

Frequently Asked Questions

NEW PLAN STRUCTURE

Why did the State of Tennessee make Plan changes to the Optional Retirement Plan (“ORP”)?

To enhance the investment options and services available to you, including:

- Lower participant expenses, allowing you the potential to accumulate more savings for retirement.
- Simplify the investment process by offering an enhanced investment menu with a wide variety of competitively priced options.
- Expanded online services for easier participant access.

What process did the State of Tennessee use to select a provider?

To find the most competitive features and services available, the State of Tennessee issued a Request for Proposal. The responses from defined contribution service providers were thoroughly evaluated before ING was retained as one of the service providers to the ORP.

Why was ING retained?

ING was retained because ING submitted a competitive proposal.

Reasons included:

- Comprehensive local service
- Experience with defined contribution plans.
- Outstanding transition experience and the ability to minimize disruption for participants.
- Customized education and enrollment materials and programs.

When will the new features be available?

New accounts will be established in April for all contributing participants with ING. Contributions will begin in July. In July participants may also transfer assets from another ORP service provider to their new account with ING. Consider the possible benefits and confirm all costs, charges and restrictions associated with your

existing contract before requesting a transfer to ING.

Will there be a change to existing features and benefits of the ORP?

While the investments, fees and services offered by the providers are changing, the basic features of the ORP remain unchanged. For example, withdrawals during employment and loans are unavailable.

How long after separation from service do I have to establish periodic payments?

ORP does not require you to begin taking payments from your account at a specific time following separation from service. Local representatives are available to assist you when you are ready to establish your periodic payments.

Federal law requires a minimum distribution to begin the year in which age 70 and ½ is attained if the participant is no longer working.

Do these changes impact the State of Tennessee Employee 401(k) or 457(b) Plans?

No, these changes apply only to your ORP account.

INVESTMENTS

What are my investment choices?

You will have a menu of 23 investment options, including “target date” lifecycle funds, in addition to a stability of principal option. This booklet includes a fact sheet for each investment option. The fact sheets include a manager profile and information on investment objectives and strategy, risks, and top holdings.

You should consider the investment objectives, risks, and charges and expenses of the mutual funds offered through a retirement plan carefully before investing. The fund prospectuses contain this and other information about the mutual funds. To request a prospectus and an information booklet, please contact your local

representative. Please read the information carefully before investing.

What are target date funds?

The nine target date funds, called Vanguard® Target Retirement Funds, are a family of funds that consist of an underlying portfolio of investment options that track to a certain date. They help make investing for your retirement easier. You simply select the Vanguard® Target Retirement Fund with the target date closest to the year you expect to retire and begin to receive your benefits. These portfolios are rebalanced periodically and, over time, migrate to a more conservative investment mix so you won't have to rebalance your account. Target date funds can help simplify your investment selection. However, they are subject to risk. Please refer to the Vanguard® Target Retirement fund fact sheets included in this booklet.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

What stability of principal option is available?

The stability of principal option, the Stable Value Option, seeks to provide safety of principal as well as a credited rate of interest. It allows you to keep a portion of your assets in an investment option which is not subject to the daily fluctuations of the stock market.

The Plan's Stable Value Option invests in the ING Stable Value Fund,

Frequently Asked Questions

which is a collective investment trust maintained by Wilmington Trust Company. The Plan's Stable Value Option is backed by a group annuity contract issued by ING Life Insurance and Annuity Company ("ILIAC"), which guarantees that the return on the Plan's Stable Value Option will not be less than 0%. ING will provide notice of the net crediting rate in our investment performance report on an ongoing basis. The net crediting rate is declared quarterly. The initial net crediting rate will be determined based on market conditions within 30 days of the contract funding date. Guarantees are based on the claims paying ability of ING Life Insurance and Annuity Company. The Plan's Stable Value Option, the ING Stable Value Fund and the ILIAC group annuity contract are not registered investment companies and are not registered with the Securities and Exchange Commission.

Are there withdrawal restrictions for the new investments?

In addition to ING's Excessive Trading Policy, the Stable Value Option is subject to an equity wash provision which restricts direct transfers between competing funds. This provision also limits the frequency of trades into and out of these investments to once every 90 days. No competing funds are offered in the new menu of investment options.

When are the new investment choices available?

Your new account will be accessible starting in early April. Beginning in July, contributions received will be invested in the new options. Transfers from other ORP service providers will also be accepted beginning in July.

How can I receive fund information and performance information?

Upon receipt of your enrollment confirmation statement in early April, you can access this information in a variety of ways:

- Through the ING's custom ORP website at:
www.ingretirementplans.com/cust

om/TennORP.

- By calling ING's toll-free telephone line at (800) 584-6001.
- With your quarterly account statements.

FEES AND EXPENSES

What are the ongoing annual administrative expenses under the Plan?

The annual mortality and expense (M&E) administrative charges associated with your current ING ORP account will not apply to your new account because there are no variable investment options offered under an annuity contract.

The following annual administrative fees will apply on an annual basis with ING:

- 0.75% annual for each of the mutual funds (deducted monthly).
- 0.20% annual for the stability of principal option (deducted monthly)

There are no annual maintenance fees or deferred sales charges.

Investment management expenses also apply to each of the investment options. Please refer to the enclosed investment option fact sheets for the expenses associated with each option. These fact sheets are updated on a quarterly basis. Your actual expenses will depend on the specific funds you select.

Fund prospectuses can also be obtained from your local representatives. Expenses charged by the specific funds offered under the ORP will be reflected in the performance for that fund option.

The performance of each option, including that shown on the performance summary, is net of all fund expenses.

