

Investment Options

International Large Growth

American Funds EuroPacific Growth (R4)	REREX
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International Large Blend

Vanguard Developed Markets	VDMIX
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Large Growth

American Funds Growth Fund America (R4)	RGAEX
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Large Blend

Dreyfus S&P 500 Index	PEOPX
Davis NY Venture (A)	NYVTX
Vanguard Growth & Income	VQNPX

Midcap Growth

Turner Midcap Growth (A)	TMGFX
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Midcap Blend

Janus Midcap Value Fund (Inv)	JMCVX
Vanguard Extended Market Index Fund	VEXMX

Lifestyle

T. Rowe Price Retirement 2010 Adv	PARAX
T. Rowe Price Retirement 2020 Adv	PARBX
T. Rowe Price Retirement 2030 Adv	PARCX
T. Rowe Price Retirement 2040 Adv	PARDX
T. Rowe Price Retirement Income	PARIX

Intermediate Term Bond

Dreyfus Bond Market Index Fund	DBMIX
PIMCO Total Return Fund	PTRAX

Other Options

Dreyfus Cash Management Fund	DACXX
Schwab Personal Choice Retirement Account Brokerage Window	N/A

Stable Value

Fixed Interest Option*	N/A
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* Policy Form GFUA-398, a fixed annuity issued by The Variable Annuity Life Insurance Company, Houston, Texas.

Fees

An effective annual charge of 0.15% will be assessed on mutual fund assets in the plan for which administrative services are provided. Additionally, Fund Annual Operating Expenses apply depending on the mutual fund chosen and are described in the prospectus.

For more information, call your local VALIC office at 1-888-LAU-457B (888-528-4572).

To view or print a prospectus, visit www.valic.com and click on ePrint under Login. Enter your Group ID (02121002) in the Login field and click go. Click on "Funds" in Quick Links, and funds available for your plan are displayed. The prospectus contains the investment objectives, risks, charges, expenses and other information about the investment company. Please read the prospectus carefully before investing or sending money. You may also request a copy by calling 1-800-448-2542.

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This is not your plan document. The administration of each plan is governed by the actual plan document. If discrepancies arise between this insert and the plan document, the plan document will govern.

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VALIC

The Los Angeles Unified School District 457(b) Deferred Compensation Plan

Participant Plan Highlights



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The Los Angeles Unified School District (LAUSD) 457(b) Deferred Compensation Plan with VALIC affords you an excellent opportunity to accumulate money for your future. You contribute pretax dollars automatically by convenient payroll reduction, which might lower current income taxes. Your account also benefits from tax-advantaged growth.

Eligibility

You are immediately eligible to begin contributing to the plan.

Enrollment

It's easy to join; simply decide how much you want to save and how you want to invest contributions to your account. You must generally enroll before the first of the month in which you want to begin contributions.

- Deferred Compensation Enrollment at <https://my.valic.com/enroll> or call 1-888-569-7055.

Contributions

Generally, you may contribute as much as 100% of your annual includible compensation, up to \$16,500 in 2009. You may increase or decrease the amount you contribute to the plan as often as LAUSD allows.

Catch-up contributions

You may be eligible to contribute up to an additional:

- \$16,500 in 2009 if you are within the last three taxable years ending the year before the year in which you will attain normal retirement age as specified under the plan and have undercontributed in prior years, or
- \$5,500 in 2009 if you are age 50 or older

If you are eligible for both, you may not combine the two catch-up amounts, but you may contribute up to the higher amount.

Stop/change contributions

You may change your contribution amount or discontinue contributing to your plan at any time and resume contributing again later, subject to your employer's plan provisions. In the meantime, your account will continue to grow on a tax-deferred basis. Please allow one month's notice for processing.

Account access

You can access your account, 24 hours a day, seven days a week from anywhere, at any time by way of the following:

- VALIC Online at VALIC.com
- VALIC by Phone at **1-800-448-2542**

Account statement

VALIC sends all active participants a comprehensive account statement every calendar quarter.

This statement documents the activity in your account for the preceding period, including total contributions and transfers among investment options.

Account consolidation

You might be able to transfer your vested retirement account balance from a prior employer's plan to your current employer's retirement plan with VALIC. This could be an excellent way to simplify your financial profile and to ensure your overall investments are suitably diversified and consistent with your investment preferences. However, before you make that decision, check to see if the other provider's contract imposes surrender charges.

Investment flexibility

You decide how to invest all contributions to your plan among the mutual funds offered by your employer's retirement plan.

Remember, this plan represents a long-term investment, and the value of the mutual funds you choose will fluctuate so that your investment values at any given time can be worth more or less than the original cost.

Loans

Loans under LAUSD's 457(b) plan enable you to access your account without permanently reducing your account balance. (Defaulted loan amounts will be taxed as ordinary income.) You may have one loan outstanding at a time. All loans will be limited to the lesser of one-half of your vested account balance or \$50,000 (50% does not apply to accounts with a balance of less than \$10,000).

Fees include the following:

- \$50 loan initiation fee
- \$30 annual loan maintenance fee

Withdrawal restrictions

Your plan was established to encourage long-term saving. However, you may generally withdraw the value of your vested account balance in the following circumstances:

- Retirement
- Separation from service or retirement
- Your death
- Unforeseeable emergencies
- Attaining age 70½ (if your plan allows in-service distributions)

In addition, you must begin taking minimum distributions at attainment of age 70½ or retirement, whichever is later. And remember that monies rolled over from non-457(b) plans may be subject to a 10% federal tax penalty on withdrawals before age 59½.

Distribution options

Depending on LAUSD's plan provisions, your withdrawal options include:

- Rolling your account over to another tax-advantaged plan that accepts rollovers
- Receiving systematic withdrawals
- Taking a lump-sum distribution
- Choosing one of the many annuity options available from VALIC
- Deferring distributions until a later date (but no later than age 70½), allowing your account to continue to grow tax deferred

Generally, income taxes must be paid on all amounts you withdraw from your plan. Withdrawals prior to age 70½ might be subject to withdrawal restrictions.