

# HRS Bulletin

HUMAN RESOURCE SERVICES • MIDDLE TENNESSEE STATE UNIVERSITY

## MEMORANDUM

TO: All Employees Participating in 403(b) Plans

FROM: Lisa Batey, Director of Employee Benefits  
Human Resource Services

SUBJECT: Significant Changes for 2009

DATE: November 1, 2008

Newly issued Internal Revenue Service (IRS) regulations have required several important changes to be made to the 403(b) Supplemental Retirement Plan for employees of the Tennessee Board of Regents (TBR) institutions effective January 1, 2009. The changes will require employers to play a more active role in monitoring plans to ensure regulation compliance and the administrative burden as well as costs associated with these responsibilities would be significant.

Effective January 1, 2009, the TBR will partner with three top tier service providers, AIG Valic, ING and TIAA-CREF. These options will give employees access to excellent investment tools, high quality service and a wide array of investment options while bringing our plan into compliance with the new regulations and keeping administrative costs down.

Here is how it will affect you: If you are currently participating in a 403(b) other than the approved Providers (Valic, ING and TIAA), your payroll deduction will end December 31, 2008. You can leave existing funds at your current provider or you will be able to transfer those accounts to one of the approved Providers. If you want to continue contributing to a 403(b), you will need to complete enrollment forms and a new payroll deduction agreement with one of the approved Providers. If you are currently participating with one of the approved Providers, no action is necessary.

Effective January 1, 2009, the plan will not allow loans against the balance of your account and you will not be able to access the balance in your account if you experience financial difficulty. The 401(k) and 457 plans will continue to offer loan and hardship withdrawals. The new changes will NOT affect your existing loan payment or loan terms.

Information regarding these changes, forms and contact information can be located on the HRS webpage at <http://hrs.web.mtsu.edu/benefit/companies.html>.