

**CUSTOM CHOICE  
RETIREMENT CHOICE  
RETIREMENT CHOICE II**

**Supplement dated September 1, 2014**

Earlier this year ING U.S., Inc. announced plans to rebrand as Voya Financial, Inc. following its initial public offering, which occurred in May, 2013. The actual rebranding of the various businesses that constitute ING U.S., Inc. is occurring in stages.

In connection with the rebranding effort, effective on April 7, 2014, ING U.S., Inc. was renamed Voya Financial, Inc. Effective May 1, 2014, ING Investments, LLC was renamed Voya Investments, LLC.

In addition, effective September 1, 2014, the following changes are occurring:

- ING Life Insurance and Annuity Company is renamed Voya Retirement Insurance and Annuity Company;
- ING Financial Advisers, LLC is renamed Voya Financial Partners, LLC;
- ING Financial Partners, Inc. is renamed Voya Financial Advisors, Inc.;
- ING National Trust is renamed Voya Institutional Trust Company; and
- All references to ING Customer Service Center, ING service center, ING Life Insurance and Annuity Company Contact Center, and ING customer contact center are changed to Customer Service.

In general, all other references to the name ING are replaced with the name Voya with the exception of ING Groep N.V., which will remain unchanged.

All references in the above named product information booklets are changed accordingly.



## ADDITIONAL DISCLOSURE SUPPLEMENT

### Supplement to Information Booklet

This supplement updates your contract or packaged program (as applicable) information booklet; this supplement will refer to either the contract or packaged program as (the "Program"). It provides you (the employee/participant and/or the plan sponsor, as applicable) with important information regarding, among other things, fund revenue sharing and expenses, sales compensation and the availability of other products from ING Life Insurance and Annuity Company (the "Company," "we," "us," "our").

#### **THE COMPANY**

We are an indirect, wholly owned subsidiary of Voya Financial, Inc. ("Voya<sup>TM</sup>"), which until April 7, 2014, was known as ING U.S., Inc. In May 2013, the common stock of Voya began trading on the New York Stock Exchange under the symbol "VOYA" and Voya completed its initial public offering of common stock.

Voya is an affiliate of ING Groep N.V. ("ING"), a global financial institution active in the fields of insurance, banking and asset management. In 2009 ING announced the anticipated separation of its global banking and insurance businesses, including the divestiture of Voya, which together with its subsidiaries, including the Company, constitutes ING's U.S.-based retirement, investment management and insurance operations. As of March 25, 2014, ING's ownership of Voya was approximately 43%. Under an agreement with the European Commission, ING is required to divest itself of 100% of Voya by the end of 2016.

#### **FUND FEES AND EXPENSES**

Each fund deducts management fees from the amounts allocated to the fund. In addition, each fund deducts other expenses which may include service fees that may be used to compensate service providers, including the Company and its affiliates, for administrative and plan sponsor or participant services provided on behalf of the fund. Furthermore, certain funds deduct a distribution or 12b-1 fee, which is used to finance any activity that is primarily intended to result in the sale of fund shares. **To learn more about fund fees and expenses, the additional factors that can affect the value of a fund's shares and other important information about the funds, refer to the fund prospectuses.**

A single mutual fund usually offers more than one "class" of shares to investors. The key distinctions between these share classes are the charges and ongoing fees borne by the fund and absorbed by investors. These fees may include 12b-1 fees as well as administrative and "Sub-TA" fees (sometimes called service fees). The least expensive classes of mutual fund shares are often called "Initial Class" or "Class I" and generally only charge management fees and limited fees for other expenses related to the fund. These classes of shares usually generate the least amount of revenue for the Company, although they may pay service fees. Various share classes may charge 12b-1 fees up to the maximum specified in your information booklet. These classes are often called Class A, Service Class, Adviser Class, R Class or S Class shares. They may also have other names.

Less expensive share classes of the funds offered through this Program may be available for investment outside of this Program. You should evaluate the expenses associated with the funds available through this Program before making a decision to invest.

The mutual fund component of the Program may make more than one menu of funds available for the plan sponsor to select from. Generally, these menus differ from one another according to ranges of fund fee expense levels, administrative fund fees, and by share class. Plan sponsors should know that the expense levels associated with a fund menu may affect billed expenses and other features of the Program. In some instances, we might require an additional recordkeeping charge to apply as a condition for offering certain funds. This is because other charges are related to the amount of fund revenue that the Company receives. For some Plans, the Company may agree to

maintain a bookkeeping account for the Plan funded by either a mutually agreed upon portion of the fund revenue the Company receives or the amount of the fund revenue and recordkeeping charges the Company receives in excess of the revenue requirement of the Company. In such circumstances, amounts credited to the bookkeeping account would be available to pay reasonable expenses of administering the Plan, provided that such expenses are the type of expenses that may be paid out of the assets of the Plan. Plan sponsors should discuss with their sales professional how fund revenues may affect services provided as well as other Program fees and charges, as mentioned above.

**Redemption Fees.** Also as part of complying with Rule 22c-2 under the 1940 Act, certain fund companies may deduct redemption fees as the result of withdrawals, transfers or other fund transactions that a participant or the plan sponsor initiates. If applicable, the Company may deduct the amount of any redemption fees imposed by the fund(s). These fees are separate and distinct from any transaction charges or other charges deducted from a participant's account value. For a more complete description of the funds' fees and expenses, review the fund prospectuses.

## Revenue from the Funds

The Company may receive compensation from each of the funds or the funds' affiliates. For certain funds, some of this compensation may be paid out of 12b-1 fees or service fees that are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. The Company may also receive additional compensation from certain funds for administrative, recordkeeping or other services provided by the Company to the funds or the funds' affiliates. These additional payments may also be used by the Company to finance distribution. These additional payments are made by the funds or the funds' affiliates to the Company and do not increase, directly or indirectly, the fund fees and expenses.

The amount of revenue the Company may receive from each of the funds or from the funds' affiliates may be substantial, although the amount and types of revenue vary with respect to each of the funds offered through the Program. This revenue is one of several factors we consider when determining Program fees and charges and whether to offer a fund through our Program. **Fund revenue is important to the Company's profitability, and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

Assets allocated to affiliated funds, meaning, funds managed by Directed Services LLC, Voya Investments, LLC or another Company affiliate, generate the largest dollar amount of revenue for the Company. Affiliated funds may also be subadvised by a Company affiliate or by an unaffiliated third party. Assets allocated to unaffiliated funds, meaning funds managed by an unaffiliated third party, generate lesser, but still substantial dollar amounts of revenue for the Company. The Company expects to make a profit from this revenue to the extent it exceeds the Company's expenses, including the payment of sales compensation to its distributors.

**Revenue Received from Affiliated Funds.** The revenue received by the Company from affiliated funds may be deducted from fund assets and may include:

- A share of the management fee;
- Service fees;
- For certain share classes, compensation paid from 12b-1 fees; and
- Other revenues that may be based either on an annual percentage of average net assets held in the fund by the Company or a percentage of the fund's management fees.

In the case of affiliated funds subadvised by unaffiliated third parties, any sharing of the management fee between the Company and the affiliated investment adviser is based on the amount of such fee remaining after the subadvisory fee has been paid to the unaffiliated subadviser. Because subadvisory fees vary by subadviser, varying amounts of revenue are retained by the affiliated investment adviser and ultimately shared with the Company. The sharing of the management fee between the Company and the affiliated investment adviser does not increase, directly or indirectly, fund fees and expenses. The Company may also receive additional compensation in the form of intercompany payments from an affiliated fund's investment adviser or the investment adviser's parent in order to allocate revenue and profits across the organization. The intercompany payments and other revenue received from affiliated funds provide the Company with a financial incentive to offer affiliated funds through the Program rather than unaffiliated funds.

Additionally, in the case of affiliated funds subadvised by third parties, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. However, subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences.

## Revenue Received from Unaffiliated Funds

Revenue received from each of the unaffiliated funds or their affiliates is based on an annual percentage of the average net assets held in that fund by the Company. Some unaffiliated funds or their affiliates pay us more than others and some of the amounts we receive may be significant.

The revenue received by the Company from unaffiliated funds may be deducted from fund assets and may include:

- Service fees;
- For certain share classes, compensation paid from 12b-1 fees; and
- Additional payments for administrative, recordkeeping or other services which we provide to the funds or their affiliates, such as processing purchase and redemption requests, and mailing fund prospectuses, periodic reports and proxy materials. In some cases, we accept payments for marketing services, such as the inclusion of funds on our service platform, the review of fund sales materials and/or the inclusion of fund sales literature in our marketing materials. These additional payments do not increase directly or indirectly the fees and expenses shown in each fund's prospectus. These additional payments may be used by us to finance distribution of the Program.

If the unaffiliated fund families currently offered through the contracts (including funds with limited availability) that made payments to us were individually ranked according to the total amount they paid to the Company or its affiliates in 2013, in connection with packaged programs issued by the Company, that ranking would be as follows:

- American Funds®
- BlackRock, Inc.
- T. Rowe Price Funds<sup>1</sup>
- Fidelity Investments®<sup>2</sup>
- OppenheimerFunds, Inc.
- PIMCO Funds
- Franklin® Templeton® Investments<sup>3</sup>
- Pioneer Investment Management
- American Century Investments
- Lord Abbett Funds
- Galliard Capital Management
- Ivy Funds®
- MFS Investment Management®<sup>4</sup>
- Natixis Global Asset Management
- Invesco<sup>SM</sup> Funds
- Prudential Investment Management, Inc.
- J.P. Morgan Funds
- Eaton Vance Distributors, Inc.
- Janus Capital Management LLC
- Wells Fargo Funds<sup>5</sup>
- Neuberger Berman Management, Inc.
- MainStay Investments
- Baron Funds®
- Royce Funds
- Hartford Funds

If the revenues received from the affiliated funds were taken into account when ranking the funds according to the total dollar amount they paid to the Company or its affiliates in 2013, the affiliated funds would be at the top of the list.

<sup>1</sup> T. Rowe Price, Invest With Confidence, the Big Horn Sheep and the logo they compose are trademarks or registered trademarks of T. Rowe Price Group, Inc. in the U.S. and other countries.

<sup>2</sup> Fidelity and Fidelity Investments are registered trademarks of FMR Corp.

<sup>3</sup> Franklin and Templeton are registered trademarks of Franklin Resources, Inc. or its subsidiaries.

<sup>4</sup> MFS Investment Management® is a registered trademark of Massachusetts Financial Services Company.

