

Questions and Answers

In fall 2007, investment providers will change for the Oregon University System's two defined contribution retirement plans. This includes the Optional Retirement Plan (ORP) that is available to unclassified employees in lieu of PERS and the Tax-Deferred 403(b) Investment Plan (TDI) all OUS employees may use for voluntary retirement savings.

AIG VALIC has been "grandfathered" for employees making active contributions for AIG VALIC investments on October 10, 2007. After that date, AIG VALIC will not be available to new participants.

For more information, see the questions below. Please check this webpage for additional information and updates as they become available.

1. Will I be able to continue my relationship with AIG VALIC when the OUS retirement plans change in fall 2007?

If payroll records show you have an AIG VALIC benefits deduction for either the TDI or ORP on October 10, 2007, your relationship with AIG VALIC continues uninterrupted.

If you are a *less than twelve-month employee on an academic year schedule*, your deduction record is carried over the summer months, even if you were not making contributions, unless you submitted a Salary Reduction Agreement to change your deferral to the TDI. Your deferral restarts in the fall, with AIG VALIC as your investment company. For the ORP, your deduction also remains what it was before the summer break unless you submitted an ORP Change form to designate a new ORP company.

If you are *adjunct faculty*, or have been on *unpaid leave in 2007*, please contact your campus benefits officer for a determination based on your specific facts and circumstances.

2. If I had been an AIG VALIC client in the past, will I be allowed to go back to this company after October 10, 2007?

If you have changed to another ORP or TDI company, you will need to re-establish active contributions to your AIG VALIC account on or before October 10, 2007 to be an AIG VALIC client in the future.

If you completely stopped your voluntary TDI salary deferrals for a time, you will need to complete a new Salary Reduction Agreement (SRA) and designate AIG VALIC as your authorized TDI provider before October 10, 2007. The minimum contribution to re-establish your account is \$25 per month.

3. If I had left money in my AIG VALIC ORP account, but recently changed to another ORP company, may I leave that money with AIG VALIC although I am not currently contributing?

Yes. Your AIG VALIC account balance may stay with AIG VALIC, even though you are not an "active" AIG VALIC client. Your account balance will not, however, allow you to resume contributing to your AIG VALIC account in the future unless you change your choice of ORP companies by October 10, 2007.

4. If I had left money in my AIG VALIC TDI account, but recently changed to another TDI company, may I leave that money with AIG VALIC although I am not currently contributing?

Yes. Your account with AIG VALIC may stay with AIG VALIC, even though you are not an "active" AIG VALIC client. Your account balance will not, however, allow you to resume contributing to your AIG VALIC account in the future unless you submit an SRA to restart deferrals to AIG VALIC as your TDI provider by October 10, 2007.

5. **I know that a new OUS investment menu will be available for ORP and TDI investments in fall 2007 along with AIG VALIC and TIAA-CREF options. My monthly contributions currently go to a company that will no longer be available through the TDI plan. May I re-enroll with AIG VALIC now, instead of waiting for the change?**

Yes. You may enroll with AIG VALIC provided you do this before October 10, 2007. To be contacted by an AIG VALIC representative, call (866) 211-9686.

6. **If I enroll as a new AIG VALIC client on or before October 10, 2007, may I transfer my account balance to AIG VALIC?**

Yes, with these conditions:

For the ORP:

Transferring your American Century or DWS Scudder account balance, which would otherwise “map” to the new ORP:ous plan, is *required* if you wish to enroll with AIG VALIC prior to October 10, 2007.

Transferring your balance from TIAA-CREF is *permitted* if you enroll with AIG VALIC prior to October 10, 2007.

One important thing to consider is that certain investments impose redemption fees and other charges that will apply if you transfer your account balance to AIG VALIC. Ask your AIG VALIC representative and your current ORP company to explain what fees and conditions would be applied if you requested to transfer your account balance.

Note: For American Century and DWS Scudder accounts that “map” to the ORP:ous investment menu, OUS will pay applicable redemption fees. This does not apply to fees associated with transfers to AIG VALIC accounts.

For the TDI:

Transferring your balance to AIG VALIC is *permitted as long as the contract exchange is finalized by September 24, 2007*. This deadline for transfers is imposed by the new 403(b) Treasury Regulations published July 26, 2007. You must establish an active AIG VALIC account to request a transfer.

One important thing to consider is that certain investments impose redemption fees and other charges that will apply if you transfer your account balance to AIG VALIC. Ask your AIG VALIC representative and your current TDI provider to explain what fees and conditions would be applied if you request to transfer your account balance.

Note: You are not required to transfer your current TDI account, but may leave it with the TDI provider you previously selected.

7. **May I defer salary to AIG VALIC and to another TDI at the same time?**

After October 1, 2007, you may work with only one TDI fund sponsor at a time. You may not split your deferral among providers during the same pay period, but you may change your deferral as of the 10th of any month. Until plan conversion begins on October 1, 2007 you may defer salary to any approved TDI vendor.

8. **If I am an active AIG VALIC participant through the ORP, may I open an AIG VALIC TDI account after October 10, 2007?**

Active participation in the ORP does not allow you to establish a new TDI account after October 10, 2007. You may continue any active account you have with AIG VALIC on or before October 10, 2007, but no new AIG VALIC account may be opened for either the ORP or TDI after that date. Grandfathering current AIG VALIC clients is a one-time accommodation for OUS employees who have established relationships with AIG VALIC representatives.