Helping You Invest for Your Future

A Summary of the State of Connecticut Alternate Retirement Program
This brochure is a summary of the Plan and is designed to help you understand the provisions and determine whether participation is right for you. If there are any conflicts between this summary and the Plan, the Plan provisions prevail.

August 2009

*You should consider the investment objectives, risks, and charges and expenses of the investment options carefully before investing. Fund prospectuses containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.*

Securities and seminars offered through ING Financial Advisers, LLC (Member SIPC). Third party administrative services provided by ING Life Insurance and Annuity Company, One Orange Way, Windsor, CT 06095-4774.
DEAR FELLOW PLAN PARTICIPANT:

The State of Connecticut is pleased to offer employees the Alternate Retirement Program. This Plan provides you with an easy way to set aside a portion of your pay through salary reductions and invest those pretax dollars in investment options of your choice to better prepare for retirement. There are many benefits to participating in the Plan including:

• Tax-deferred Accumulation – You pay no current federal or state income taxes on the money you contribute – or any of its earnings - until you receive it. In this booklet, you will see hypothetical examples of how pre-tax savings could grow compared to after-tax saving.

• Convenient Payroll Deduction – Your contribution amount is automatically taken out of your paycheck and contributed to your Plan account.

• Investment Option Flexibility – There are a variety of investment options from which to choose. In addition, the Plan includes Allocation Mentor™, a tool to help you select an investment portfolio.

We encourage you to review the Plan features and the hypothetical examples provided in this brochure and consider joining the Plan. The sooner you begin participating in the Plan, the easier it may be to pursue your retirement objectives.

Sincerely,

Nancy Wyman, State of Connecticut Comptroller
Having the money you want in your later years requires careful planning now. Are you concerned about retirement? Social Security and personal savings could provide you with retirement income. But, will it be enough? The State of Connecticut Alternate Retirement Program may help you build your retirement savings and help you plan for your financial future.

The State of Connecticut Alternate Retirement Program is a retirement program that allows eligible employees to make tax-deferred contributions into an account established on your behalf under the Plan. This brochure will provide you with an overview of the Plan; how the Plan works; how to enroll; and why now is the time to start contributing. For additional information, please call 1-800-784-6386 to speak with a local ING representative.

WHO IS ELIGIBLE TO JOIN THE PLAN?
An eligible unclassified Employee of a constituent unit of the state system of higher education and the central office staff of the Department of Higher Education.

WHEN CAN I ENROLL IN THE PLAN?
An Eligible Employee whose pension rights are governed by the State Employees Bargaining Agent Coalition Agreement V (“SEBAC V”) must make a written election to participate in this Plan (in lieu of participation in Tier IIA of the State Employees Retirement Plan) within six months from your date of employment.

Part-time Eligible Employees covered by the collective bargaining agreement between Connecticut State University American Association of University Professors and the Board of Trustees for the Connecticut State University System must make a written election to participate in the Plan within 90 days from your date of employment.

A Part-time Eligible Employee covered by an agreement concerning special payroll lecturers, dated May 26, 2005, between the University of Connecticut and the University of Connecticut Chapter of the American Association of University Professors, will commence participation in the Plan on the Entry Date that is as soon as administratively practicable following the earlier of:
• The date on which the Eligible Employee completes and returns to the Plan Administrator a written election to participate in this Plan on a form approved by the Plan Administrator

• The expiration of the 90 day period that begins with the Eligible Employee’s Date of Employment; provided, however, an Eligible Employee who has submitted to the Plan Administrator a signed, irrevocable waiver declining participation in the Plan shall not commence participation.

HOW DOES THE PLAN WORK?

If you elect to participate in the Alternate Retirement Program, there is a mandatory employee contribution equal to 5% of your compensation. The State of Connecticut will make employer contributions to your account equal to 8% of your compensation.

The State reduces your paycheck by the amount of your contribution before income tax is withheld and forwards it to ING on a regular basis. Your contributions are invested in the investment options you have selected from those available under the Plan. The contributions and any earnings that accumulate over the years are not taxed until they are distributed to you, usually at retirement when you may be in a lower tax bracket. The Plan prohibits withdrawals of any contributions and attributable earnings prior to severance of employment, retirement, death, or a qualified domestic relations order.

HOW DOES THE ARP DIFFER FROM AN ORDINARY TAXABLE INVESTMENT?