<sup>5</sup> Wells Fargo Funds Management, LLC, a wholly-owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for the Wells Fargo Advantage Funds<sup>SM</sup>. Other affiliates of Wells Fargo & Company provide sub-advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member FINRA/SIPC, an affiliate of Wells Fargo & Company.

In addition to the types of revenue received from affiliated and unaffiliated funds described above, affiliated and unaffiliated funds and their investment advisers, subadvisers or affiliates may participate at their own expense in Company sales conferences or educational and training meetings. In relation to such participation, a fund's investment adviser, subadviser or affiliate may help offset the cost of the meetings or sponsor events associated with the meetings. In exchange for these expense offset or sponsorship arrangements, the investment adviser, subadviser or affiliate may receive certain benefits and access opportunities to Company representatives and wholesalers rather than monetary benefits. These benefits and opportunities include, but are not limited to co-branded marketing materials, targeted marketing sales opportunities, training opportunities at meetings, training modules for personnel, and opportunities to host due diligence meetings for representatives and wholesalers.

Please note certain management personnel and other employees of the Company or its affiliates may receive a portion of their total employment compensation based on the amount of net assets allocated to affiliated funds. **See also "Contract Distribution" below for additional information.**

## **Fund of Funds**

Certain funds may be structured as "fund of funds." These funds may have higher fees and expenses than a fund that invests directly in debt and equity securities, because they also incur the fees and expenses of the underlying funds in which they invest. These funds may be affiliated funds, and the underlying funds in which they invest may be affiliated as well. The fund prospectuses and the fund fact sheets disclose the aggregate annual operating expenses of each fund and its corresponding underlying fund or funds.

## **Charges for Advisory Services**

We reserve the right to deduct from a participant's account, upon authorization from the participant, any advisory and other fees due under an independent advisory services agreement between the participant and an investment adviser. Advisory fees will be deducted on a pro-rata basis from the subaccounts that invest in the mutual funds used in the allocation model selected by the participant under the advisory services agreement, and any set-up fees may be deducted on a pro-rata basis from all of the funds in which the participant is invested.

## **SALES COMPENSATION**

### **Contract Distribution**

The Company's subsidiary, ING Financial Advisers, LLC, serves as the principal underwriter for the Programs. ING Financial Advisers, LLC, a Delaware limited liability company, is registered as a broker-dealer with the Securities and Exchange Commission ("SEC"). ING Financial Advisers, LLC is also a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). ING Financial Advisers, LLC's principal office is located at One Orange Way, Windsor, CT 06095-4774.

We sell the contracts through licensed insurance agents who are registered representatives of broker-dealers that have entered into selling agreements with ING Financial Advisers, LLC. We refer to the broker-dealers and other firms whose sales professionals sell the contracts as "distributors." All sales professionals selling the contracts must be appropriately licensed as insurance agents for the Company.

The following distributors are affiliated with the Company and have entered into selling agreements with ING Financial Advisers, LLC for the sale of our Programs:

- ING Financial Partners, Inc.
- Systematized Benefits Administrators, Inc.

Sales professionals of distributors who solicit sales of the Programs typically receive a portion of the compensation paid to the distributor in the form of commissions or other compensation, depending upon the agreement between the distributor and the sales professional. This compensation, as well as other incentives or payments, are not paid directly by plan sponsors or participants, but instead are paid through ING Financial Advisers, LLC. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the Programs.

## Compensation Arrangements

**Commission Payments.** Persons who offer and sell the Programs may be paid a commission. If applicable, the commissions paid for the Program are described in your information booklet.

**Other Compensation Arrangements.** To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, we may also pay or allow other promotional incentives or payments in the form of cash payments or other compensation to professionals and distributors, which may require the professional or distributor to attain a certain threshold of sales of Company products. Under one such program, we may pay additional amounts to distributors in connection with a participant's increased or re-started contributions and/or the number of participant enrollments completed by a registered representative during a specified time period. These other promotional incentives or payments may be limited to contracts offered to certain plans, may not be offered to all distributors and may be limited only to distributors affiliated with the Company.

We may also enter into special compensation arrangements with certain distributors based on those firms' aggregate or anticipated sales of the Programs or other criteria. These arrangements may include commission specials, in which additional commissions may be paid in connection with purchase payments received for a limited time period, within the maximum commission rates noted above. These special compensation arrangements will not be offered to all distributors, and the terms of such arrangements may differ among distributors based on various factors. These special compensation arrangements may also be limited only to ING Financial Partners, Inc. and other distributors affiliated with the Company. Any such compensation payable to a distributor will not result in any additional direct charge to you by us.

Some professionals may receive various types of non-cash compensation as special sales incentives, including trips, and we may also pay for some professionals to attend educational and/or business seminars. Any such compensation will be paid in accordance with SEC and FINRA rules. Management personnel of the Company, and of its affiliated broker-dealers, may receive additional compensation if the overall amount of investments in funds advised by the Company or its affiliates meets certain target levels or increases over time. Compensation for certain management personnel, including sales management personnel, may be enhanced if management personnel meet or exceed goals for sales of the Programs, or if the overall amount of investments in the Programs and other products issued or advised by the Company or its affiliates increases over time. Certain management personnel may also receive compensation that is a specific percentage of the commissions paid to distributors or of purchase payments received under the Programs, or which may be a flat dollar amount that varies based upon other factors, including management's ability to meet or exceed service requirements, sell new Programs or retain existing Programs, or sell additional service features such as a common remitting program.

In addition to direct cash compensation for sales of contracts described above, through ING Financial Advisers, LLC we may also pay sales professionals and distributors additional compensation or reimbursement of expenses for their efforts in selling the Programs to plan sponsors and other customers. These amounts may include:

- Marketing/distribution allowances that may be based on the percentages of purchase payments received, the aggregate commissions paid and/or the aggregate assets held in relation to certain types of designated insurance products issued by the Company and/or its affiliates during the year;
- Loans or advances of commissions in anticipation of future receipt of purchase payments (a form of lending to sales professionals). These loans may have advantageous terms, such as reduction or elimination of the interest charged on the loan and/or forgiveness of the principal amount of the loan, which may be conditioned on sales;
- Education and training allowances to facilitate our attendance at certain educational and training meetings to provide information and training about our products. We also hold training programs from time to time at our own expense;
- Sponsorship payments or reimbursements for distributors to use in sales contests and/or meetings for their registered representatives who sell our products. We do not hold contests based solely on sales of this product;
- Certain overrides and other benefits that may include cash compensation based on the amount of earned commissions, representative recruiting or other activities that promote the sale of contracts; and

- Additional cash or noncash compensation and reimbursements permissible under existing law. This may include, but is not limited to, cash incentives, merchandise, trips, occasional entertainment, meals, and tickets to sporting events, client appreciation events, business and educational enhancement items, payment for travel expenses (including meals and lodging) to pre-approved training and educational seminars, and payment for advertising and sales campaigns.

We pay dealer concessions, wholesaling fees, overrides, bonuses, other allowances and benefits and the costs of all other incentives or training programs from our resources, which include the fees and charges imposed under the contracts.

The following is a list of the top 25 distributors that, during 2013, received the most compensation, in the aggregate, from us in connection with the sale of packaged programs and unregistered variable separate account contracts issued by the Company ranked by total dollars received:

- |   |  |
|---|--|
| • ING Financial Partners, Inc.                              | • M Holdings Securities, Inc.                  |
| • Morgan Stanley & Co. LLC                                  | • NYLIFE Securities LLC                        |
| • LPL Financial Corporation                                 | • MetLife Securities, Inc.                     |
| • NFP Securities, Inc.                                      | • Securities America, Inc.                     |
| • Cetera Financial Group                                    | • American Portfolios Financial Services, Inc. |
| • Northwestern Mutual Investment Services, LLC              | • National Planning Corporation                |
| • Lincoln Financial Group                                   | • Primerica Financial Services, Inc.           |
| • New England Securities Corporation                        | • Cadaret, Grant & Co., Inc.                   |
| • Financial Telesis Inc./JHW Financial & Insurance Services | • Walnut Street Securities, Inc.®              |
| • Park Avenue Securities, LLC                               | • RBC Capital Markets, LLC                     |
| • Tower Square Securities, Inc.                             | • Sigma Financial Corporation                  |
| • Royal Alliance Associates, Inc.                           | • Purshe Kaplan Sterling Investments Inc.      |
|   | • Next Financial Group Inc.                    |

This is a general discussion of the types and levels of compensation paid by us for the sale of the Program. It is important for you to know that the payment of volume or sales-based compensation to a distributor or registered representative may provide that registered representative a financial incentive to promote our contracts and/or services over those of another company, and may also provide a financial incentive to promote one of our contracts over another.

The names of the distributor and the registered representative responsible for your account are stated in your enrollment materials.

**Third Party Compensation Arrangements.** Please be aware that:

- The Company may seek to promote itself and the Programs by sponsoring or contributing to events sponsored by various associations, professional organizations and labor organizations;
- The Company may make payments to associations and organizations, including labor organizations, which endorse or otherwise recommend the Programs to their membership. If an endorsement is a factor in the plan sponsor's Program purchasing decision, more information on the payment arrangement, if any, is available upon your request; and
- At the direction of the plan sponsor, we may make payments to the plan sponsor, its representatives or third party service providers intended to defray or cover the costs of plan or Program related administration.

Under one third party compensation arrangement that may be applicable to certain plans investing in the Program, the OMNI Financial Group, Inc. ("OMNI"), a third party administrator, has established a Preferred Provider Program ("P3") and has recommended the Company for inclusion in the P3 program based upon the Company meeting or exceeding the established P3 qualifications and standards. For plans that utilize OMNI services and have enrolled in the P3 program, the Company pays OMNI \$36 per year for each actively contributing participant to cover a share of the plan administration fees payable to OMNI.

## **OTHER PRODUCTS**

We and our affiliates offer plan sponsors various other products, with different features and terms than the Program, that may offer some or all of the same funds. These products differ according to benefits, fees and charges. Plan sponsors who are interested in learning more about these other products may contact their sales professional.

## **LIMITS ON FREQUENT OR DISRUPTIVE TRANSFERS**

The Program is not designed to serve as a vehicle for frequent transfers. Frequent transfer activity can disrupt management of a fund and raise its expenses through:

- Increased trading and transaction costs;
- Forced and unplanned portfolio turnover;
- Lost opportunity costs; and
- Large asset swings that decrease the fund's ability to provide maximum investment return to all contract owners and participants.

