

August 28, 2007

To: All State Employees:

We are pleased to announce ING has been selected to continue as the deferred compensation service provider for the Kansas Public Employees Deferred Compensation Plan under a new, five-year contract.

As part of its ongoing responsibility to oversee the Plan, the State of Kansas, through a procurement negotiating committee, conducted a thorough, competitive procurement process to select a service provider. A number of well-respected providers submitted proposals. With the assistance of an independent consultant, each provider's ability to provide high-quality deferred compensation administration, communication, education, and investment management services was rigorously evaluated. In addition, interviews were conducted with finalists offering the most competitive proposals.

As a result of this process, state employees who participate in the Plan will see many enhancements, including:

- An expanded menu of investment options that offers index funds, target date lifecycle funds, and a new fixed investment option with a higher credited interest rate.
- Lower average investment expenses.
- Comprehensive and customized education and communication services, including one-on-one consultations and financial and retirement planning seminars.
- An expanded, customized website with interactive calculators and online seminars.
- Access to ING's self-service, automated phone option and its customer service call center through the existing phone numbers for the Topeka ING service center: (785) 296-7095 or (800) 232-0024.

In addition, employees will continue to have access to ING's team of experienced, local representatives dedicated to the Plan.

We are working closely with ING to prepare for you a variety of information sources about the changes.

- Each participant will be mailed a detailed transition booklet from ING.
- Education meetings will be scheduled at locations convenient to employees throughout the State during the months of October and November.
- Transition information will also be posted on the Plan's web site.
- ING representatives are available to assist you with any questions you may have about starting a deferred compensation account, reviewing your account, or the improvements in the Plan coming soon. Call ING at (785) 296-7095 or (800) 232-0024, and they will help answer your question or put you in touch with your local ING representative.

Since personal savings are vital to a secure retirement, we encourage you to consider participation in the Plan as a key step toward reaching your retirement goals.

Carol Foreman, Chair  
Kansas Deferred Compensation Oversight Committee