By deferring salary under the Plan, you not only reduce your current income taxes, you have the potential to save even more for retirement than with ordinary savings accounts because any earnings on your deferrals are also tax deferred until withdrawn.
As the following chart illustrates, after 30 years, the value of the tax-deferred investment is worth more than 120% of a comparable after-tax investment. The chart below compares how a $100 per pay period contribution (26 pay periods) could accumulate over time when Federal income taxes are assumed to be 25%, Connecticut state taxes over time are assumed to be 5% and the investment earns 6% (compounded per pay period). The following hypothetical illustration shows the difference in the amount accumulated on a pre-tax and an after-tax basis.
<table>
<thead>
<tr>
<th></th>
<th>Taxable Investment</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Contribution</strong></td>
<td>$1,820 (reflects 25% Federal and 5% CT income tax)</td>
<td>$2,600</td>
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<tr>
<td><strong>After 10 Years</strong></td>
<td></td>
<td></td>
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<tr>
<td>Total Contributions</td>
<td>$18,200</td>
<td>$26,000</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$4,571 (after taxes)</td>
<td>$9,328</td>
</tr>
<tr>
<td>Total Accumulated Value</td>
<td>$22,771</td>
<td>($24,729 after taxes*)</td>
</tr>
<tr>
<td><strong>After 20 Years</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Contributions</td>
<td>$36,000</td>
<td>$52,000</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$22,831 (after taxes)</td>
<td>$46,594</td>
</tr>
<tr>
<td>Total Accumulated Value</td>
<td>$59,231</td>
<td>($69,016 after taxes*)</td>
</tr>
<tr>
<td><strong>After 30 Years</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Contributions</td>
<td>$54,600</td>
<td>$78,000</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$65,609 (after taxes)</td>
<td>$133,895</td>
</tr>
<tr>
<td>Total Accumulated Value</td>
<td>$120,209</td>
<td>($148,327 after taxes*)</td>
</tr>
</tbody>
</table>

The tax rates and hypothetical investment earnings above are for illustrative purposes and may not apply to your particular situation. Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in the performance between the accounts posted above. Consider your personal investment horizon; current and anticipated income bracket when making an investment decision as those may further impact the results of this hypothetical illustration. Bear in mind that changes in tax rates and tax treatment of investment earnings may impact the comparative results. Federal and State Income taxes are due upon withdrawal of amounts from the plan. The returns are hypothetical and do not reflect the performance of any specific investment. Systematic investing does not assure a profit and does not protect against loss in declining markets. Investors should consider their financial ability to continue investing consistently in up as well as down markets. This information is not intended to be legal or tax advice. Consult with your tax and legal advisors regarding your individual situation.

*Taxes on distributions reflect 25% Federal tax and 5.0% State of Connecticut income tax. Your actual taxation will differ depending on your tax bracket when you receive the distribution. You may be in a lower tax bracket when you ultimately retire and begin taking benefits.
ARE THERE ANY FEES WITH THIS PLAN?
Investment management expenses apply to each of the variable investment options and to the Connecticut Stable Value Fund*. The investment option fact sheets provide complete information about the expenses of each investment option. There is currently a 0.12% administrative fee charged by ING under the Plan. For more information on expenses, visit www.CTdcp.com.

HOW MUCH CAN I CONTRIBUTE TO THE PLAN?
If you elect to participate in the Alternate Retirement Program, there is a mandatory employee contribution equal to 5% of your compensation. The State of Connecticut will make employer contributions to your account equal to 8% of your compensation. For all Alternate Retirement Program participants, the 2009 calendar year contribution limit is the lesser of $49,000 or 100% of your covered compensation. For the 2009 calendar year, the compensation limit (cap) is $245,000, for Alternate Retirement Program participants hired on and after January 1, 1996.

CAN I CHANGE THE AMOUNT I DEFER?
Once you have elected to participate in the Alternate Retirement Program, you may not increase or decrease your contribution amount at any time. If you are interested in saving more for your retirement, you may be eligible to participate in the State of Connecticut Deferred Compensation 457(b) and/or 403(b) Plan. Please contact your local ING Representative to verify eligibility and review your options.

HOW ARE MY DEFERRALS INVESTED?
You can choose from a menu of investment options that cover the potential risk/reward spectrum. This allows you to select from conservative, moderate, or aggressive options in both U.S. and international markets. International investing involves special risks such as currency fluctuation, lower liquidity, political and economic uncertainties, and differences in accounting standards. Information about the investment options is included in the investment option fact sheets and fund prospectuses which are available on the Plan's web site at www.CTdcp.com. Please read carefully before you invest.

*Funded through a blend of separate account investment contracts issued by ING Life Insurance and Annuity Company (ILIAC) which provides for a periodically declared interest rate and a guarantee of principal and accrued interest based on the claims-paying ability of ILIAC.
You should consider the investment objectives, risks, and charges and expenses of the investment options carefully before investing. Fund prospectuses, containing this and other information, can be obtained by contacting your local representative. Please read carefully before investing.

WHAT INVESTMENT OPTIONS SHOULD I SELECT?

