollar amount you may apply for remains the same. Before requesting a loan, find out how loans against your account affect your long-term retirement savings by logging on to the SCDCP Web site at <http://scrs.csplans.com> and choosing the [Plan Savings Calculator](#).

Quarterly Calendar

The New York Stock Exchange is closed on Labor Day, Monday, September 3, 2007. Transactions made on this day will be processed the following business day.