

FREQUENTLY ASKED QUESTIONS

1. What is a 403(b) Plan?

403(b) plans are employer-sponsored voluntary savings programs that allow employees to save additional money for retirement. Participants in the 403(b) plan elect to have money deducted from their pay on a pretax basis. These deductions are then directed to the investment option(s) chosen by the participant with one of the 403(b) investment providers under contract with FCPS. No taxes are paid on the contributions or earnings until the employee withdraws the funds. For 2009, participants in the 403(b) plan may defer up to \$16,500 (if under age 50), or up to \$22,000 (if age 50 and above).

The FCPS 403(b) plan has approximately \$400 million in assets under management, with nearly 6,000 employees actively participating. Plans of this size have considerable leverage in the marketplace in ensuring low fees and dedicated customer services, which is reflected in the offerings by the approved FCPS investment providers.

2. What is changing under the plan?

Recent regulatory changes now require employers to ensure the 403(b) plans they sponsor are compliant with federal regulations. Like most employers, FCPS has undergone an extensive Request for Proposal (RFP) process in order to select providers who best meet the criteria established in the RFP. The criteria evaluated included administrative capabilities, financial integrity, investment options, participant servicing, and competitive fees.

As a result of this process, FCPS entered into contracts with Great-West Retirement Services, TIAA-CREF, and VALIC, effective September 1, 2009. Existing contracts with ING, Lincoln Financial, MetLife, Financial Directors, USAA, Horace Mann, and Kaplan Financial will end on December 31, 2009. No new enrollments are permitted to those contracts, although existing participant contributions may continue up through December 31. VALIC's existing contract will overlap with the new contract during the months of September through December; thus, investment options under VALIC's current contract will not be available after December 31, 2009, and new investment options are available as of September 1.

3. What action is required by me?

If you wish to contribute to the 403(b) plan for next year, **you must reenroll** with one of the selected investment providers (Great-West Retirement Services, TIAA-CREF, or VALIC) **by December 20, 2009**, in order to continue salary reductions without interruption in 2010. Enrollments will be accomplished via the provider web sites, or you may schedule an appointment with a provider representative to assist you. See page 4 for a listing of web sites and phone numbers. If you are currently participating in the 403(b) plan and you do not wish to contribute in 2010, no action is required. **Your deductions will cease automatically on December 31, 2009, unless you reenroll by December 20.**

4. What are my new fund choices?

Each approved 403(b) investment provider offers best-in-class mutual fund and group annuity products. The array of investment options available as of September 1, 2009 is included in this document.

5. How do I enroll with one of the approved vendors and what form do I need to begin my payroll deductions?

Our new investment providers offer an easy online enrollment and salary deduction process. Visit any of our new providers' web sites to get started.

VALIC	TIAA-CREF	Great-West Retirement Services
800-892-5558 ext. 88860 www.valic.com/fcps	703-460-7100 www.tiaa-cref.org/fcps	877-449-FCPS (3277) www.gwrs.com/fcps

6. Do I have to move my 403(b) account balance to another investment provider?

No, you do not have to transfer your current 403(b) savings to a new provider, as these changes impact only future contributions. However, contributions that will occur after December 31, 2009 may only be directed to TIAA-CREF, VALIC, or Great-West Retirement Services.

All of the selected providers offer some funding assistance to compensate you for surrender charges that you *may* incur *if you choose to transfer* your account balance to a new investment provider. Funding assistance is available for a limited time; provider representatives can provide more details on this option.

7. I would like to move my existing assets to one of the new investment providers. How do I know if I am required to pay surrender charges?

To determine if your existing annuity product is subject to surrender charges, we encourage you to refer to your annuity contract documents for a description of contingent deferred sales charges or surrender charges. You may also contact the provider representative who issued your policy and/or bring your documentation with you to an individual consultation meeting with your prospective investment provider.

8. When will my contributions stop with my current provider?

The latest month that contributions may be deferred under the current 403(b) provider contracts is December 2009. **Employees must enroll in one of the new investment provider options no later than December 20, 2009, in order to continue contributions without interruption in 2010.**

9. Can I still move my account balance from fund to fund or product to product within my current provider?

Yes. Reallocation of existing account balances (within your current investment provider) is unaffected by this change.

10. I have worked with my investment provider for many years, and I don't want to change providers. What are my options?

The upcoming changes to the 403(b) plan don't require you to end your relationship with your investment provider. All contributions made prior to January 2010 will remain with your provider unless you elect to move your balances to a new provider (i.e., execute a contract exchange). However, no 403(b) contributions may be directed to a deselected provider after December 31.