Deciding where to invest your ARP contributions requires careful consideration. The following chart highlights the different categories in terms of their relative risk and reward potential. Notice that the more aggressive options such as global/International, offer the potential for higher reward but at the same time bring with them a higher risk.

![Image of risk and reward chart]

Your local ING representative will be happy to meet with you and assist you in determining your investor profile and your tolerance for risk as you develop your investment strategy.

In addition, the Plan makes available Allocation Mentor™ which suggests risk-based portfolios using information you provide through a Financial Self-Assessment Risk Profile Questionnaire. More information on Allocation Mentor™ can be found on www.CTdcp.com.

Allocation Mentor was developed by ING Financial Advisers, LLC, in conjunction with Frontier, a division of SunGard® Online Investment Systems. ING Financial Advisers, LLC is a member of ING. Frontier and SunGard Online Investment Systems are not affiliated with ING.
HOW DO I REPORT MY DEFERRALS ON MY TAX RETURN?
You don’t. The W-2 provided to you by the State of Connecticut will reflect your total contributions to the Plan. For Federal and State income tax purposes, your taxable income will not include any deferrals to the Plan (as long as your contributions do not exceed the IRS limits).

WHEN CAN I WITHDRAW MY BENEFITS FROM THE PLAN?
Upon severance from employment, if you participated in the Alternate Retirement Program for less than 5 years, you may rollover the entire balance of your account to another qualified Plan or IRA. If you participated in the Plan for less than 5 years and you are age 55 or older, you may request:
• A partial or lump sum withdrawal
• A systematic withdrawal option (specified period or amount)
• A combination of payment and annuity options

Upon severance from employment, if you participated in the Alternate Retirement Program for more than 5 years and you are at least age 55 or older, you may request:
• A rollover to another qualified Plan or IRA
• A partial or lump sum withdrawal
• A systematic withdrawal option (specified period or amount)
• A combination of payment and annuity options

CAN I TAKE A LOAN UNDER THE PLAN?
No, loans are not available under the Plan.

WHEN ARE MY BENEFITS TAXABLE TO ME?
You will be subject to Federal and State income tax when amounts are actually distributed to you from the Plan. Amounts distributed from the Plan are subject to the IRS 10% premature distribution penalty tax if distributed prior to your attaining age 59½, unless an IRS exception applies.

IRS exceptions to the 10% penalty tax include payments made:
• To your beneficiary as a result of your death;
• Upon your severance from employment/retirement on or after you attain age 55;
• In substantially equal amounts over your life/life expectancy; or
• As a result of your total and permanent disability.
WHAT HAPPENS TO MY BENEFITS UPON MY DEATH?

Your designated beneficiary will be entitled to the payment of death benefits under the Plan. If you do not name a beneficiary, if your beneficiary dies before you or fails to survive you by 30 days, your benefits will be paid to your estate.

Your beneficiary may select from a variety of payment options available under the Plan. The options that are available depend on whether your beneficiary is your spouse or other individual, and whether you die before or after benefit payments have started.

DOES THE PLAN ACCEPT ROLLOVERS FROM OTHER RETIREMENT PLANS?

The Plan permits you to rollover benefits from another eligible employer-sponsored retirement plan or traditional IRA. Rollover assets may be withdrawn without a distributable event. However, rollover assets will be subject to an Internal Revenue Service (IRA) 10% premature distribution penalty tax if distributed prior to age 59½ unless an exception applies. The Plan does not accept rollovers of after-tax dollars.

WHAT ARE THE PAYOUT OPTIONS?

When you are eligible to receive a distribution under the Plan, you have a variety of payment options. Please call our Service Center for additional information on distributions or to request a distribution form. These payment options include:

- Partial or Lump-sum Withdrawal
- Systematic Withdrawal Option – Specified period or specified amount
- Estate Conservation Option – IRS annual required minimum distribution
- Rollover to another eligible retirement plan or IRA
- Combination of payout and annuity options

Your local ING representative is available to meet individually with you to discuss the options available.

CAN I ROLLOVER MY BENEFITS WHEN I LEAVE STATE SERVICE?

If you participated in the Alternate Retirement Program for less than 5 years, you may rollover the entire balance of your account to another qualified retirement plan, traditional IRA, or Roth IRA upon separation from service.
If you participated in the Plan for less than 5 years and elect to leave your balance in the Plan, you must wait until Age 55 or older to request:
- A partial or lump sum withdrawal
- A systematic withdrawal option; (specified period or amount); or
- A combination of payment and annuity options

If you participated in the Alternate Retirement Program for more than 5 years and you are at least age 55 or older, upon separation from service or retirement you may request:
- A rollover to another qualified retirement plan, traditional IRA, or Roth IRA;
- A partial or lump sum withdrawal;
- A systematic withdrawal option (specified period or amount); or
- A combination of payment and annuity options

All distributions are eligible for rollover except:
- IRS minimum required distributions payable on or after you attain age 70½; and
- Periodic payments made over your life or a specified period of 10 years or more.

