

West Virginia Currency Notes



An anniversary we can all be proud of

Ten years ago, this office launched the college savings plan SMART529. Of all that we have been fortunate enough to accomplish in that time period, nothing means more to me than this program's success.

College tuition isn't decreasing and neither is the enormous debt racked up by students attempting to make it through. That's why saving is so important.

About 25,000 West Virginians own SMART529 accounts. They have made the commitment to save whatever they can when the big day comes. Will it completely cover college? In some cases, yes.

But even if a family can't save the entire sum of a college education, a SMART529 plan can at the very least serve as help when grants, scholarships, aid and other personal resources fall short. So do yourself a favor and go to www.SMART529.com or call 1-866-574-3542.



John D. Perdue

SMART529 celebrates 10-year milestone

SMART529, the state's officially sanctioned college savings plan, celebrated its 10-year anniversary this year, boasting \$1.6 billion in assets and 116,096 accounts nationwide.

A total of 23,494 accounts belonged to West Virginians, a respectable number when one considers the plan is offered nationwide. The Hartford manages the various funds that comprise the plan.

"We will continue to make West Virginians aware of the college savings opportunities available through SMART529," said State Treasurer John Perdue, who is chairman of the board which oversees the plan. "Education is the underpinning of our

society and it is imperative that we prepare as well as we can for our children's futures."

For a historical perspective, SMART529 followed the former West Virginia Prepaid Tuition plan, which is also in good shape. An end-of-fiscal year 2012 report showed the program 99 percent funded, meaning only minor adjustments are necessary to cover all existing contracts.

The prepaid plan has been dormant for some time but it is never too late to start a SMART529 account. A family that puts \$100 a month toward a SMART529 plan upon the birth of a child will have accumulated somewhere in excess of \$21,6000 when he or she is ready for college.

SMART529 also maintains a matching program. Families of certain income levels may qualify for attractive matching funds, supplied by The Hartford, provided they contribute themselves.

It only takes \$50 to start an account. For more information, go to www.SMART529.com or call 1-866-5743542.



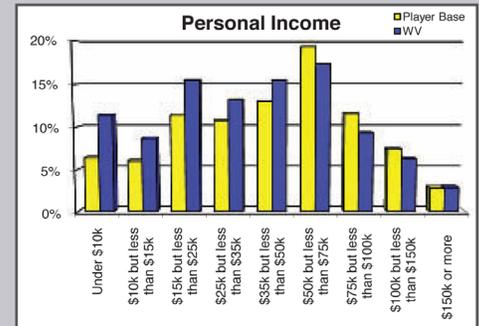
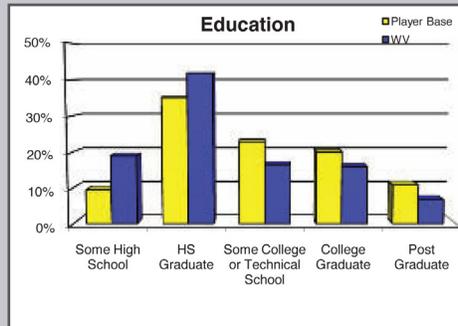
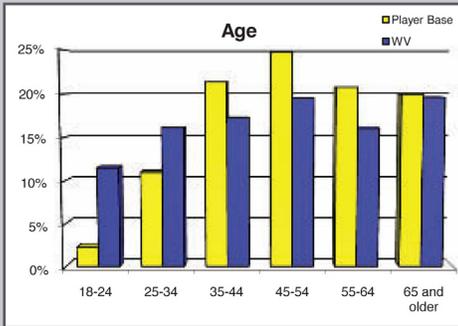
Treasurer Perdue with Joseph Obuchowski of Fairmont, a past regional winner in the SMART529 "When I Grow Up" contest.

