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CORPORATION

STORMY Weather

Stock prices rise and fall every day. That's perfectly normal. In fact, you've probably noticed periods when the stock market gains for several weeks or even several months. These increases are the reason we invest in stocks in the first place. However, prices can also fall, sometimes for extended periods. Knowing what to do — and what not to do — during difficult times in the stock market can help you manage your retirement investments.

Don't Count Paper Losses

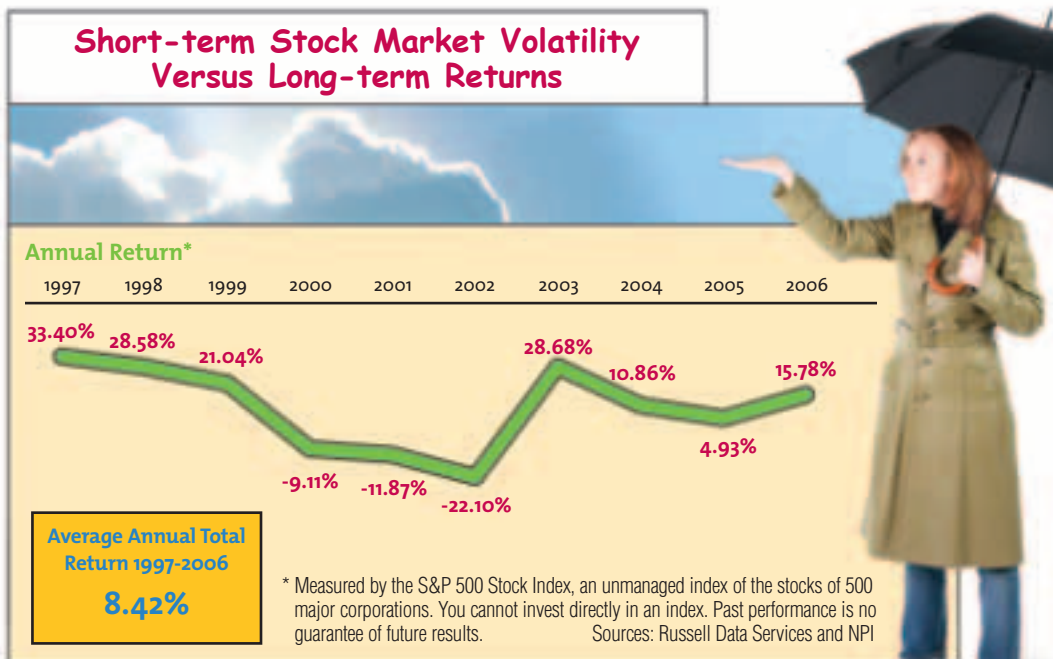
Any losses your investments suffer during market declines are only "paper losses" until you sell the investments to switch with other investments (or to take a cash distribution). As long as you continue holding an investment, you haven't lost money yet. Your portfolio may be able to recover from its paper losses over time.

Don't Be Caught on the Sidelines

Selling your stock investments during down periods could potentially do more harm than good. Past market declines have often been followed by periods of price gains. You won't be able to benefit from potential upswings in the market if you have moved out of stocks and are sitting on the sidelines.

Look at the Long-term Record

Investing for retirement is a long-term goal. Although there are no guarantees, no other



asset class can match the potential of stocks to provide inflation-beating returns over the long term — despite periodic downturns (see accompanying graph). That should help you maintain a long-term view of investing when the market is falling.

Keep Your Portfolio Diversified

While it's true that stocks have a track record of long-term growth, don't overlook the other types of investments your plan offers. Diversification* simply means that you invest your plan money in a range of investments in several different asset classes (stocks, bonds, and cash equivalents). Then, if one investment type loses value, the others may gain or hold steady. This time-tested strategy can help you manage investment risk in your portfolio.

Stay Focused on Your Goals

Don't let market ups and downs make you lose sight of why you are investing — for a financially secure retirement. By focusing on your goal, you'll be more likely to make the right moves when the investment climate is stormy.

* Diversification does not ensure a profit or protect against loss in a declining market.

Stay in touch with your retirement savings using the World Wide Web or telephone!

<http://www.dailyaccess.com>
or 1-800-217-2240



Beating the PAYCHECK BLUES

Life is good when you have a regular paycheck coming in. Have you ever thought about how your life might change without a regular source of income? You should. Because that's what retirement is — life without a regular paycheck.

Similar but Different

Of course, your Social Security retirement benefits will help. But, on average, today's retirees receive only 39%* of their income from Social Security. You'll have to come up with the rest of the money you need.

How? You could continue working. Or, you may be among the minority with a pension to supplement your Social Security benefits. However, like most people, you will probably have to rely on your own savings and investments, including your retirement plan account, to supply much of your retirement income.

Avoid Surprises

It's wise to figure out how much you're going to need ahead of time. Ask yourself the following questions:

How much annual income will I need?

Some expenses go down in retirement. Others (like health care) may rise. To be on the safe side, assume that you'll need an annual income of between 70% and 80% of your final annual salary.

Will inflation be an issue? Inflation chips away at the value of your savings and reduces your future spending power. As a result, you'll likely have to pay more for

many goods and services when you're retired than you currently pay. Even a relatively low inflation rate reduces the purchasing power of your savings over time. That's why you want to be sure that your retirement plan investments earn a rate of return that's greater than the annual inflation rate. Investing a portion of your account in stocks increases your portfolio's potential to grow at a faster rate than inflation.

Smart Moves for Today

Planning realistically for a future without paychecks is only part of the process. You'll want to make the most of the present, as well. Here are two more questions to ask yourself.

Can I afford to contribute more? Setting aside some extra money for retirement may be difficult right now. But the benefits of contributing to your retirement plan — compounding, dollar-cost averaging, and tax deferral — are hard to beat. And contributing on a pretax basis lowers your current year's tax bill. The longer your money is invested and working on your behalf, the more you may have waiting for you when you retire. So try to contribute as much as you can.

Should I borrow from my plan? Your plan may allow you to borrow from your

account. (Some plans do not allow loans.) While this option can be tempting, a plan loan will most likely slow the growth of your retirement savings. When you borrow from your plan, some of your retirement investments have to be sold to fund the plan loan. Even though you intend to repay the loan (plus interest) over time, you'll be missing out on growth opportunities on the amount you borrow. If you fail to repay the loan, it will be considered a taxable distribution and will possibly be subject to a 10% additional tax as well.

Name That Tune!

Life without a regular paycheck doesn't have to be hard. With some planning and a commitment to save for your future, you could be singing a happy tune when you're retired.

* Source: *Fast Facts & Figures About Social Security, 2006*, Social Security Administration