This in turn can have an adverse effect on fund performance. **Accordingly, individuals or organizations that use market-timing investment strategies or make frequent transfers should not purchase or participate in the Program.**

**Excessive Trading Policy.** The Company and its affiliates that provide multi-fund variable insurance and retirement products have adopted a common Excessive Trading Policy to respond to the demands of the various fund families that make their funds available through our products to restrict excessive fund trading activity and to ensure compliance with Rule 22c-2 of the Investment Company Act of 1940 (the "1940 Act").

We actively monitor fund transfer and reallocation activity within our variable insurance products and retirement products to identify violations of our Excessive Trading Policy. Our Excessive Trading Policy is violated if fund transfer and reallocation activity:

- Meets or exceeds our current definition of Excessive Trading, as defined below; or
- Is determined, in our sole discretion, to be disruptive or not in the best interests of other owners of our variable insurance and retirement products, or participants in such products.

We currently define "Excessive Trading" as:

- More than one purchase and sale of the same fund (including money market funds) within a 60 calendar day period (hereinafter, a purchase and sale of the same fund is referred to as a "round-trip"). This means two or more round-trips involving the same fund within a 60 calendar day period would meet our definition of Excessive Trading; or
- Six round-trips involving the same fund within a rolling 12 month period.

The following transactions are excluded when determining whether trading activity is excessive:

- Purchases or sales of shares related to non-fund transfers (for example, new purchase payments, withdrawals and loans);
- Transfers associated with scheduled dollar cost averaging, scheduled rebalancing, or scheduled asset allocation programs;
- Purchases and sales of fund shares in the amount of \$5,000 or less;
- Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and a money market fund; and
- Transactions initiated by us, another Company affiliate, or a fund.

If we determine that an individual or entity has made a purchase of a fund within 60 days of a prior round-trip involving the same fund, we will send them a letter warning that another sale of that same fund within 60 days of the beginning of the prior round-trip will be deemed to be Excessive Trading and result in a six month suspension of their ability to initiate fund transfers or reallocations through the Internet, facsimile, Voice Response Unit (VRU),

telephone calls to Customer Service or other electronic trading medium that we may make available from time to time (“Electronic Trading Privileges”). Likewise, if we determine that an individual or entity has made five round-trips involving the same fund within a rolling 12 month period, we will send them a letter warning that another purchase and sale of that same fund within 12 months of the initial purchase in the first round-trip will be deemed to be Excessive Trading and result in a suspension of their Electronic Trading Privileges. According to the needs of the various business units, a copy of any warning letters may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative, or the investment adviser for that individual or entity. A copy of the warning letters and details of the individual’s or entity’s trading activity may also be sent to the fund whose shares were involved in the trading activity.

If we determine that an individual or entity has violated our Excessive Trading Policy, we will send them a letter stating that their Electronic Trading Privileges have been suspended for a period of six months. Consequently, all fund transfers or reallocations, not just those that involve the fund whose shares were involved in the activity that violated our Excessive Trading Policy, will then have to be initiated by providing written instructions to us via regular U.S. mail. Suspension of Electronic Trading Privileges may also extend to products other than the product through which the Excessive Trading activity occurred. During the six month suspension period, electronic “inquiry only” privileges will be permitted where and when possible. A copy of the letter restricting future transfer and reallocation activity to regular U.S. mail and details of the individual’s or entity’s trading activity may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual or entity, and the fund whose shares were involved in the activity that violated our Excessive Trading Policy.

Following the six month suspension period during which no additional violations of our Excessive Trading Policy are identified, Electronic Trading Privileges may again be restored. We will continue to monitor the fund transfer and reallocation activity, and any future violations of our Excessive Trading Policy will result in an indefinite suspension of Electronic Trading Privileges. A violation of our Excessive Trading Policy during the six month suspension period will also result in an indefinite suspension of Electronic Trading Privileges.

We reserve the right to suspend Electronic Trading Privileges with respect to any individual or entity, with or without prior notice, if we determine, in our sole discretion, that the individual’s or entity’s trading activity is disruptive or not in the best interests of other owners of our variable insurance and retirement products, or participants in such products, regardless of whether the individual’s or entity’s trading activity falls within the definition of Excessive Trading set forth above.

Our failure to send or an individual’s or entity’s failure to receive any warning letter or other notice contemplated under our Excessive Trading Policy will not prevent us from suspending that individual’s or entity’s Electronic Trading Privileges or taking any other action provided for in our Excessive Trading Policy.

The Company does not allow exceptions to our Excessive Trading Policy. We reserve the right to modify our Excessive Trading Policy, or the policy as it relates to a particular fund, at any time without prior notice, depending on, among other factors, the needs of the underlying fund(s), the best interests of contract owners, participants, and fund investors, and/or state or federal regulatory requirements. If we modify our policy, it will be applied uniformly to all contract owners and participants or, as applicable, to all contract owners and participants investing in the underlying fund.

Our Excessive Trading Policy may not be completely successful in preventing market-timing or excessive trading activity. If it is not completely successful, fund performance and management may be adversely affected, as noted above.

**Limits Imposed by the Underlying Funds.** Each underlying fund available through the variable insurance and retirement products offered by us and/or a Company affiliate, either by prospectus or stated policy, has adopted or may adopt its own excessive/frequent trading policy, and orders for the purchase of fund shares are subject to acceptance or rejection by the underlying fund. We reserve the right, without prior notice, to implement fund purchase restrictions and/or limitations on an individual or entity that the fund has identified as violating its excessive/frequent trading policy and to reject any allocation or transfer request to a subaccount if the corresponding fund will not accept the allocation or transfer for any reason. All such restrictions and/or limitations

(which may include, but are not limited to, suspension of Electronic Trading Privileges and/or blocking of future purchases of a fund or all funds within a fund family) will be done in accordance with the directions we receive from the fund.

**Agreements to Share Information with Funds.** As required by SEC Rule 22c-2 under the 1940 Act, the Company has entered into information sharing agreements with each of the fund companies whose funds are offered through the Program. Plan sponsor and participant trading information is shared under these agreements as necessary for the fund companies to monitor fund trading and the Company's Excessive Trading Policy. Under these agreements, the Company is required to share information regarding plan sponsor and participant transactions, including but not limited to information regarding fund transfers initiated by participants, if your plan allows, or by the plan sponsor. In addition to information about plan sponsor and participant transactions, this information may include personal plan sponsor and participant information, including names and social security numbers or other tax identification numbers.

As a result of this information sharing, a fund company may direct us to restrict a plan sponsor's or participant's transactions if the fund determines that the plan sponsor or participant has violated the fund's trading policies. This could include the fund directing us to reject any allocations of purchase payments or account value to the fund.

## ***SAME-SEX MARRIAGES***

Before June 26, 2013, pursuant to Section 3 of the federal Defense of Marriage Act ("DOMA"), same-sex marriages were not recognized for purposes of federal law. On that date the U.S. Supreme Court held in United States v. Windsor that Section 3 of DOMA is unconstitutional. While valid same-sex marriages are now recognized under federal law and the favorable income-deferral options afforded by federal tax law to an opposite-sex spouse under Tax Code sections 72(s) and 401(a)(9) are now available to a same-sex spouse, there are still unanswered questions regarding the scope and impact of the Windsor decision. Consequently, if you are married to a same-sex spouse you should contact a qualified tax adviser regarding your spouse's rights and benefits under the contract described in the Program information booklet and your particular tax situation.

## ***ANTI-MONEY LAUNDERING***

In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act and other current anti-money laundering laws. Among other things, this program requires us, our agents and customers to comply with certain procedures and standards that will allow us to verify the identity of the sponsoring organization and that contributions and loan repayments are not derived from improper sources.

Under our anti-money laundering program, we may require customers, and/or beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of payments or loan repayments (traveler's cheques, cashier's checks, bank drafts, bank checks and treasurer's checks, for example) or restrict the amount of certain forms of payments or loan repayments (money orders totaling more than \$5,000, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it. Use of an unacceptable form of payment may result in us returning the payment to you.

**Applicable laws designed to prevent terrorist financing and money laundering might, in certain circumstances, require us to block certain transactions until authorization is received from the appropriate regulator. We may also be required to provide additional information about you and your policy to government regulators.**

Our anti-money laundering program is subject to change without notice to take account of changes in applicable laws or regulations and our ongoing assessment of our exposure to illegal activity.

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**You should consider the investment objectives, risks, charges and expenses of the variable product and/or mutual funds, as applicable, offered through a retirement plan carefully before investing. The prospectuses contain this and other information and can be obtained by contacting your local representative. Please read the information carefully before investing.**

**IRS Circular 230 Disclosure:**

**These materials are not intended to be used to avoid tax penalties, and were prepared to support the promotion or marketing of the matter addressed in this document. The taxpayer should seek advice from a qualified tax adviser.**

To request information about your contract or packaged program (as applicable) or if you have questions:

Plan sponsors: Please call Plan Sponsor Services toll-free at 1-888-410-9482.

Participants: Please contact us at the toll-free phone number found in your enrollment material.