Some employees may choose to maintain relationships with former investment providers by directing personal savings to an IRA or Roth IRA instead of through the 403(b) plan. If you decide to pursue this avenue, be sure to discuss any tax implications with your tax advisor.

Employees are strongly encouraged to use this transition as an opportunity to meet with representatives from Great-West Retirement Services, TIAA-CREF, and/or VALIC to discuss their investment goals and retirement strategies. If, after speaking with a representative, you decide to execute a contract exchange, your provider representative can assist you with the appropriate forms.

11. Does this change affect how and when I can take a distribution from my account?

No, this has no effect on employees who are eligible for distributions from their 403(b) accounts. Employees who terminate employment, retire, become disabled, or attain age 59½ may still choose how to distribute their plan assets, including a rollover of 403(b) accounts to an IRA or to another employer's plan, regardless of investment provider.

Active employees who choose to retain their account balances with a deselected investment provider will continue to have access to loans and hardship withdrawals, subject to Internal Revenue Service (IRS) regulations.

12. Does this change affect me if I am an existing client with VALIC?

Yes. Effective September 1, 2009, VALIC will have new investment offerings to include mutual funds and group annuities. Existing VALIC participants may continue to allocate contributions to current investment options, but only through December 31. Beginning January 1, 2010, new contributions must be directed to the investment choices available at that time, and **reenrollment is required no later than December 20, 2009 to continue contributions without interruption in 2010.** VALIC participants will receive additional communications mailed to their home address to describe the process for reenrollment.

13. I plan to continue my payroll deductions to one of the deselected vendors through December. What do I need to do if I want to make a change to my salary deferral percentage before the end of 2009?

You will need to complete a *Salary Reduction Agreement* (SRA) form and mail/fax it to TSACG to the address on the bottom right hand corner of the form.

Special note regarding SRAs for current VALIC participants:

The hard copy SRA form should only be used for changes to your existing account during the period of August 1 through November 20, 2009.

VALIC participants who wish to continue making contributions without interruption in 2010 must reenroll to establish a new asset allocation and must complete a new SRA by December 20, 2009. The reenrollment process and SRA for new VALIC accounts may be completed via the new online process. If you wish to reenroll, please visit www.valic.com/fcps.

14. What is TSA Consulting Group's (TSACG) role?

TSACG is FCPS' third-party administrator, providing IRS compliance and remittance services. TSACG will continue to serve as the clearinghouse for all 403(b) transactions. Their duties include:

- Acting as a common remitter to handle all correspondence and payroll remittances to investment providers.
- Answering employee questions regarding participant maximum allowable contributions, catch-up limits, and contract exchanges.
- Evaluating and approving distribution and withdrawal transactions to include rollovers, loans, hardship withdrawals, and age 59½ in-service withdrawals.

TSACG will continue to be the employee's point of contact for distribution requests and hardship withdrawals. Beginning with the new contracts, and depending on the vendor, participants may be charged a fee for TSACG's services in the amount of \$2.00 per participant per month, which will be listed on the employee's account statement. For more information, see footnote 2 on pages 6 through 11.

The \$2.00 monthly TSACG fee is in addition to the \$9.00 annual administrative fee automatically deducted from the pay of all participants in the 457(b) and/or 403(b) programs. The \$9.00 annual fee(s) offsets FCPS' administrative costs associated with operating the 457(b) and 403(b) programs.

15. How do I initiate a distribution transaction to include rollovers, loans, or age 59½ in-service withdrawals?

TSACG is FCPS' third-party administrator and serves as the clearinghouse for all 403(b) transactions. You will initiate all distribution transactions with TSACG. You may request distributions by completing the necessary forms obtained from your investment product

provider, attaching them to a *Transaction Routing Request* form, and submitting all completed documents to TSACG for evaluation and approval. Refer to the TSACG web site to obtain the necessary *Transaction Routing Request* form:
https://www.tsacg.com/employee_site/districts/virginia/fairfax.htm.

16. How do I initiate a financial hardship withdrawal?

You may request a financial hardship withdrawal by completing the necessary hardship forms obtained from your investment product provider, along with a *TSACG Hardship Withdrawal Disclosure* form, accompanied by documentation of the expenses incurred. All completed paperwork must be attached to a *Transaction Routing Request* form, and submitted to TSACG for evaluation and approval. Refer to the TSACG web site to obtain the necessary forms:
https://www.tsacg.com/employee_site/districts/virginia/fairfax.htm.

17. I want to transfer my balances to my new account. How do I initiate a contract exchange (balance transfer)?

Contact your provider representative for the appropriate forms to initiate a contract exchange.