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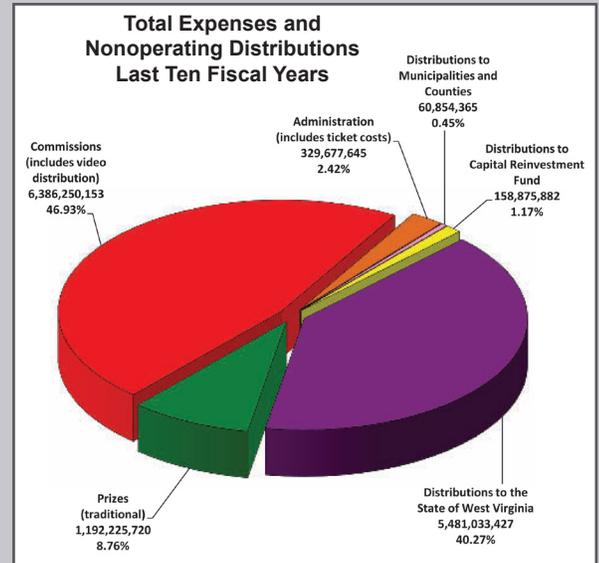
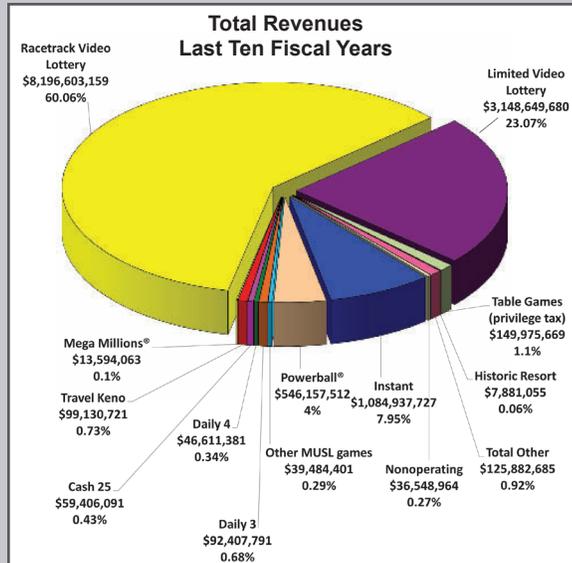
West Virginia lottery facts and figures

Player Base WV



The graphs above illustrate demographics and residences of West Virginia Lottery players.

Adjacent and from left, we see revenue from the last 10 fiscal years and total expenses/distributions from the same time period.



Source: West Virginia Lottery

WACO Oil and Gas offers SMART529 match program

One West Virginia business is paying more than lip service to supporting college savings for its employees.

WACO Oil and Gas has pledged to match up to \$250 a year in employee contributions toward SMART529, West Virginia's state-sanctioned college savings program. SMART529 is administered by State Treasurer John Perdue's office and managed by The Hartford.

"Education is important," said Doug Morris, WACO vice president. "You know, there are so many youth in the state of West Virginia, the United States for that matter, that don't have the opportunity to go to school."

Each WACO employee would

receive \$5 with a minimum \$15 payroll contribution and 50 cents on the dollar for anything above, until one exhausts the \$250-a-year company pledge. Those standards apply to each account an employee opens; for instance, if a worker has three children he is eligible for the \$250-a-year match for each child.

"I can't tell you how delighted I am that WACO has taken this extraordinary step in supporting SMART529," Treasurer Perdue said. "I hope more companies see what WACO has done and take the lead in starting their own matching programs."

Employee Connie Carpenter had been looking for a way to lower her tax bill. SMART529 is especially beneficial in lowering state income tax liability, giving

participants a dollar-for-dollar deduction on taxable income.

"You know, I was going to have more held out of my paycheck anyway to make sure that I didn't have to pay every year," she said. "That was like a double benefit there; I didn't have to do that. I could just take this out. It will help on the taxes and have the money for my son when he's ready."

SMART529 is so named for a section of tax code. It is one of many 529 plans around the nation, but the only one which, tax wise, rewards West Virginia residents so directly. West Virginians have opened nearly 25,000 accounts in the nationwide plan, which boasts total assets of approximately \$1.5 billion.

West Virginia Retirement Plus prospers under Perdue

The state's official supplemental retirement plan has more than doubled in the number of participants and experienced a 91 percent total asset increase since State Treasurer John Perdue's office assumed administration in July of 2006.

West Virginia Retirement Plus, a 457 plan serving public employees, now shows 13,190 total participants, up from only 5,022 six years ago. It boasts \$130.7 million in total assets, as opposed to \$68 million in 2006.

The recently concluded fiscal year was another productive one. The cities of Morgantown and Chester, among others, made the plan available to their employees, while Nitro took it a step further – it is the only participant in the plan which features automatic enrollment of new employees.

“There is one reason and one reason only for the success of Retirement Plus,”

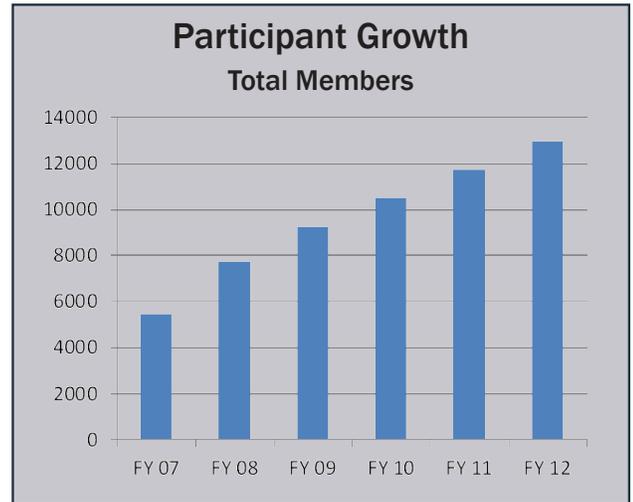
Treasurer Perdue said, “and that is hard work. I'm proud of the work my staff, in conjunction with fund manager ING, has done to boost awareness and promote the advantages of the plan.”