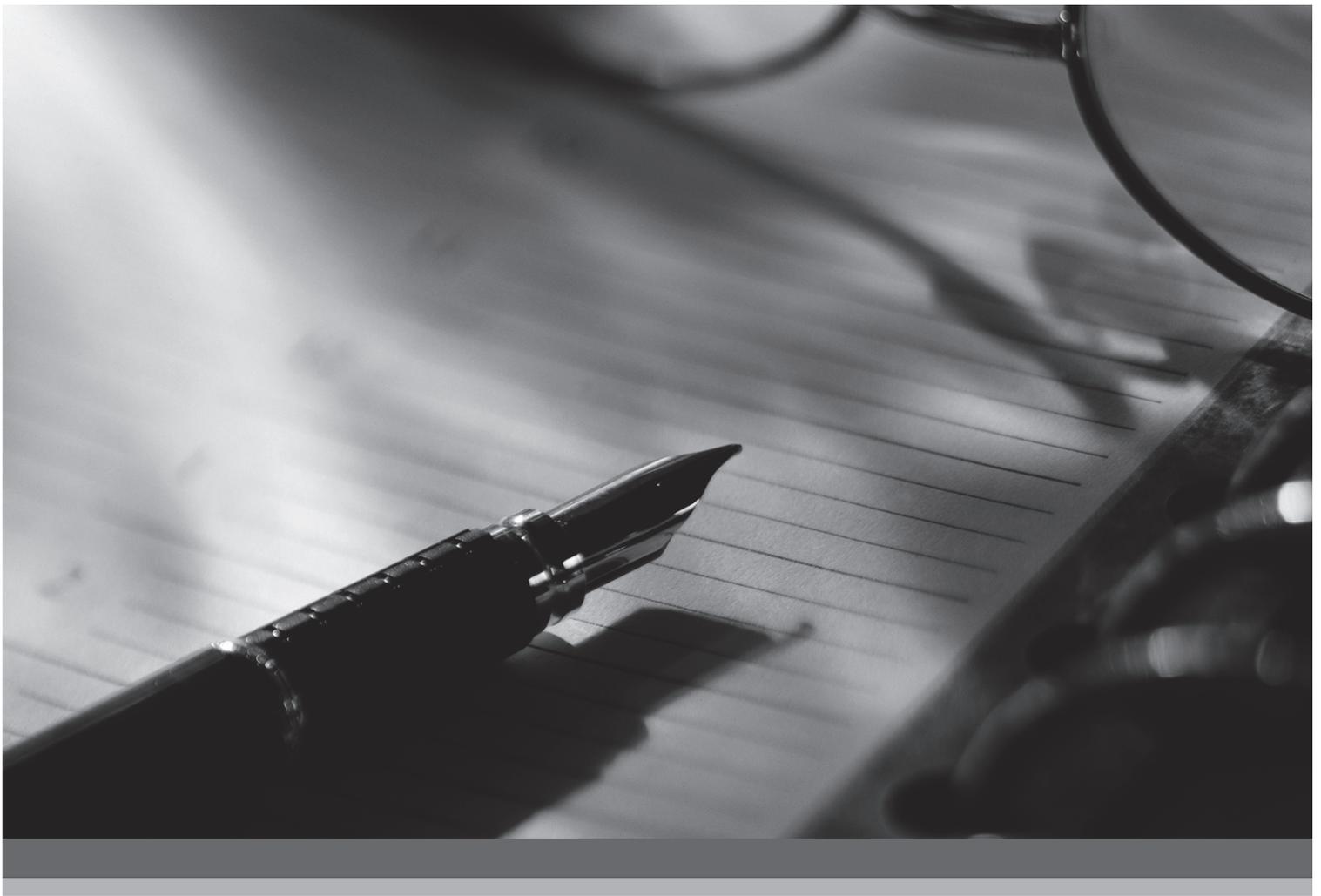
Complaints? Please contact us at:

Customer Service – B2S

PO Box 99065

Hartford, CT 06199-0065.

By telephone, participants should contact us at the toll-free phone number found in your enrollment material; plan sponsors may use the toll-free Plan Sponsor Services number shown above.



# ING Retirement Choice II

403(b)/401(a)/401(k)/457(b)

**Information Booklet**

3020318.X.P. (05/11)



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Your future. Made easier.<sup>SM</sup>



# INFORMATION BOOKLET

## ING Retirement Choice II

403(b)/401(a)/401(k)/457(b)

3020318.X.P. (05/11)

**Why Reading this Information Booklet is Important.** Before you participate in **ING Retirement Choice II** through your employer's retirement plan, you (the employee/participant) should read this information booklet and the accompanying **Additional Disclosure Supplement** (the Supplement). Together, these materials provide facts about the program and its investment options and other important information. Plan sponsors (generally your employer) should read this information booklet and the Supplement to help determine if the program is appropriate for their plan. Please keep these documents for future reference.

### OVERVIEW

Your employer has established a retirement plan for you. The ING Retirement Choice II packaged program (the Program) is offered as a funding option for that plan. The Program includes a Custodial Account Agreement or Trust Agreement between your employer and the following companies: ING Financial Advisers, LLC [member Securities Investor Protection Corporation (SIPC)], ING Life Insurance and Annuity Company (the Company, we, us, our), and ING National Trust; and a group fixed annuity contract between your employer and the Company. These companies are not a party to your employer's retirement plan and have no responsibility for any assets of the plan prior to their receipt by the applicable company. Your employer has also entered into a Plan Services Agreement with the Company, under which we provide administrative services to your employer's retirement plan.

The Program provides a menu of investment options for your

retirement plan that allows employee and employer (where available) contributions to be invested in:

- the ING Fixed Plus (Fixed Plus) Account, a credited interest option which offers stability of principal through a group fixed annuity contract that we issue (the Fixed Plus contract) and/or
- mutual fund shares which are available through a custodial or trust account, discussed below (mutual funds are not part of the Fixed Plus contract)

In addition, your employer may choose to offer a self-directed brokerage account. In this event, you will receive important information on the account separately from this booklet. Please review this separate information carefully before enrolling in a self-directed brokerage account.

Some details of the Program will vary depending upon the specific section of the Internal Revenue Code (Code) that governs your employer's retirement plan.

### Defined Contribution Plans: 403(b), 401(a), and/or 401(k) Plans

This version of the Program includes:

- a Fixed Plus contract consistent with 403(b)(1) requirements and a 403(b)(7) Custodial Account Agreement for 403(b) plans, or
- a Fixed Plus contract consistent with 401 requirements and a Trust

Account Agreement for 401(a) or 401(k) plans.

403(b), 401(a), and/or 401(k) plans are sponsored by various organizations and are all designed to provide eligible employees with retirement income. Participation in these types of plans generally results in tax advantages in accordance with various sections of the Internal Revenue Code. Eligibility and basic plan provisions vary depending upon the specific type of plan.

### Deferred Compensation Plans: 457(b) Plans

This version of the Program is for 457(b) plans only and includes a Fixed Plus contract consistent with 457(b) requirements and a Trust Account Agreement or custodial agreement, as applicable, for 457(b) plans. For 457(b) plans sponsored by tax-exempt organizations, the Trust Account Agreement is a rabbi trust, in which assets are available to your employer's general creditors.

457(b) plans may be sponsored by governmental or tax-exempt organizations. The Internal Revenue Code provisions vary for different types of sponsoring organizations. Governmental and non-qualified church controlled tax-exempt organizations may design their plans to include all eligible employees meeting certain basic employment criteria. All other tax-exempt organizations must design their plans for the benefit of a select group of management and/or highly compensated employees and independent contractors.

Deferred compensation plans maintained by tax-exempt employers are complex non-qualified arrangements. All assets contributed to such a plan must be owned and controlled by your employer. Although you may be able to make investment allocations, you do not own the account and amounts invested are available to your employer's creditors. Please contact your employer or the plan administrator for details of the plan's operation and your eligibility to participate. You are also encouraged to contact your local representative concerning the benefits and risks associated with this type of plan.

Note: Unless otherwise noted, this booklet will use "Account Agreement" to refer to whichever of the following is applicable: (a) a 403(b)(7) Custodial Account Agreement, (b) either a 401(a) or a 401(k) Trust Account Agreement, or (c) a 457 Trust Account or Custody Account Agreement.

This information booklet contains a summary of the key provisions of the Account Agreements described above (for mutual funds) and the Fixed Plus contract (for the credited interest option). In the event of a conflict between this information booklet and the applicable Account Agreement or Fixed Plus contract, the terms of the Account Agreement and Fixed Plus contract (as applicable) will prevail.

As described in your enrollment material, you will have access to your account information through our interactive voice response telephone service and via the Internet at [www.ingretirementplans.com](http://www.ingretirementplans.com).

## ABOUT THE COMPANY

The Company issues the Fixed Plus contract described in this booklet and provides administrative services. We are a stock life insurance company, organized under the insurance laws of the State of Connecticut in 1976 and an indirect wholly-owned subsidiary of ING Groep N.V., a global financial institution active in the fields of insurance, banking and asset management.

**Securities are distributed through ING Financial Advisers, LLC, or through other broker dealers with which ING Financial Advisers, LLC has selling agreements.**

**Financial planning is offered by ING Financial Partners, Inc.**

**ING Financial Advisers, LLC (member SIPC) and ING Financial Partners, Inc are both members of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC)).**

## ABOUT ING NATIONAL TRUST

ING National Trust serves as the non-discretionary custodian or trustee, as applicable. ING National Trust is a nationally chartered trust company regulated by the Office of the Comptroller of the Currency and is a wholly owned, indirect subsidiary of ING Groep N.V.

## INVESTMENT OPTIONS

The Program offers mutual funds through a custodial account, or a trust account, as appropriate, and a credited interest option through a Fixed Plus contract. The Company will establish and maintain one

integrated account record for each participant reflecting both the mutual fund and the Fixed Plus credited interest option. When we establish your account, you may, with your employer's authorization, direct account assets to any of the available options. At our discretion, we may add, restrict, or withdraw the availability of any investment options in the future.

All mutual fund shares are held in the applicable custodial or trust account and are registered in the name of the custodian or trustee respectively. **Remember that mutual fund values fluctuate with market conditions and, when surrendered, the principal may be worth more or less than the original amount invested.**

**Mutual Funds:** The Program offers mutual funds through a custodial or trust account. The mutual fund investment options are a separate investment component and are not a part of the Fixed Plus contract. When plan contributions are allocated to a mutual fund, shares of that fund are purchased for the plan and allocated to your account. Mutual fund shares involve investment risks. The value of the fund shares may increase or decrease, which will affect the value of your account.

**You should consider the investment objectives, risks, and charges and expenses of mutual funds offered through a retirement plan carefully before investing. The prospectuses contain this and other information, and can be obtained by contacting your local representative. Please read the information carefully before investing.**

The valuation of the mutual fund investment options available is

dependent upon the securities markets. The applicable valuation date for fund transactions is subject to federal securities laws and regulations. Also, certain funds may deduct redemption fees to discourage market timing and other short-term trading strategy. (See "Redemption Fees" in the Supplement.)

**Fixed Plus Account Credited Interest Option:** The Fixed Plus Account credited interest option offers stability of principal and credits interest on amounts allocated to this option. Amounts invested in the Fixed Plus Account are held in the Company's general account that supports insurance and annuity obligations. Interests in the Fixed Plus Account have not been registered with the U.S. Securities and Exchange Commission (SEC) in reliance on exemptions under the Securities Act of 1933, as amended. The safety of the interest rate guarantees under the Fixed Plus contract is dependent upon the Company's claims-paying ability. The guarantees do not apply to the investment return or principal under the mutual funds.

The Fixed Plus Account consists of a minimum guaranteed interest rate that is set for the life of the contract. This minimum guaranteed interest rate is stated in your Fixed Plus contract.

Each calendar year (1/1 to 12/31), the Company will also set a one-year minimum guaranteed interest rate which will apply to all amounts held in the Fixed Plus Account during that calendar year. This one-year minimum guaranteed interest rate will never be less than the minimum guaranteed interest rate set for the life of the contract.

During the year, the Company will credit interest to the Fixed Plus Account at a "current credited interest rate". That rate, which is subject to change monthly, may be greater than either the minimum guaranteed interest rate set for the life of the contract or the one-year minimum guaranteed interest rate established prior to each calendar year. At all times, the interest rate that we credit to the Fixed Plus Account portion of your participant account will be equal to the greatest of the current credited interest rate, the declared one-year minimum guaranteed interest rate, or the lifetime minimum guaranteed interest rate stated in the Fixed Plus contract.

