

Introducing the 2055 Retirement Strategy Fund

The 2055 Retirement Strategy Fund became available for member investments on January 4, 2010. The introduction of the 2055 fund comes a little more than one year after the Retirement Strategy Funds were added to the Plan 3 Self-Directed Investment Program lineup. Each Retirement Strategy Fund has a diversified mix of equities and bonds that automatically adjusts and rebalances as you move toward the day when you expect to begin drawing your money. The 2055 Retirement Strategy Fund is designed to address the needs of those who were born in 1988 or after.

The New Year is also a good time to assess whether any recent career or life plans mean you need to review your current retirement strategy. If you've experienced significant changes, or your target date for retirement has changed, and you're currently investing in a Retirement Strategy Fund, you may wish to consider moving to a new Retirement Strategy fund.

More information about the 2055 Retirement Strategy Fund is available on the DRS Web site at www.drs.wa.gov.



2009 Disbursements and Tax Reporting

If you received a distribution from your Plan 3 Defined Contribution Account in 2009, you will receive a Form 1099-R in the mail during the third week of January 2010. In addition to taxable distributions, rollovers to other retirement plans and IRAs are also reported to the Internal Revenue Service on Form 1099-R with a special code that indicates it is a rollover. If you have general questions about the Form 1099-R, please call Plan 3 Investor Services at 888-711-8773. You may also wish to consult with a professional tax advisor or review the IRS Publication 575, Pension and Annuity Income and IRS Publication 590, Individual Retirement Arrangements, available at www.irs.gov.

SERS PLAN 3 WSIB TOTAL ALLOCATION PORTFOLIO (TAP)

AS OF 9/30/2009

	3rd Qtr 2009	1-Year	3-Year	5-Year
TOTAL ALLOCATION PORTFOLIO	9.94%	-7.74%	-0.79%	5.85%

All returns are net of fees. The TAP fund is valued monthly; your account balance and rate of return will vary accordingly. Past performance is no guarantee of future results. For more information about the TAP fund, please see the Plan 3 Investment Guide or the Web site at www.icmarc.org/sers/investing.

SERS PLAN 3 SELF-DIRECTED FUNDS

AS OF 12/31/2009

	4th Qtr 2009	1-Year	3-Year	5-Year
MONEY MARKET FUND	0.00%	0.13%	2.53%	3.15%
WASHINGTON STATE BOND FUND	1.21%	19.81%	8.06%	6.01%
SOCIALLY RESPONSIBLE BALANCED FUND	3.90%	15.33%	2.37%	3.03%
U.S. LARGE STOCK INDEX FUND	6.00%	26.70%	-5.54%	0.45%
U.S. STOCK MARKET INDEX FUND	5.87%	28.39%	-5.40%	0.74%
U.S. SMALL STOCK INDEX FUND	3.89%	27.37%	-5.97%	0.52%
INTERNATIONAL STOCK INDEX FUND	2.07%	32.02%	-5.88%	3.63%
2050 RETIREMENT STRATEGY*	4.59%	31.41%	N/A	N/A
2045 RETIREMENT STRATEGY*	4.59%	31.29%	N/A	N/A
2040 RETIREMENT STRATEGY*	4.60%	31.21%	N/A	N/A
2035 RETIREMENT STRATEGY*	4.51%	31.25%	N/A	N/A
2030 RETIREMENT STRATEGY*	4.55%	32.20%	N/A	N/A
2025 RETIREMENT STRATEGY*	4.51%	32.90%	N/A	N/A
2020 RETIREMENT STRATEGY*	4.40%	32.25%	N/A	N/A
2015 RETIREMENT STRATEGY*	4.38%	31.31%	N/A	N/A
2010 RETIREMENT STRATEGY*	4.19%	29.85%	N/A	N/A
2005 RETIREMENT STRATEGY*	3.72%	27.11%	N/A	N/A
2000 RETIREMENT STRATEGY*	3.46%	23.50%	N/A	N/A

* The Retirement Strategy Funds became available for investment on October 6, 2008.

All returns are net of fees. Self-Directed funds are valued daily; your account balance and rate of return will vary accordingly. Past performance is no guarantee of future results. For more information about the funds, please see the Plan 3 Investment Guide or the Web site at www.icmarc.org/sers/investing.

Privacy Policy

The following is the privacy policy for DRS' Plan 3 record keeper (ICMA-RC).

ICMA-RC recognizes the sensitive nature of your personal financial information, and takes every precaution to protect your privacy. In order to provide services to you, DRS collects certain nonpublic personal information about you from your employer. DRS then provides that information to ICMA-RC, to allow your account to be serviced. Our policy is to keep this information strictly confidential. We will use this information only as necessary to provide services to you or as otherwise required by law. Our contract with DRS also requires us to maintain the privacy of your personal information. You can be certain your financial information will only be used within our strict guidelines. Our privacy policy applies equally to nonpublic personal information about former clients and individuals who have inquired about our services.

Information We Collect

“Nonpublic personal information” is personally identifiable financial information about you as an individual or your family. Nonpublic personal information we have about you includes information provided by DRS and information you provide to us in telephone calls, forms, and correspondence.

Information We Disclose

We use this information to process your requests and transactions, for example, to provide you with additional information about the investments available in your plan or to process a withdrawal.

In order to service your account and carry out your instructions, we may also provide your personal information to firms that assist us. For example, we will provide your address to the company that mails your quarterly financial statements. We do not provide customer names and addresses to outside firms, organizations or individuals except as provided to conduct official business on your behalf, or as otherwise allowed by law. In addition to our own policies, our contract with DRS requires us to keep all information regarding plan members confidential. We are prohibited from disclosing, using, selling or sharing your personal information except to conduct business on your behalf or as directed by DRS.

How We Safeguard Your Information

We restrict access to nonpublic personal information to those persons with ICMA-RC who need the information to provide services to you or who are permitted by law to receive it. We maintain internal policies and procedures to safeguard your personal information.

Keep Your Plan 3 Address Up-to-date

If you've moved or your mailing address has changed, please be sure to notify your employer immediately. Your employer maintains address information for DRS and ICMA-RC. If you are an inactive member (you've stopped working for a Plan 3 employer), you can contact ICMA-RC at 1-888-711-8773 between 5:30 a.m. PT - 6:00 p.m. PT to update your address.

Interested in going paperless? You always have the option to receive your quarterly statements electronically through the secure online Account Access system. By signing up for e-Delivery, you will receive an e-mail notification when your Plan 3 quarterly statement is available for viewing. Take a moment to visit www.icmarc.org/plan3/paperless and see how going paperless can work for you. You can also call 1-888-711-8773 and the Plan 3 Investor Services associates can assist you with setting up online delivery.

BlackRock Purchases Barclays Global Investors

Earlier this year, the Washington State Investment Board (WSIB) advised us that BlackRock Institutional Trust Company (BTC) had announced it would purchase Barclays Global Investors (BGI) from its parent company, Barclays PLC. On December 1, 2009, BTC took over fund management of the Money Market Fund, U.S. Large Stock Index Fund, U.S. Stock Market Index Fund, U.S. Small Stock Index Fund and components of the Retirement Strategy Funds. You can learn more about each of the funds in the *Plan 3 Investment Guide* available on the DRS Web site at www.drs.wa.gov.

CONTACT INFORMATION

DRS	800-547-6657
Web	www.drs.wa.gov
ICMA-RC	888-711-8773
Web	www.icmarc.org/plan3/trs