18. I am a participant in the 457(b) deferred compensation plan. Will that be changing?

No, Great-West Retirement Services will continue to provide deferred compensation (Sect. 457(b)) services to plan participants. The new 403(b) contracts allow for additional synergies between the 403(b) and 457(b) plans for employees who choose this investment provider. Regardless of provider choice, employees continue to be eligible to contribute to both the 457(b) and 403(b) plans, subject to federal limitations on maximum contribution amounts.

19. How do I get more information?

There are multiple opportunities for you to obtain information about the new investment options available under the plan.

Investment provider web sites:

www.VALIC.com/fcps	www.TIAA-CREF.org/fcps	www.GWRS.com/fcps
--	--	--

Onsite appointments at Gatehouse Administration Center during August, September, and October: Representatives from each investment provider will be available on the below designated days at Gatehouse Administration Center for individual consultations. Please contact the providers directly at the numbers and/or web sites below to schedule your appointment.

VALIC Onsite: Thursdays	TIAA-CREF Onsite: Wednesdays	Great-West Retirement Services Onsite: Tuesdays
410-859-2348 or 800-892-5558 ext. 88860	800-732-8353 or www.tiaa-cref.org/moc	800-879-3133 ext. 21156

Telephone numbers for investment provider customer service centers:

VALIC	TIAA-CREF	Great-West Retirement Services
410-859-2348 or 800-892-5558 ext. 88860	800-842-2888	877-449-FCPS (3277)

Contact a provider representative:

VALIC	TIAA-CREF	Great-West Retirement Services
<p>Elise Cosby Financial Advisor 571-437-5207 E-mail: elise.cosby@valic.com</p> <p>Bill Frogale Financial Advisor 571-221-1983 E-mail: bill.frogale@valic.com</p> <p>Mark Maggio Financial Advisor 800-892-5558 ext. 88424 E-mail: mark.maggio@valic.com</p> <p>Kevin Patterson Financial Advisor 202-489-7337 E-mail: kevin.patterson@valic.com</p> <p>Eric Sanson Financial Advisor 703-863-1770 E-mail: eric.sanson@valic.com</p> <p>Penny Spees Financial Advisor 703-966-1976 E-mail: penny.spees@valic.com</p> <p>Steph VanBlommestein Financial Advisor 703-621-1328 steph.vanblommestein@valic.com</p> <p>Tucker Braddock Financial Advisor 202-270-7615 E-mail: tucker.braddock@valic.com</p>	<p>Shawn Dorr Sr. Individual Consultant 703-460-7113 E-mail: sdorr@tiaa-cref.org</p> <p>Anthony Kohlrus Sr. Individual Consultant 703-460-7102 E-mail: akohlrus@tiaa-cref.org</p> <p>Maria Kersey Sr. Individual Consultant 703-460-7101 E-mail: mkersey@tiaa-cref.org</p> <p>Herman Scriven Individual Consultant 202-637-8929 E-mail: hscriven@tiaa-cref.org</p> <p>Glenn Collins Sr. Individual Consultant 202-637-8939 E-mail: dgcollins@tiaa-cref.org</p> <p>Ida Gaulden Individual Consultant 202-637-8953 E-mail: igaulden@tiaa-cref.org</p>	<p>Catherine Pfeilsticker Sr. Acct Executive 800-879-3133 ext 21156 E-mail: Catherine.Pfeilsticker@gwrs.com</p> <p>Diana Pounds Account Executive 800-879-3133 ext 21151 E-mail: Diana.Pounds@gwrs.com</p> <p>Patricia De Leon Account Executive 800-879-3133 ext 21155 E-mail: Patricia.Deleon@gwrs.com</p> <p>Shara Gleason Account Executive 800-222-1567 E-mail: Shara.Gleason@gwrs.com</p> <p>Patricia Eckstein Regional Ops Manager 919-418-2564 E-mail: Patricia.Eckstein@gwrs.com</p> <p>Denise Fortune Regional Director 301-627-7579 E-mail: Denise.Fortune@gwrs.com</p>

Plan representatives also will be available for personalized attention to enroll or get assistance at the FCPS Open Houses this fall, concurrent with Open Enrollment. The dates and locations are as follows:

Thursday, October 8, 3–6 p.m.
Hayfield High School Cafeteria
7630 Telegraph Road, Alexandria

Wednesday, October 14, 3–6 p.m.
Chantilly High School Cafeteria

4201 Stringfellow Road, Chantilly

Monday, October 26, 3–7 p.m.

Gatehouse Administration Center I

Gatehouse Cafe, 1st Floor

8115 Gatehouse Road, Falls Church