Amounts rolled from the Plan to another plan type would be subject to any applicable IRS 10% premature penalty tax if distributed prior to age 59½ (unless an IRS exception applies).

Please contact our local office at (800) 784-6386 for additional information on distributions and eligibility for rollover. To request a rollover, you will need to complete a Termination/Distribution Request Authorization form, available by calling the Customer Contact Center at (800) 584-6001.

WHAT ARE MY SERVICE OPTIONS UNDER THE PLAN?

There are multiple ways to obtain account information and make changes to your account. We want to make it easier for you to manage your account. That means providing you with the service options you want, when you want them.

Account Access – Online
You can obtain account information and make changes to your account online by logging on to www.CTdcp.com. To access your account you will need your User Identification (User ID) and Password*. Through Account Access Online, you can:
- Make account balance and transaction inquires
- Obtain investment option performance history
- View your quarterly statement
- Update or change your beneficiary information
- Execute investment allocation changes
- Transfer among investment options

*First-time users will be asked to fill out a brief registration form. This form will prompt you to create a personalized User ID and Password that will be used to access your account(s). You will need your Social Security Number and Personal Identification Number (PIN) to complete the registration process.
• View and delete pending transactions
• Retrieve distribution paperwork (created by an ING Customer Service Associate)

A confirmation will be sent to you for all Internet initiated financial transactions.

**Account Access – Voice Response System – (1-800-584-6001)**

You can obtain account information and make changes to your account by calling our 24 hour toll-free Voice Response System. To access your account you will need a touch-tone phone and your Social Security Number and Personal Identification Number (PIN).

Through Account Access Voice Response System, you can:

• Make account balance inquiries
• Execute investment allocation changes
• Transfer among investment options
• Change your Personal Identification Number (PIN) or request your PIN by mail
• Request a printed account statement
• Review your personal profile information

A confirmation will be sent to you for all telephone-initiated financial transactions.

**Account Access – Customer Service Associate – (1-800-584-6001)**

You can obtain account information and make changes to your account by speaking to an ING Customer Service Associate (CSA). To speak with an ING CSA, dial 1-800-584-6001 and press “0”, when prompted. ING CSAs are available to assist you between the hours of 8:00 a.m. and 8:00 p.m. Eastern Time Monday – Friday.

Through ING CSAs, you can:

• Make account balance and transaction inquires
• Obtain investment option performance history
• Review and update your personal profile information
• Request a change in the way your future contributions and/or your account balance are invested
• Request a Beneficiary Designation Form to change your beneficiary information
• Review distribution options, terms, and conditions – taxes, penalties and timing of distributions
• Obtain distribution and other account service forms
• Request a printed account statement
• Obtain Internet assistance

**Account Access – Special Needs Assistance**

1-800-855-2880 (TTY)
1-800-855-2882 (ASCII)
1-800-855-2883 (Telebraille)

A confirmation will be sent to you for all CSA-initiated financial transactions.
How do I enroll in the Plan?

Step 1
Obtain The State of Connecticut Designation of Retirement System – Tier-Plan-Beneficiary (Form C0-931) from your Human Resources Department.

Step 2
Contact ING at 1-800-784-6386 to obtain The State of Connecticut Alternate Retirement Program Information Package. ING Representatives are available to assist you if you need additional information or assistance enrolling in the Plan.

Step 3
Review The State of Connecticut Alternate Retirement Program Information Package to determine if enrolling in the Alternate Retirement Program is right for you.

Step 4
If you decide to enroll in the Alternate Retirement Program, complete The State of Connecticut Designation of Retirement System – Tier-Plan-Beneficiary (Form C0-931) and return the form to your Human Resources Department.

Step 5
Complete the ING Beneficiary Designation Form to designate a beneficiary or beneficiaries under the Alternate Retirement Program. Return your Beneficiary Designation Form to ING at the following address:

ING Life Insurance and Annuity Company
PO Box 990063
Hartford, CT 06199-0063
Fax: 800-643-8143
Step 6
Once you enroll, your contributions will automatically be invested in the Connecticut Stable Value Fund. You will receive an enrollment confirmation that confirms your personal account information and “default” Personal Identification Number (PIN). For your protection, we encourage you to change your PIN immediately by calling ING’s 24 toll-free touch-tone Voice Response System at 1-800-584-6001.

Step 7
Once you receive your enrollment confirmation, you may make changes in the way your current account balance is invested or your future contributions are invested. This can be done through Account Access Online or by contacting our Customer Service Center at 1-800-584-6001.
For more information please contact us at:
PO Box 990069
Hartford, CT 06199-0069

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