

Perspective

Timely news for
ING customers

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SUMMER 2009

Are you feeling overwhelmed by all the information about the current economic situation? Do you know what it all means? And what do you do with all these numbers and figures?

If this brings you back to your days of getting ready for finals, trying to understand all of the material thrown at you and feeling like there's no hope, we may be able to offer you some help. Here's a quick guide to understanding some of these concepts being discussed on the news that could help you feel a little less confused and a little more hopeful. One of the most talked about subjects on the news these days is the recession we're currently experiencing. The reality is that this is not the first time the U.S. economy has gone through a recession, and it probably won't be the last. But the good news is that we have gone through this before, and like before, we can come out. We have history on our side!

First things first... what is a recession?

The agency that is officially in charge of declaring a recession in the United States is known as the National Bureau of Economic Research, or NBER.

According to the NBER, a recession is a "significant decline in economic activity lasting more than a few months."

The Business Cycle Dating Committee of the NBER determined that a peak in economic activity occurred in the U.S. economy in December 2007.

This peak marked the end of the expansion that began in November 2001 and the beginning of this recession.

So now that you've brushed up on your economic concepts, what can you learn from history?

Source: "Determination of the December 2007 Peak in Economic Activity" 2008, <http://wwwdev.nber.org/cycles/cyclesmain.html>

U.S. Recessions over Time

Recessions are painful, but they are just another phase of the economic cycle. Historically recessions have been short in duration when compared to economic expansions. Since 1970 the U.S. economy has experienced seven recessions, including the one we're currently in. Each has varied in length and depth, as well as what its precipitating factors, but each time the economy has been able to recover.

S&P Performance Following Recessions

Start	Duration	Stock Market Low	6 months later	1 year later
1969	11 months	05/26/1970	4.15%	32.14%
1973	16 months	10/03/1974	34.47%	38.14%
1980	6 months	03/27/1980	10.69%	21.62%
1981	16 months	08/12/1982	39.25%	59.26%
1990	8 months	10/11/1990	26.42%	31.06%
2001	8 months	09/21/2001	17.82%	-12.84%
Average			22.13%	28.23%

Source: National Bureau of Economic Research. Stock market performance is based on the Standard & Poor's 500 Index.

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Now that you know, what do you do?

You've learned what a recession is, but what about the more important question: when will it end? No one can tell for sure. But given the historical

"Recession 101"

A quick lesson in Economics and History

patterns we can see that there is a light at the end of the tunnel, we just can't predict how long the tunnel is going to be.

Just keep in mind that as with any cyclical event you should just wait it out and be patient. But you don't have to go at it alone; this is one 'test' you can get help with. You can always contact your ING representative with questions. For additional information or to access other resources, such as ING's retirement tools and calculators, visit us online at www.ingretirementplans.com.



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Is a Required Minimum Distribution required? **Not for 2009**

If you are nearing or over the age of 70½ and are a qualified retirement plan participant, IRA account owner or a beneficiary under a qualified plan or IRA, you may have questions about whether you will need to make a required minimum distribution (RMD) from your account. On December 23, 2008, The Worker, Retiree and Employer Recovery Act (the Act) was signed into law and waived the RMD for 2009 for most individuals. This provision of the Act was designed to provide relief to individuals who would have been required to take distributions from their accounts at a time when balances may have suffered due to the recent economic turmoil.

Under the existing RMD rules established by the IRS, in general retired plan participants aged 70½ or older and certain beneficiaries must begin taking annual minimum distributions from 401, 403(b), and 457 plans and from IRAs by the later of termination from their employment with the employer who sponsors the plan or attainment of age 70½. Any employee that is a 5% owner must begin taking RMD payments upon attainment of age 70½ even if they are still working. However for the 2009 distribution, that RMD obligation has been waived without any penalties.

If you had previously elected to receive regular automatic RMD payments under your employer-sponsored defined contribution plan or IRA, please note that ING will not be making these automatic payments in 2009.

Remember, this Act is in effect for 2009 only; RMD payments will be reinstated in 2010.

Q&A

If I do not take a 2009 RMD, will I be required to pay any tax penalties?

No; under this Act, no tax penalty will be assessed if you do not take your RMD. In a normal year, the federal tax code assesses a 50% excise tax on any RMD that is not distributed. But 2009 will be an exception to that rule.

I've been taking RMDs for many years and I have grown to depend on them as a source of my retirement income. Can I still take this distribution that I had already planned on?

Yes, access to your retirement account has not changed. If you would like to take a distribution in 2009 you can do so by calling the ING Customer Contact Center.

What period does the RMD relief apply to?

This 2009 Relief applies to RMDs which are due to be paid to satisfy the 2009 RMD Requirement. Any individuals who attained age 70½ in 2008 and opted to defer their 2008 payment until April 1, 2009, are still required to take a 2008 payment by April 1 of 2009.

Which plans does this relief apply to?

The waiver applies to the following plans: IRAs, defined contribution 401 plans, including 401(k) and 401(a) plans, as well as 403(a), 403(b) and governmental 457(b) plans. This regulation does not apply to non-governmental 457(b) plans.

What is the actual relief being provided with regards to RMD payments for the 2009 calendar year?

Relief is being provided to plan participants in the following ways:

- No RMD is required for 2009.
- Any individual who attains age 70½ in 2009 will not be required to take a first RMD by April 1, 2010, but the distribution for the 2010 calendar year must be taken by December 31, 2010.
- If the individual takes a partial withdrawal, the 20% mandatory withholding rule that would normally apply to rollover-eligible payments is suspended. Distributions of amounts that would have been paid as a 2009 RMD in a normal year are only subject to 10% voluntary withholding and are eligible to be rolled over, if permitted by the plan.
- For beneficiaries under the 5-year rule, the 5-year deferral period is extended by one year (e.g., if the participant died in 2007, the period would end in 2013 instead of in 2012).

Whom do I contact for any questions or additional information?

You may contact the ING Customer Contact Center referenced on your participant statement.

Message from Catherine Smith, CEO: ING reaffirms its commitment to the Retirement Services business

ING Groep N.V. (ING) recently outlined the "Back to Basics" strategy. Among the announcements is that the Retirement Services business has been designated as a "core" business across the Insurance lines globally and in the U.S. Each area within Retirement Services will contribute to our strategy, focusing on the best opportunities in their respective markets. This "back to basics" approach has provided a clear direction for the future and helped ING weather the current economic storm.

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

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