All interest rates applicable to the Fixed Plus Account are expressed as an annual effective yield. Interest is credited to your account on a daily basis. Once credited, the interest becomes a part of your principal. This means that your account earns compound interest. Taking the effect of compounding into account, the interest credited to your account daily yields the current credited interest rate. Any changes in rates will apply to all amounts in the Fixed Plus Account.

There are restrictions on transfers and withdrawals associated with the Fixed Plus Account; see the TRANSFERS and WITHDRAWALS sections for more details.

## ROLLOVERS

Generally, and except as noted in the following, the Program will accept contributions that are considered rollover eligible amounts from 401, 403(b), and governmental 457(b) plans, as well as traditional Individual Retirement Annuities/Accounts. Except for certain 403(b) arrangements that are not governed by a separate

plan document, such contributions will be accepted to the extent allowed by your employer's plan. For 401 plans, Roth 401(k) plans, 403(b) plans, Roth 403(b) plans, governmental 457(b) plans and Roth 457(b) plans, a separate accounting of the rollovers accepted will be maintained by the Company for tax reporting purposes and/or for compliance with the Code. Pursuant to the Code, you may not roll over amounts distributed from a 457(b) plan sponsored by a non-governmental, tax-exempt employer.

## PARTICIPANT RECORD KEEPING FEES

One or more of the following fees may apply.

- **Annual Participant Service Fee (referred to in your contract as maintenance fee):** An annual fee may be deducted from your account. The maximum annual fee is \$50 per participant. This fee may be waived, reduced, or eliminated in certain circumstances. If applicable, a pro-rata portion of the fee is deducted quarterly from all investment options within each money source selected by the Plan Sponsor for the deduction of this fee (e.g., employee contribution source, employer contribution source, employee Roth Account source).
- **Annual Asset-Based Service Fee:** An annual asset-based fee may be deducted from your account for recordkeeping and administrative services provided to your employer's plan. The maximum annual asset-based fee will be no more than 0.75% and may vary by investment option. This fee

may be waived, reduced, or eliminated in certain circumstances. If applicable, a pro-rata portion of the asset-based fee is calculated and deducted quarterly from all investment options, or from the mutual fund assets only, depending upon your plan. It will appear on your statements as a flat dollar amount deducted from all applicable investment options.

The recordkeeping and administrative services the Company provides in connection with your employer's plan include:

- Quarterly account statements
- Tax reporting on distributions
- Tax withholding
- Required minimum distribution processing
- Systematic withdrawal processing
- Account rebalancing
- Asset allocation tools
- Internet account and transaction capability
- Telephone account capability
- Customer service call center
- On-line financial calculators

Some or all of the Participant Recordkeeping Fees may be used to pay compensation to registered representatives who sell the Program. See "Compensation and Related Expenses" for further information. The Company, ING Financial Advisers, LLC, and/or its affiliates expect to make a profit from these fees combined with revenue received from the available funds and on its margins on the Fixed Plus Account.

#### **ADDITIONAL FEES**

You may be assessed the following additional service fees:

- Loan initiation fee of up to \$100

- "Stop payment" requested within 10 days of check issuance, \$50 per check
- Other fees as elected by your employer for additional services

**Fees Deducted by the Mutual Funds:** Each mutual fund pays an investment advisory fee to its investment adviser. Also, some funds may charge 12b-1 fees, up to 1.00%, and other administrative expenses. These fees and expenses are deducted when a fund calculates its net asset value. Certain funds may also deduct redemption fees if fund shares are not held for a specified period.

For important information about the investment advisory fees, redemption fees, 12b-1 fees and other fund expenses, refer to the Supplement and the applicable mutual fund fact sheets.

#### **EMPLOYER ELECTIONS REGARDING TRANSFER AND WITHDRAWAL PROVISIONS**

Elections made by your employer at the time of application for the Program will determine which specific transfer and withdrawal provisions will apply to your employer's plan and details are included in the TRANSFERS and WITHDRAWALS sections that follow below. You will be advised as to the options your employer elected at your enrollment meeting. Please contact your local representative if you are uncertain which options are applicable to your employer's plan.

#### **TRANSFERS**

As authorized by your employer, you may transfer both existing amounts and future contributions among investment options

available under the Program. Transfers are subject to the restrictions described below and must occur in accordance with the terms of the applicable Account Agreement, the Fixed Plus contract, your employer's plan document, and the Plan Services Agreement. You may request a transfer by telephone or electronically via the Internet (details are included in your enrollment material). You will receive confirmation of the requested changes by mail or electronically, if available, and if you so elect. It is important that you review your changes carefully. Failure to report any discrepancies within 30 days will indicate that you are in agreement with the transactions in your account as reported on the confirmation.

#### **Transfer Restrictions Applicable To Your Employer's Plan:**

Depending upon the option elected by your employer, transfers are subject to either a "percentage limit" restriction (on amounts from the Fixed Plus Account) or an "equity wash" restriction:

- **Percentage Limit Restrictions on Transfers from the Fixed Plus Account:** If your employer elected this option, then you may transfer among the mutual funds in the applicable custodial or trust account without restrictions. However, transfers from the Fixed Plus Account are subject to the following restriction:

Your employer or you, if allowed by your employer's plan, may transfer 20% of your account value held in the Fixed Plus Account in each 12-month period. We determine the amount eligible for transfer on the business day we receive a transfer request in good order

at our Home Office. We will reduce amounts allowed for transfer by any Fixed Plus Account withdrawals, transfers (including transfers made to issue a plan loan) or amounts applied to annuity options during the prior 12 months. We reserve the right to include payments made due to the election of any of the systematic distribution options toward the 20% limit. We will waive the percentage limit on transfers when the value in the Fixed Plus Account is \$5,000 or less.

- **Equity Wash Restrictions on Transfers:** Transfers between investment options are allowed at any time, subject to the following equity wash restrictions if there are any Competing Investment Options (see below) under your employer's plan:

- (a) You may not make transfers directly from the Fixed Plus Account to a Competing Investment Option.
- (b) You may not make a transfer from the Fixed Plus Account to other investment options under the applicable custodial or trust account if a transfer to a Competing Investment Option has taken place within 90 days.
- (c) You may not make a transfer from the Fixed Plus Account to other investment options under the applicable custodial or trust account if a non-benefit withdrawal from a non-Competing Investment Option has taken place within 90 days.

- (d) You may not make a transfer from a non-Competing Investment Option to a Competing Investment Option if a transfer from the Fixed Plus Account has taken place within 90 days.

Notwithstanding the above equity wash restrictions, automatic transfers from the Fixed Plus Account to the loan investment option (if available) under the applicable custodial account to accommodate a loan request, if allowed under the plan, are allowed at any time.

**Competing Investment Option:** As used throughout this booklet, a Competing Investment Option is defined as any investment option that is provided under the applicable ING Retirement Choice II custodial or trust account that:

- (a) Provides a direct or indirect investment performance guarantee;
- (b) Is, or may be, invested primarily in assets other than common or preferred stock;
- (c) Is, or may be, invested primarily in financial vehicles (such as mutual funds, trusts or insurance contracts) which are invested in assets other than common or preferred stock;
- (d) Is available through the self-directed brokerage account; or
- (e) Is any fund with similar characteristics to the above.

Examples of such investment options would include money market instruments, repurchase agreements, guaranteed

investment contracts, or investments offering a fixed rate of return, or any investment option having a targeted duration of less than three (3) years. Additionally, the self-directed brokerage account is considered a competing fund. Please contact your local representative to determine which investment options are considered competing funds under the Fixed Plus contract for your employer's plan.

Any non-enforcement of the competing fund transfer restrictions is temporary and will not constitute a waiver of these requirements. Investment options that no longer accept contributions or transfers are not considered to be Competing Investment Options.

**Excessive Trading Policy:** The Company has an Excessive Trading Policy and monitors transfer activity. See the Supplement for details.

**403(b) Plans Only:** Transfers between amounts invested in the mutual funds held under a 403(b)(7) custodial account and amounts invested in the Fixed Plus contract's Fixed Plus Account will be processed pursuant to applicable contract exchange rules established under the Code and regulations, and your employer's plan document.

## WITHDRAWALS

**Withdrawals for Benefits:** *Under the Program, you may make withdrawals from the Fixed Plus Account or any other investment options under the applicable custodial or trust account to pay "benefits" at any time.* Benefits are payments to you under the terms of your employer's plan as allowed by the Code for the following reasons, as applicable: retirement, death,

disability\*, loan (if allowed under the plan), in-service withdrawals after age 59½\*, separation from service (not including a severance from employment that would not otherwise qualify as a separation from service), financial hardship or unforeseeable emergency (for 457(b) governmental plans), and in-service distribution. Available benefit payments will vary based on plan provisions and applicable Code restrictions and requirements.

\* Not applicable to 457(b) plans

**Non-Benefit Withdrawal Restrictions Applicable To Your Employer's Plan:** Depending upon the option elected by your employer, non-benefit withdrawals are subject to either a "percentage limit" restriction (on amounts from the Fixed Plus Account) or an "equity wash" restriction:

- **Percentage Limit Restrictions on Non-benefit Withdrawals from the Fixed Plus Account:** If your employer elected this option, you may withdraw money from the mutual funds in the applicable custodial or trust account without restrictions (subject to applicable plan and Code provisions). However, withdrawals from the Fixed Plus Account are subject to the following restrictions:
  - **Partial Withdrawals from the Fixed Plus Account:** Your employer or you, if allowed by your plan, may withdraw up to 20% (may be less restrictive under some contracts) of your account value held in the Fixed Plus Account in each 12-month period. We determine the amount eligible for withdrawal on

the business day we receive a withdrawal request in good order at our Home Office. We will reduce amounts allowed for withdrawal by any Fixed Plus Account withdrawals, transfers (including transfers made to issue a plan loan) or amounts used to purchase annuity payments during the prior 12 months. We reserve the right to include payments made due to the election of any of the systematic distribution options toward the percentage limit.

**Waiver of 20% Percentage Limit On Partial Withdrawals.** We will waive the percentage limit on partial withdrawals when the partial withdrawal is made in accordance with any of the conditions listed in Appendix A.

