

State of Delaware 403(b) Plan Update

November 13, 2008

Re: Critical dates for participants making vendor changes

Dear State of Delaware Employee:

On October 1, 2008 we notified you of the changes to the State's 403(b) Plan and provided you with a copy of the State's approved vendor list. This list is available on our website <http://treasurer.delaware.gov/services/403b.shtml>.

Plan participants can continue to participate with their current vendor through the end of this calendar year. Those participants who wish to continue contributing to the 403(b) Plan in 2009, will need to choose from one of the approved providers on the list. If you already participate with one of the approved providers, you do not need to do anything.

Merrill Lynch

If you currently participate with Merrill Lynch and wish to continue participating in the 403(b) Plan, you must submit a salary reduction agreement to your payroll office no later than December 11, 2008 indicating the name of your new vendor. If you do not instruct your payroll office to change your vendor from Merrill Lynch to one of the approved vendors, your deduction will be terminated.

Non-Approved Vendors

If you currently participate with a non-approved vendor other than Merrill Lynch and wish to continue participating in the 403(b) Plan, you must submit a salary reduction agreement to your payroll office no later than December 17, 2008 indicating the name of your new vendor. If you do not instruct your payroll office to change your vendor to one of the approved vendors, your deduction will be terminated.

If you are participating with a non-approved vendor and do not make a change by December 17, 2008 and your deduction is terminated, you would still have the opportunity to participate in the 403(b) plan in 2009. However your deductions would not begin with the January 2, 2009 paycheck.

Life-time Catch-up Option

The 15 year life-time catch-up option will no longer be available to participants as of January 1, 2009. This change is a result of the IRS regulations. Those employees currently using this option will need to submit a salary reduction agreement to their payroll office no later than December 17, 2008 terminating this option. If you do not instruct your payroll office to stop this deduction, it will automatically be terminated.

Vendor Fairs

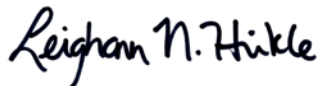
The State will also be holding 403(b) vendor fairs on November 17, 18 and 19, 2008. The flyer with the locations is available on our website <http://treasurer.delaware.gov/services/403b.shtml>. This event provides you with an opportunity to get more information on the approved vendors. If you are unable to attend the event, feel free to view our approved vendor information document, which provides you with additional information on the vendors. This document is available on our website.

Salary Reduction Agreement

The State's Salary Reduction Agreement or SRA can be found on our website and can be used for those participants who are making changes to their investment providers and/or contribution amounts.

Please continue to visit our website for plan updates. If you have any questions, feel free to call me at (302) 672-6705 or email me at Leighann.Hinkle@state.de.us.

Sincerely,



Leighann N. Hinkle
Director, Defined Contribution Plans