

MEMORANDUM

TO: All Employees contributing to a 403(b) retirement plan arrangement

FROM: Ron Ostenfeld, Director of Employee Benefits, Tennessee Board of Regents

SUBJECT: The TBR 403(b) Retirement Plan

DATE: November 5, 2008

As you may already know, important changes are coming to the 403(b) retirement plans offered to you. The Tennessee Board of Regents (TBR) has selected AIG VALIC, ING and TIAA-CREF as the approved providers for the TBR 403(b) Retirement Plan effective January 1, 2009.

This is particularly important to you because payroll records indicate that you are currently participating in 403(b) retirement plan arrangement.

If you are currently contributing to a 403(b) retirement plan arrangement with one of the approved vendors (AIG VALIC, ING, or TIAA-CREF), the TBR Office of Human Resources is currently working with your vendor to ensure a smooth transition. If any action is required on your part, you will be contacted directly in the coming months. You do not have to take any action at this time.

If you are currently contributing to a 403(b) retirement arrangement with a vendor other than one of the approved three, the following information applies to you and requires your attention:

- Your payroll contributions will stop by December 2008. If you would like to start contributing to one of the approved vendors you will be required to fill out new TBR 403(b) Retirement Plan Enrollment form and an application for the vendor or vendors of your choice among the three approved vendors. We are currently developing the new enrollment kits. They should be available soon.
- Even though you will not be able to make new contributions to your current 403(b) vendor, you will be able to leave your existing balance with them or move it to one of the approved vendors. We encourage you to contact your current vendor before making any transfer. Ask them for information about fees, transfer restrictions, and surrender charges that you might incur if you transfer your account balance.
- All new balances in the TBR 403(b) Retirement Plan, as well as any existing balance in a 403(b) retirement plan arrangement, will be subject to the new TBR 403(b) Retirement Plan rules that include no loans and no in-service financial hardship withdrawal provisions.

Please understand that these changes are being made to make the TBR 403(b) Retirement Plan compliant with new IRS regulations, and have been made after very careful deliberations. We apologize for any disruption this may cause you.

Thank you in advance for your attention. More information on the changes to the TBR 403(b) Retirement Plan can be found at the TBR HR News page at:
http://www.tbr.edu/about/human_resources.aspx?id=4938.

If you have any questions, please contact your local Human Resources Office, or you may contact the TBR Office of Human Resources by phone at 615.366.4481 or by email at ron.ostenfeld@tbr.edu.