- **Full Withdrawals from the Fixed Plus Account:** Your employer or you, if allowed by your plan, may request a full withdrawal of your account value held in the Fixed Plus Account. Full withdrawals from the Fixed Plus Account will be paid out in five annual payments. Once elected no additional transfers or partial withdrawals are allowed. The first payment would be 20% of the value in the Fixed Plus Account as of the business day we receive your request in good order, reduced by the amount, if any, transferred (including transfers made to issue a plan loan), withdrawn, taken as a systematic distribution

option, or used to purchase Annuity payments during the past 12 months. Subsequent payments, made on annual intervals of the first payment, would be in the amounts of 25%, 33%, 50% and 100% of the balance on the respective dates.

**Waiver of Percentage Limit On Full**

**Withdrawals.** We will waive the restrictions on full withdrawals when the withdrawal is made in accordance with any of the conditions listed in Appendix B.

- **Equity Wash Restrictions on Non-benefit Withdrawals:** If your employer elected this option, non-benefit withdrawals are subject to the following restrictions:
  - (a) You may not make non-benefit withdrawals from the Fixed Plus Account.
  - (b) You may not make a non-benefit withdrawal from a non-Competing Investment Option if a transfer from the Fixed Plus Account has taken place within 90 days.

**In addition to the non-benefit withdrawal restrictions described (percentage limit or equity wash), your employer's plan may also have specific limits on withdrawals.** Please refer to your summary plan description or contact your employer's benefits office for further information. Also refer to the TAX INFORMATION section for possible Code distribution restrictions that may apply to your employer's plan.

Generally, your employer or its designee must certify that you are eligible for the distributions described in this section.

If you are married and your retirement plan is covered by the Employee Retirement Income Security Act of 1974 (ERISA), your employer must provide certification that Retirement Equity Act (REA) requirements have been met. REA generally requires that your selection of retirement benefits and the designation of a non-spouse beneficiary must have the written consent of your spouse if you are married. Please consult your employer or the plan administrator for the ERISA status of your employer's plan.

**Employer-Directed Full Withdrawal Rules:** If the employer controls the Fixed Plus contract and requests a full withdrawal from the Program, the account balances of the mutual funds held in the custodial or trust account will be paid immediately in accordance with the written direction of the employer. However, with regard to the Fixed Plus contract, we will pay amounts held in the Fixed Plus Account in accordance with the following Extended Payout Provision. Check with your employer if you have questions concerning an employer-directed full withdrawal.

**Extended Payout Provision.** If the employer requests a full withdrawal from the Program as described above, the Company will pay any amounts held in the Fixed Plus Account, with interest, in five annual payments that will be equal to:

- One-fifth of the value in the Fixed Plus Account as of the business day we receive the withdrawal request in good

order at our Home Office reduced by the amount, if any, transferred (including transfers made to issue a plan loan), withdrawn, or used to purchase annuity payments during the prior 12 months (we reserve the right to reduce the amount available by deducting any amount withdrawn under a systematic distribution option); then,

- One-fourth of the remaining amount 12 months later; then,
- One-third of the remaining amount 12 months later; then,
- One-half of the remaining amount 12 months later; then,
- The balance of the value in the Fixed Plus Account 12 months later.

## LOANS

If allowed by your employer's plan, you may take out a loan from your account value.

Loans are not available from Roth money sources.

For 403(b) plans, loan amounts are first taken from the custodial account mutual funds, as applicable. No loans are allowed directly from the Fixed Plus Account. Your employer will elect one custodial account (as applicable) mutual fund option ("loan investment option") to initially fund all plan loans. In the event you do not have sufficient money in the applicable custodial account mutual fund options to process your request, the Company will perform an automatic transfer from the Fixed Plus Account to the designated loan investment option to accommodate your request. We

will make the transfers in accordance with the applicable contract exchange rules established under the Code and regulations and your employer's plan.

For 401 and 457(b) plans, loan amounts are taken proportionately from each investment option.

For all plans, loan repayments will be allocated to your investments based on your contribution allocation at the time the loan repayment is received.

If you have an outstanding loan in default, the Company reserves the right not to grant your loan request.

## TAX INFORMATION

### I. Introduction

This section discusses our understanding of current federal income tax laws affecting the Fixed Plus contract. You should keep in mind when reading it:

- Your tax position (or the tax position of the beneficiary, as applicable) determines federal taxation of amounts held or paid out under the applicable custodial or trust account and Fixed Plus contract.
- Tax laws change. It is possible that a change in the future could affect contracts issued in the past.
- This section addresses federal income tax rules and does not discuss federal estate and gift tax implications, state and local taxes, or any other tax provisions.
- We do not make any guarantee about the tax treatment of the

Program or transactions involving the Program.

The foregoing general discussion of tax issues is not intended as specific advice about your tax situation. You should consult with your tax adviser for specific information and advice on the effect of federal income taxes or any other taxes on amounts held or paid out under the Program. For more comprehensive information, contact the Internal Revenue Service (IRS).

## II. Your Employer's Retirement Plan

The tax rules applicable to retirement plans vary according to plan type and terms and conditions of the plan. To understand what tax rules apply, you need to know the Code section under which your employer's plan qualifies. Please contact your employer or your representative to learn which Code section applies to the plan.

The Program is designed for use with retirement plans that qualify under Code Sections 401(a), 401(k), 403(b), or 457(b). You will generally not pay taxes on earnings from either the mutual funds or the Fixed Plus contract until the earnings are withdrawn (or for 457(b) plans, paid, or for non-governmental 457(b) plans, made available to you or a beneficiary). The Fixed Plus contract serves as an investment vehicle for the plan, providing investment and payment options and other features described in this booklet, but you should know that the Fixed Plus contract does not provide any additional tax deferral beyond what is provided to the plan under the Code.

Employers and participants are responsible for determining that

retirement plan contributions, distributions and other transactions satisfy applicable laws. Legal counsel and a tax adviser should be consulted regarding the suitability of the Program.

## III. Withdrawals and Other Distributions

Certain tax rules apply to distributions from the Program. A distribution is any amount taken from the ING Retirement Choice II investment options including withdrawals, rollovers, etc. We report the taxable portion of all distributions to the IRS.

**In addition to the following, also consult Part V (Special Rules for Certain Plans) of this TAX INFORMATION section of the booklet for more detailed information applicable to specific types of retirement plans.**

**Taxation of Distributions and Withholding for Federal Income Tax Liability:** Refer to Part V (Special Rules for Certain Plans) for detailed information.

**Taxation of Death Benefits:** In general, payments received by your beneficiaries after your death are taxed in the same manner as if you had received those payments.

**IRS 10% Premature Distribution Penalty Tax:** The Code imposes an IRS 10% premature distribution penalty tax on the taxable portion of any distribution from a 401(a), 401(k), or 403(b) plan (or from a 457(b) plan sponsored by a governmental employer, to the extent that such amount is attributable to a rollover from a non-457(b) plan), unless certain exceptions, including one or more of the following, have occurred:

- (a) You have attained age 59½;
- (b) You have become disabled, as defined in the Code;
- (c) You have died;
- (d) You have experienced a separation from service with the sponsor at or after age 55;
- (e) The distribution amount is rolled over into another eligible plan or to a traditional or Roth Individual Retirement Annuity/Account (IRA) in accordance with the terms of the Code;
- (f) The distribution amount is made in substantially equal periodic payments (at least annually) over your life or life expectancy or the joint lives or joint life expectancies of you and your beneficiary, and you have had a separation from service with the plan sponsor;
- (g) The distribution is made due to an IRS levy upon your account;
- (h) The withdrawal amount is paid to an alternate payee under a Qualified Domestic Relations Order (QDRO);
- (i) The distribution is a qualified reservist distribution as defined under the Pension Protection Act of 2006 (401(k) and 403(b) plans only); or
- (j) Payments of qualified medical expenses greater than 7.5% of your adjusted gross income (as defined for income tax purposes).

The Code may impose other penalty taxes in other circumstances.

#### IV. Minimum Distribution Requirements

To avoid certain tax penalties, you and any beneficiary must meet the minimum distribution requirements imposed by the Code. These rules may dictate one or more of the following:

- Start date for distributions,
- The time period in which all amounts in your account(s) must be distributed, or
- Distribution amounts.

**Start Date:** Generally, you must begin receiving distributions by April 1 of the calendar year following the calendar year in which you attain age 70½ or retire, whichever occurs later, unless:

- You are a 5% owner, in which case such distribution must begin by April 1 of the calendar year following the calendar year in which you attain age 70½, or
- Under 403(b) plans, you had amounts under the plan as of December 31, 1986 that have been separately accounted for. In this case, distribution of these amounts generally must begin by the end of the calendar year in which you attain age 75 or retire, if later. However, if you take any distributions in excess of the minimum required amount, special rules require that some or all of the December 31, 1986 balance be distributed earlier.

**Time Period:** In general, we must pay out distributions from the Program over one of the following periods:

- Over your life or the joint lives of you and your beneficiary, or
- Over a period not greater than your life expectancy or the joint life expectancies of you and your beneficiary.

**50% Excise Tax:** If you fail to take the minimum required distribution for any tax year, a 50% excise tax is imposed on the required amount that was not timely distributed.

**Minimum Distribution of Death Benefits:** Different distribution requirements apply if your death occurs:

- On or after the date you begin receiving minimum distributions under the plan, or
- Before the date you begin receiving such distributions.

If you die on or after the date you begin receiving minimum distributions under the Program, distributions must be made at least as rapidly as under the method in effect at the time of your death. Code Section 401(a)(9) provides specific rules for calculating the minimum required distributions at your death.

If you die before the date you would have begun receiving minimum distributions under the Program, your entire balance generally must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of your death. However, if the distribution begins by December 31 of the calendar year following the calendar year of your death, payments may be made in one of the following timeframes:

- Over the life of the beneficiary, or

- Over a period not extending beyond the life expectancy of the beneficiary.

#### Start Dates for Spousal

**Beneficiaries:** If the beneficiary is your spouse and you die before the date that you would have begun receiving minimum distributions under the Program, the distribution must begin on or before the later of the following:

- December 31 of the calendar year following the calendar year of your death, or
- December 31 of the calendar year in which you would have attained age 70½.

**The rules are complex and any beneficiary should consult with a tax adviser before electing the method of calculation to satisfy the minimum distribution requirements.**

#### V. Special Rules for Certain Plans

- **Special Rules for 403(b) plans**

Under Code Section 403(b), contributions made by public school systems or nonprofit healthcare organizations and other Code Section 501(c)(3) tax-exempt organizations to fund 403(b) plans for their employees are generally excludable from the gross income of the employee.

#### **403(b) plans - Assignment or Transfer of Contracts:**

Adverse tax consequences to the plan and/or you may result if your beneficial interest in the plan is assigned or transferred to any person except to an alternate payee under a

qualified domestic relations order in accordance with Code Section 414(p) or to us as collateral for a loan.