TRANSITION

When are the educational meetings for these changes?

Meetings will be held at most campuses during the month of April.

Local representatives will be present at these meetings to provide you with additional information about the new investment options and services. Please check the Transition Assistance page of the ING ORP website at www.ingretirementplans.com/custom/TennORP for the schedule of meetings by campus.

In addition to these initial education meetings held at the campuses, local representatives will provide retirement and financial education seminars, as well as education materials to keep you informed about ORP and other topics relevant to your investment and retirement objectives.

Am I required to do anything?

Yes. As soon as you receive your enrollment confirmation statement in early April, we urge you to access your account online and designate a beneficiary. **Your current beneficiary records will not apply to your new account.**

This transition is also a good time to remind you that it is important to periodically review your account to help ensure that you are on track with your retirement objectives. Our local representatives are available to assist you in monitoring your account.

Will the money in my current investments transfer?

No, the assets in your existing ORP account with ING are not transferring to the new investments automatically. Beginning in July, you may elect to transfer existing assets to your new account. Please note that restrictions may apply to assets held in the ING Fixed Account II. *Please contact your local representative if you are interested in a transfer.*

How will my future contribution be transferred to the new investment options?

For a smooth transition, future contributions will be transferred to a target date fund through an **automatic** process called "fund mapping."

Frequently Asked Questions

The fund mapping approach for ORP is a default strategy and happens automatically.

Fund mapping describes the transfer of your future contributions to a target date fund (Vanguard® Target Retirement Fund) according to your date of birth as described in the introductory letter included in this booklet.

What happens if I want my future contributions invested differently than the mapping to the new account?

As soon as you receive your enrollment confirmation statement in early April, you can make a change with ING anytime by calling our national Customer Contact Center at (800) 584-6001 and speaking with a Customer Service Associate, using the automated line, or visiting your account online at www.ingretirementplans.com/custom/TennORP and clicking on the Account Access menu button.

Can I continue to have my ORP contributions directed to my current account investments?

No. Beginning with payroll contributions made to ORP in July, all ongoing payroll contributions will automatically be directed to your new account.

Can I transfer assets from another participating service provider to my new ORP account at ING?

Transfers between providers are permitted and can be applied to your new account beginning in July. Contact the local representative supporting your campus for assistance in transferring your account to ING. *Consider the possible benefits and confirm all costs, charges and restrictions associated with your existing contract before requesting a transfer to ING.*

SERVICES

What educational services are available through our local representative?

- Individual one-on-one sessions to

discuss your specific questions or situation (e.g., asset allocation, retirement planning assistance).

- Educational group meetings that cover specific Plan features, financial and investment strategies, and distribution and retirement planning.
- Seminars on a variety of topics like asset allocation, basic and advanced investment principles, retirement investment strategies, estate planning, and retirement planning for women.

What other services are available with ING?

Call Center Services: Help is available from a Customer Service Associate by phone by calling (800) 584-6001 Monday through Friday, **7:00 a.m. to 7:00 p.m. Central Time.**

Automated Voice Response Line: Automated account access, available 24 hours a day, seven days a week.

Customized Website: A custom website for the Plan at www.ingretirementplans.com/custom/TennORP. Through this site, you access your account information and complete transactions. This site also provides Plan information, a library of educational materials, online calculators, and links to other helpful sites.

Publications: Quarterly statements, informative newsletters, special reports, and educational brochures.

Do I need a new password to access my personal account on the telephone and the website?

Yes. *For the automated voice response line*, you need a new personal identification number (PIN). You will receive this new PIN on the ING transition confirmation statement sent to you following completion of the enrollment in your new account.

We encourage you to change your PIN to one of your own preference at your earliest convenience. PINs can be changed by using our automated

telephone line. Customer Service Associates cannot change your PIN.

For the participant web site, the User ID and Password you currently use to access your account on ING's participant web site will not change. You will be able to access both your new and old accounts with the same User ID and Password. If you are not already accessing your account online, you can register using your Social Security Number, PIN and e-mail address at www.ingretirementplans.com/custom/TennORP.

Will my current PIN allow me to access both my old and new accounts by phone?

If you utilize a custom PIN for your account today (not the default PIN provided at enrollment), your PINs will be different for each account.

You will have 2 ORP accounts at ING as a result of the change in investments and products offered.

When will I receive my first quarterly statement reflecting the ORP changes?

The first quarterly statement from ING reflecting the Plan enhancements will be for the 3rd quarter of 2010. You can expect to receive this statement in October. You can also view quarterly statements by accessing your account online through Account Access at www.ingretirementplans.com/custom/TennORP.

Is there an alternative method available for receiving quarterly statements?

Yes. If you prefer to receive your quarterly statements electronically rather than by mail, you can choose the e-Delivery option that suits your needs. All you need to do is access your account online through Account Access at www.ingretirementplans.com/custom/TennORP.

Frequently Asked Questions

How frequently will fund performance be updated?

Fund performance will be updated on a monthly and quarterly basis.

Monthly and quarterly fund performance reports will be available on the Plan's website at www.ingretirementplans.com/custom/TennORP. Performance reports will be included with your quarterly statements. You will be able to track daily fund prices on the website when accessing your account through Account Access.

Insurance products, annuities and funding agreements issued by ING Life Insurance and Annuity Company ("ILIAC") One Orange Way, Windsor, CT 06095, which is solely responsible for meeting its obligations. Plan administrative services provided by ILIAC or ING Institutional Plan Services, LLC. All companies are members of the ING family of companies. Securities distributed by or offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers
C10-0324-016R (03/10)