



Important Notice

Optional Retirement Program

The Board of Trustees of the State Retirement and Pension System has voted to make the following important changes to the Optional Retirement Program (ORP). These changes will take effect January 1, 2008.

- **There will be only two ORP Plan providers: FIDELITY and TIAA-CREF. AIG VALIC will no longer be a provider.**

If your ORP contributions are currently going to AIG VALIC, effective January 1, 2008, you must select either FIDELITY or TIAA-CREF for future ORP contributions. If you do not designate a new provider by **November 1, 2007**, all future ORP contributions designated for AIG VALIC will be directed to Fidelity according to the default provisions described below. If you currently participate with Fidelity or TIAA-CREF and wish to continue with that provider, no action is needed from you.

- **Default Provisions**

If your ORP contributions are currently being sent to AIG VALIC, you must designate a new provider and investment options to receive future contributions. Your institution's Benefits Coordinator, Human Resources Office, can provide you with the appropriate forms to make this designation. **If this designation is not received by your institution's Benefits Coordinator by November 1, 2007, all contributions starting with the first pay period of 2008 will be directed to Fidelity and invested in the appropriate Fidelity Freedom Fund based on your age and expected normal retirement age of 65.** The Fidelity Freedom Funds are lifecycle funds designed to allocate assets in an appropriate manner based on your age. If you currently contribute to Fidelity or TIAA-CREF and wish to continue to do so, no action is required from you.

- **The investment choices offered by Fidelity and TIAA-CREF**

The fund options offered by Fidelity and TIAA-CREF are listed in ATTACHMENT I of this document. These fund options have been established to provide you with a range of diversified and distinct investment alternatives that are competitively priced. The Board of Trustees of the State Retirement and Pension System will monitor these investment options on an ongoing basis.

- **Existing ORP Account Balances with AIG VALIC**

If you have an ORP account balance with AIG VALIC, you are **not** required to transfer the funds from your existing account to Fidelity or TIAA-CREF. AIG VALIC will continue to administer your existing account. However, if you wish to make any such transfer, contact your institution's Benefits Coordinator for the necessary transfer forms. It is important to note that, effective January 1, 2008, the Board of Trustees will not monitor any funds offered by AIG VALIC. Effective January 1, 2008, no additional ORP contributions will be sent to AIG VALIC.

There may be fees or restrictions associated in transferring your account balances, and should you decide to transfer any account balances, you will be responsible for paying any such fees. Refer to ATTACHMENT II of this document for more information on potential fees and restrictions. Contact your current provider for further information related to your specific account.

For more information on the changes to the ORP, you may contact your institution's Benefits Coordinator. Information regarding the employee-funded, voluntary Supplemental Plans will be sent by your institution of higher education under separate cover.