

KEEP YOUR INVESTMENTS IN THE AR DIAMOND PLAN

Whether you have retired, getting ready to retire, or are no longer employed by the State, you have many options on what to do with your AR Diamond 457 account balance. As a result of The Economic Growth and Tax Reconciliation Relief Act of 2001, commonly referred to as EGTRRA, you have many new choices for your retirement savings. With the new law, you can roll plan money over into traditional IRAs, however keeping your money in the AR Diamond Plan may provide you with better retirement opportunities.

Here are SEVEN reasons why:

- 1. Your AR Diamond Plan assets are not subject to the 10% early withdrawal penalty tax.**
An IRA withdrawal before age 59½ may incur an additional 10% penalty tax.
- 2. Your AR Diamond Plan allows rollovers, including DROP balances.**
You can rollover any pre-tax money from another qualified plan, such as a 401(k), 403b, IRA, or other 457b plan. If you are a **DROP** participant, you can roll your **DROP** balance into the AR Diamond Plan, even if you never made one contribution into the Plan. (If you retire after age 55, but prior to age 59½, you have access to your **DROP** savings from the Diamond Plan without early withdrawal penalty.)
- 3. Your AR Diamond Plan is a low cost program.**
It has low fees associated with a large group plan and there are no commissions nor commission driven representatives.
- 4. Your AR Diamond Plan has a wide array of investment choices.**
The investment choices have been professionally selected and are continuously being monitored. Even the fixed options are paying competitive rates.
- 5. Your AR Diamond Plan offers a variety of payout options and distribution flexibility.**
IRAs may have fewer options and less flexibility in how you take distributions. Distribution options for your 457 Plans, such as your AR Diamond Plan, allow you to choose monthly, quarterly, annual or periodic payouts. In addition, EGTRRA has removed many restrictions on 457 distributions; you can now change your distribution arrangements as many times as necessary to meet your retirement needs. You can even wait to take a distribution until the year after you reach age 70½. (The same minimum distribution rules that applies to an IRA will also apply to your AR Diamond 457 Plan assets. You need to begin receiving payments during the year after you reach age 70½.)
- 6. Transferring funds among investment options is easy, quick, and free.**
If you stay invested in the AR Diamond Plan, you eliminate paperwork when you want to transfer assets among the AR Diamond's wide array of investment choices. Transfers can be made online <http://myplan.ingplans.com> or through the call center **(800) 905-1833** and will immediately be processed. A written confirmation will be mailed.
- 7. Your AR Diamond Plan local area reps are still available for attentive customer service.**
Even though you have retired or are no longer employed by the State, the relationship you have built with your local area representative is invaluable. For as long as you have a balance in the AR Diamond Plan, your local area representatives will gladly answer any questions that may come up over the next couple of years. They can be reached the same way you currently contact them: toll free **(866) 271-3327** or locally **(501) 301-9900**.

Cheryl Daughenbaugh (Central AR)
Nancy Stroud (Southern AR)
Brete Garland (Northwest AR)
Keith Orr (Northeast AR)

The bottom line is the AR Diamond Plan has many of the same great features that an IRA would offer you—tax-deferred growth, professional money management, flexible distribution options—plus added benefits like reduced fees and access to your local area representative.

For additional information, please contact the office at (501) 301-9900 to reach your local area representative; or visit the website, 24 hours a day: <http://myplan.ingplans.com>