**403(b) plans - Exclusions from Gross Income:** The Code imposes a maximum limit on annual payments to your account(s) that may be excluded from gross income. Your employer must calculate this limit under the plan in accordance with Code Section 415. The limit in 2011 is generally the lesser of 100% of your includible compensation or \$49,000 (subject to an annual adjustment for cost-of-living increases).

Compensation means your compensation from the employer sponsoring the plan and, for years beginning after December 31, 1997, includes any elective deferrals under Code Section 402(g) and any amounts not includible in gross income under Code Sections 125 or 457. The limits described apply to your contributions as well as any contributions made by your employer on your behalf.

There is an additional limit that specifically limits your salary reduction contributions to generally no more than \$16,500 annually in 2011 (subject to an annual adjustment for cost-of-living increases). Your own limit may be higher or lower, depending upon certain conditions.

Pre-tax contributions to your account(s) will be excluded from your gross income only if the plan meets certain nondiscrimination requirements.

**403(b) plans - Catch-up Contributions – Age 50+:**

Notwithstanding the contribution limits described above, you may contribute, if allowed by your employer's plan and if you are at least age 50 by the end of the plan year, an additional amount not to exceed the lesser of:

- (a) \$5,500 in 2011 (subject to an annual adjustment for cost-of-living increases); or
- (b) Your compensation for the year reduced by any other elective deferrals by you for the year.

Additional catch-up provisions may be available. For advice on using a catch-up provision, please consult with your tax adviser.

**403(b) plans – Designated Roth Account provisions:**

The Program may also be available as a Designated Roth Account, as described in Tax Code section 402A, and we may set up accounts for you under the Program for Roth 403(b) contributions. Tax Code section 402A allows employees of public schools and Tax Code section 501(c)(3) organizations to contribute after-tax salary contributions to a Designated Roth Account, which provides for tax-free distributions, subject to certain restrictions.

**403(b) plans (excluding Designated Roth Accounts) - Taxation of Distributions:** All distributions are taxed as distributed unless:

- The distribution is rolled over to another plan eligible to receive rollovers

or to an IRA in accordance with the Code,

- You made after-tax contributions to the plan. In this case, depending upon the type of distribution, a portion may be excluded from gross income according to rules detailed in the Code, or
- The distribution is a qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

**Note:** For taxation information on Designated Roth Accounts, see the "401(k) and 403(b) Designated Roth Accounts" section.

**403(b) plans - Withholding for Federal Income Tax Liability:**

Distributions are generally subject to withholding. Federal income tax liability rates vary according to the type of distribution and the recipient's tax status. You or a beneficiary may elect not to have tax withheld from distributions. However, certain distributions from a 403(b) plan are subject to a mandatory 20% federal income tax withholding. If you or a beneficiary is a non-resident alien participating in a 403(b) plan, then any withholding is governed by Code Section 1441 based on the individual's citizenship, the country of domicile and treaty status.

**403(b) plans - Restrictions on Distributions:**

Code Section 403(b)(7) restricts the distribution of all amounts under a 403(b)(7) custodial account prior to your death,

attainment of age 59½, disability, financial hardship, or severance from employment.

The amount available for hardship is limited to the lesser of the amount necessary to relieve the hardship, or the amount of any salary reduction contributions (exclusive of any earnings).

The Company maintains one integrated account record for each participant under the Program reflecting both the 403(b)(7) custodial account options and the 403(b)(1) Fixed Plus annuity contract option. Therefore, the Company will impose the same distribution restrictions on amounts held under a 403(b)(1) annuity contract as on amounts held under a Code Section 403(b)(7) custodial account, even though under limited circumstances the Code restrictions on Code Section 403(b)(1) annuity contracts may be less stringent than those under Code Section 403(b)(7) custodial accounts. For example, the Code does not restrict distribution of the 12/31/1988 balance under a 403(b)(1) annuity contract provided such amounts were never transferred into a 403(b)(7) account, nor does it restrict amounts attributable to employer contributions for participant accounts established prior to January 1, 2009.

In addition, although the Code permits distributions upon a participant's severance from employment, our Program contract does not provide for a waiver of Fixed Plus Account full and partial withdrawal provisions unless the

severance from employment would otherwise qualify as a separation from service. See additional information in Appendices A and B.

**403(b) plans - Taxation of Gains Prior to Distribution:**

Generally, no amounts accumulated under the Program will be taxable prior to the time of actual distribution.

- **Special Rules for 401(a) and 401(k) plans**

Code Sections 401(a) and 401(k) permit certain employers to establish various types of retirement plans for employees, and permit self-employed individuals to establish various types of retirement plans for themselves and for their employees. These retirement plans may permit the purchase of the contracts to accumulate retirement savings under the plans.

**401(a) and 401(k) plans - Assignment or Transfer of Contracts:**

Adverse tax consequences to the plan and/or you may result if your beneficial interest in the plan is assigned or transferred to persons other than: a plan participant as a means to provide benefit payments; an alternate payee under a qualified domestic relations order in accordance with Code Section 414(p) or to us as collateral for a loan.

**401(a) and 401(k) plans - Exclusions from Gross Income:**

The Code imposes a maximum limit on annual payments to your account(s) that may be excluded from gross income. Your employer

must calculate this limit under the plan in accordance with Code Section 415. The limit in 2011 is generally the lesser of 100% of your compensation or \$49,000 (subject to an annual adjustment for cost-of-living increases). Compensation means your compensation from the employer sponsoring the plan and, for years beginning after December 31, 1997, includes any elective deferrals under Code Section 402(g) and any amounts not includible in gross income under Code Sections 125 or 457. The limits described apply to your contributions as well as any contributions made by your employer on your behalf.

Under a 401(k) plan only, there is an annual contribution limit that specifically limits your salary reduction contributions to generally no more than \$16,500 annually in 2011 (subject to an annual adjustment for cost-of-living increases). Your own limit may be higher or lower, depending upon certain conditions.

Pre-tax contributions to your account(s) will be excluded from your gross income only if the plan meets certain nondiscrimination requirements.

**401(k) plans only - Catch-up Contributions – Age 50+:**

Notwithstanding the contribution limits described above, you may contribute, if allowed by your employer's plan and if you are at least age 50 by the end of the plan year, an additional amount not to exceed the lesser of:

- (a) \$5,500 in 2011 (subject to an annual adjustment for cost-of-living increases), or
- (b) Your compensation for the year reduced by any other elective deferrals by you for the year.

For advice on using a catch-up provision, please consult with your tax adviser.

**401(k) plans – Designated Roth Account provisions:**

The Program may also be available as a Designated Roth Account, as described in Tax Code section 402A, and we may set up accounts for you under the Program for Designated Roth contributions (“Roth 401(k) accounts”). Tax Code section 402A allows employees of certain private employers to contribute after-tax salary contributions to a Designated Roth Account, which provides for tax-free distributions, subject to certain restrictions.

**401(a) and 401(k) plans (excluding Designated Roth Accounts) - Taxation of Distributions:**

All distributions are taxed as distributed unless:

- The distribution is rolled over to another plan eligible to receive rollovers or to an IRA in accordance with the Code,
- You made after-tax contributions to the plan. In this case, depending upon the type of distribution, a portion may be excluded from gross income according to rules detailed in the Code, or

- The distribution is a qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

Note: For taxation information on Designated Roth accounts, see the “401(k) and 403(b) Designated Roth Accounts” section below.

**401(a) pension plans:**

Subject to the terms of your 401(a) pension plan, distributions may only occur upon your retirement, death, disability, separation from service, attainment of normal retirement age, attainment of age 62 under a phased retirement provision if available under your employer’s plan as described in the Pension Protection Act of 2006, or termination of the plan, in some instances. Such distributions remain subject to other applicable restrictions under the Tax Code.

**401(a) and 401(k) plans - Withholding for Federal Income Tax Liability:**

Distributions are generally subject to withholding. Federal income tax liability rates vary according to the type of distribution and the recipient's tax status. You or a beneficiary may elect not to have tax withheld from distributions. However, certain distributions from 401(a) and 401(k) plans are subject to a mandatory 20% federal income tax withholding. If you or a beneficiary is a non-resident alien participating in one of these plans, then any withholding is governed by Code Section 1441 based on the individual's citizenship, the

country of domicile and treaty status.

**401(k) plans only - Restrictions on Distributions:**

Subject to the terms of your 401(k) plan, distributions from a participant's 401(k) employee account, and possibly all or a portion of a participant's 401(k) employer account, may only occur upon retirement, death, attainment of age 59½, disability, severance from employment\*, financial hardship, and termination of the plan in certain circumstances. Such distributions remain subject to other applicable restrictions under the Code.

\* *Note:* Although the Code permits distributions upon a participant's severance from employment, our Program contract does not provide for a waiver of Fixed Plus Account full and partial withdrawal provisions unless the severance from employment would otherwise qualify as a separation from service. See additional information in Appendices A and B.

**Roth 401(k) and Roth 403(b) Designated Roth Accounts:**

A partial or full withdrawal of purchase payments made by salary deduction to a Designated Roth account and earnings credited on those purchase payments (or of in-plan rollover amounts and earnings credited on those amounts, as described in the “In-Plan Roth Rollover” section below) will be excludable from income if it is a qualified distribution. A qualified distribution from a 401(k) or 403(b) Designated Roth account is one that meets the following requirements:

1. The withdrawal occurs after the 5-year taxable period measured from the earlier of:

(a) The first taxable year you made a designated Roth 401(k) or Roth 403(b) contribution to any designated Roth 401(k) or Roth 403(b) account established for you under the same applicable retirement plan as defined in Tax Code section 402A;

(b) If a rollover contribution was made from a designated Roth 401(k) or Roth 403(b) account previously established for you under another applicable retirement plan, the first taxable year for which you made a designated Roth 401(k) or Roth 403(b) contribution to such previously established account; or

(c) The first taxable year in which you made an in-plan Roth rollover of vested non-Roth amounts otherwise eligible for distribution under the same plan; and

2. The withdrawal occurs after you attain age 59½, die with payment being made to your beneficiary, or become disabled as defined in the Tax Code.

Distributions that do not meet the above requirements are considered nonqualified distributions. However, all distributions from 403(b) and 401(k) Designated Roth

accounts, including nonqualified distributions, must meet the requirements for distributions under the applicable plan rules (see the “403(b) plans - Restrictions on Distributions” and “401(k) plans only - Restrictions on Distributions” sections above).