New municipal hires at Nitro will be automatically enrolled in the 457 plan unless they choose to opt out within 30 days. This means that upon hiring, an employee selects an amount to be withdrawn from his or her paycheck, to supplement whatever retirement plan is already in place. Those withdrawals are guided into an investment plan chosen by the employee.

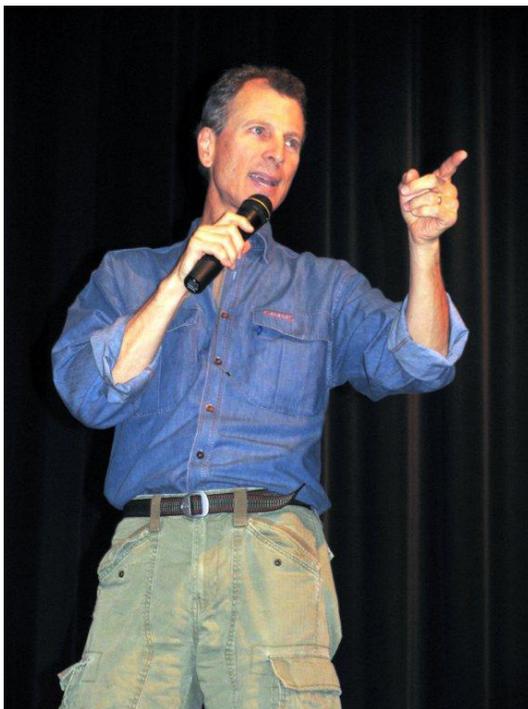
Nitro is the first entity of any kind in the plan to implement automatic enrollment. That includes more than 1,000 local government participants,

including 50 of 55 counties and eight boards of education.

West Virginia Retirement Plus implemented automatic enrollment in July 2007 for new state employees, but other municipalities, counties and entities must set their own policy on the issue.



Foster points the way



Treasurer Perdue this fall arranged a series of high school financial presentations by nationally recognized financial educator Chad Foster.

West Virginia Women & Money Conferences

30 conferences covering the state in the last ten years

Number after city name denotes multiple conferences in that city

City	Number of Conferences
Wheeling	4
Morgantown	3
Shepherdstown	3
Fairmont	2
Bridgeport	2
Buckhannon	2
Elkins	2
Huntington	2
Charleston	4
Logan	2
Beckley	4
Princeton	2
Parkersburg	2

The Treasurer's Women & Money series has touched the lives of some 10,000 attendees, spanning the cities illustrated above. The 30th event took place Oct. 19 at Tamarack in Beckley.

Electronic imaging improves efficiency

You don't need a treasure map to navigate Treasurer Perdue's unclaimed property system. In fact, paper is on its way out entirely and the digital age continues to thrive.

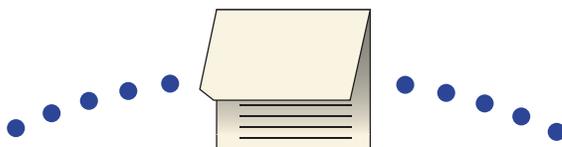
Those who know they have unclaimed property may file an electronic claim, expediting the process and aiding the environment. On another front, the office's electronic imaging program continues to herald the modern age.



The imaging task will eventually send workers into boxes from 1966, the year of West Virginia's first Uniform Unclaimed Property Act's passage.

Unclaimed property is any asset – excluding real estate – from which an individual has become separated.

Examples are utility deposits, final paychecks, safe deposit box contents and stock dividends. Assets such as these and others are ultimately turned over by the holder to Treasurer's Office custody, after a certain period of inactivity.



Historically, when a resident discovered the state to be holding an asset belonging to him or her, a flurry of paperwork ensued. The paper generation is not the avalanche it used to be; many residents may now file electronically on the Treasurer's Office website.

The imaging project, combined with electronic filing capability, is reducing both old and new paper records. Some claimants still file by paper.

"This is helping in two ways," said senior claims specialist Tricia Sullivan. "We're not only imaging older documents but day-to-day activity coming in."



Electronic claims and the imaging project are making a big difference."

Sullivan said staff members have worked through about 600 boxes. That duty involves "prepping" each box, removing staples and making sure the paper is ready to be fed into the imaging machine. Working from the present backward, staffers are about to start on 2004 records.

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