- **Special Rules for 457(b) plans**

Code Section 457(b) provides for certain deferred compensation plans that are offered by a variety of entities. ING Retirement Choice II is generally available as a funding vehicle for 457(b) plans sponsored by one of the following types of employers:

- Governmental employers (including state and local governments, political subdivisions, agencies, instrumentalities and certain affiliates of such entities). All amounts received under a 457(b) plan sponsored by a governmental employer are includible in gross income when paid to you or your beneficiary; or

- Non-governmental tax-exempt 501(c)(3) employers whose 457(b) plans are generally either:

- Plans generally limited to highly compensated employees and/or select management and independent contractors, or

- Plans maintained by nonqualified, church-controlled organizations.

Under a 457(b) plan sponsored by non-governmental tax-exempt employers, all amounts of deferred compensation, all property and rights purchased with such amounts, and all income attributable to such amounts remain solely the property and right of the employer (and are subject to the claims of the employer's general creditors) until paid or made available to you or your beneficiary.

457(b) plans may permit participants to specify the form of investment for their deferred compensation account. These plans are subject to restrictions on contributions and distributions as described below.

**Governmental 457(b) plans - Trust Requirement:** 457(b) plans of governmental employers are required to hold all assets and income of the plan in trust for the exclusive benefit of plan participants and their beneficiaries. For purposes of meeting this requirement, trust accounts or custodial accounts, as applicable, and the annuity contract are treated as trusts.

**Tax-exempt 457(b) plans:** For 457(b) plans of nongovernmental tax-exempt entities, amounts invested in mutual funds under the Program are held by a trust known as a rabbi trust, which remains subject to the claims of your employer's general creditors.

**457(b) plans - Contributions Excluded from Gross**

**Income:** In order to be excludable from gross income, total annual contributions made by you and your employer to a 457(b) plan cannot exceed, generally, the lesser of:

(a) \$16,500 in 2011

or

(b) 100% of your includible compensation

The annual dollar amount limits shown above are subject to an annual adjustment for cost-of-living increases. Includible compensation means your compensation from the employer sponsoring the plan, including deferrals (if any) to the employer's Code Sections 457, 401(k), 403(b) 408(k) and 125 cafeteria plans, or any other amounts not includible in your gross income as wages from the employer.

**Governmental 457(b) plans only - Catch-up**

**Contributions – Age 50+:**

Notwithstanding the contribution limits described above, you may contribute, if allowed by your employer's plan and if you are at least age 50 by the end of the plan year, an additional amount not to exceed the lesser of:

(a) \$5,500 in 2011 (subject to an annual adjustment for cost-of-living increases), or

(b) Your compensation for the year reduced by any other elective deferrals by you for the year.

Additional catch-up provisions may be available. For advice

on using a catch-up provision, please consult with your tax adviser.

**Governmental 457(b) Plans – Designated Roth Account Provisions**

The plan may also offer a Designated Roth Account, as described in Tax Code Section 402A, and we may set up accounts for you under the Plan for Designated Roth contributions. Tax Code section 402A allows governmental employees to contribute after-tax salary contributions to a Designated Roth Account, which provides for tax-free distributions, subject to certain restrictions.

**457(b) plans (excluding Designated Roth Accounts)- Taxation of Distributions and Withholding for Federal Income Tax Liability:** The provisions for taxation and withholding vary according to the specific type of 457(b), as shown:

- Plans sponsored by a governmental employer: All distributions are taxed when paid, unless the distribution is:
  - (a) Rolled over to another eligible plan or to an IRA in accordance with the Code; or
  - (b) The distribution is a transfer to pay the qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

Generally, under these plans you or a beneficiary may elect not to have tax

withheld from distributions. However, certain distributions from these plans are subject to a mandatory 20% federal income tax withholding.

Note: for taxation information on Designated Roth Accounts, see the "457(b) Designated Roth Account" section below.

- Plans sponsored by a non-governmental tax-exempt employer: All distributions are taxed when paid or made available to you and are subject to mandatory federal income tax withholding as wages, except death benefits. No withholding is required on payments to beneficiaries.

**457(b) plans - Restrictions on Distributions:**

Distribution amounts may not be made available to you earlier than (1) the calendar year you attain age 70½; (2) when you experience a severance from employment\*; (3) when you are faced with an unforeseeable emergency; or (4) when you die. These plans may permit a one-time in-service distribution if the total account balance (excluding rollover contributions) is less than the amount designated by the plan (which may not exceed \$5,000), provided you have not:

- Deferred any amounts during the 2-year period ending on the date of distribution, or
- Received an in-service withdrawal from the plan.

\* *Note:* Although the Code permits distributions upon a participant's severance from employment, our Program contract does not provide for a waiver of Fixed Plus Account full and partial withdrawal provisions unless the severance from employment would otherwise qualify as a separation from service. See additional information in Appendices A and B.

**457(b) Designated Roth Accounts:**

A partial or full withdrawal of purchase payments made by salary deduction to a Designated Roth account and earnings credited on those purchase payments (or of in-plan rollover amounts and earnings credited on those amounts, as described in the "In-Plan Roth Rollover" section below) will be excludable from income if it is a qualified distribution. A qualified distribution from a Designated Roth account is one that meets the following requirements:

1. The withdrawal occurs after the 5-year taxable period measured from the earlier of:
  - (a) The first taxable year you made a designated Roth 457(b) contribution to any designated Roth 457(b) account established for you under the same applicable retirement plan as defined in Tax Code section 402A;
  - (b) If a rollover contribution was made from a designated Roth 457(b) account previously established for you under another applicable retirement

plan, the first taxable year for which you made a designated Roth 457(b) contribution to such previously established account; or

- (c) The first taxable year in which you made an in-plan Roth rollover of vested non-Roth amounts otherwise eligible for distribution under the same plan; and
2. The withdrawal occurs after you attain age 59½, die with payment being made to your beneficiary, or become disabled as defined in the Tax Code.

Distributions that do not meet the above requirements are considered nonqualified distributions. However, all distributions from Designated Roth Accounts, including nonqualified distributions, must meet the requirements for distributions under the applicable plan rules.

A distribution from a Designated Roth account that is not a qualified distribution is includable in gross income under the Tax Code in proportion to your investment in the contract (basis) and earnings on the contract.

*Note:* Under certain circumstances, an IRS 10% premature distribution penalty tax could apply if you were to roll designated Roth amounts from a 401(k) or 403(b) plan into a Roth 457(b) plan if, when withdrawn, those amounts were considered non-qualified Roth distributions.

**IN-PLAN ROTH ROLLOVERS**

As described above, Tax Code section 401(k), 403(b) and governmental 457(b) plans may add a "Designated Roth contribution feature," under which employees can forego the current exclusion from gross income for elective deferrals, in exchange for the future exclusion of the distribution of the deferrals and any earnings thereon. That is, participants may elect to make non-excludable contributions to "designated Roth accounts" (instead of making excludable contributions) — and to exclude from gross income (if certain conditions are met) distributions from these accounts (instead of having distributions included in gross income).

If permitted under the plan for which the contract is issued and provided the plan offers an applicable Roth account (either a Roth 401(k), Roth 403(b) or Roth 457(b) account), vested non-Roth amounts otherwise eligible for distribution may be rolled over into a corresponding Roth account within the same plan. The Tax Code provides that, generally, an in-plan rollover to a Roth account is taxable and includable in gross income in the year the rollover occurs, just as if the amount was distributed and not rolled into a qualified account. Amounts rolled-over into an in-plan Roth account cannot subsequently be converted back into a non-Roth account.

A partial or full withdrawal of in-plan Roth rollover amounts and earnings credited on those amounts (or of purchase payments made by salary deduction to a 401(k), 403(b) or 457(b) Designated Roth account and earnings credited on those purchase payments, as described

in the “401(k) and 403(b) Designated Roth Accounts” and “457(b) Designated Roth Accounts” sections above) will be excludable from income if it is a qualified distribution. A “qualified distribution” is defined as a distribution that meets the following requirements:

a) The distribution occurs after the five-taxable-year period measured from the earlier of:

- i) The first taxable year you made a designated Roth contribution to any designated Roth account established for you under the same applicable retirement plan as defined in Tax Code section 402A;
- ii) If a rollover contribution was made from a designated Roth account previously established for you under another applicable retirement plan, the first taxable year for which you made a designated Roth contribution to such previously established account; or
- iii) The first taxable year in which you made an in-plan Roth rollover of vested non-Roth amounts otherwise eligible for distribution under the same plan; and

b) The distribution occurs after you attain age 59½, die (with payment being made to your beneficiary), or become disabled as defined in the Tax Code.

A distribution from a Roth account that is not a qualified distribution is includible in gross income under the Tax Code in proportion to your investment in the contract (basis) and earnings on the contract.

In-plan Roth rollovers are not subject to the 10% additional tax on early distributions under Code Section 72(t) that would normally apply to distributions from a 401(k) or 403(b) plan (or from a governmental 457(b) plan to the extent such amounts are attributable to rollovers from a 401(a), 401(k), 403(a) or 403(b) plan). However, a special recapture rule applies when a plan distributes any part of the in-plan Roth rollover within a five-taxable-year period, making the distribution subject to the 10% additional tax on early distributions under Code Section 72(t) unless an exception to this tax applies or the distribution is allocable to any nontaxable portion of the in-plan Roth rollover. The five-taxable-year period begins January 1 of the year of the in-plan Roth rollover and ends on the last day of the fifth year of the period. This special recapture rule does not apply when the participant rolls over the distribution to another designated Roth account or to a Roth IRA but does apply to a subsequent distribution from the rolled over account or Roth IRA within the five-taxable-year period.

**The tax rules associated with Roth accounts and in-plan Roth rollovers can be complex and you should seek qualified legal and tax advice regarding your particular situation.**

**IRS Circular 230 Disclosure: These materials are not intended to be used to avoid tax penalties, and were prepared to support the promotion or marketing of the matter addressed in this document. The taxpayer should seek advice from an independent tax adviser.**

## **FIXED PLUS CONTRACT - DEATH BENEFIT**

In the event of your death, the Fixed Plus contract provides a death benefit, payable to the beneficiary named under the contract (contract beneficiary). When your employer controls the group fixed annuity contract, your employer is the contract beneficiary, but may direct that we make any payments to the beneficiary you name under the plan (plan beneficiary). When your employer does not control the contract (voluntary plans), you designate the name of the beneficiary.

## **SYSTEMATIC DISTRIBUTION OPTIONS (SDO)**

We may offer one or more distribution options under which we make regularly scheduled automatic partial distributions of your account value. To request a SDO, you must complete a SDO election form and forward it to our Home Office.

## **FIXED PLUS CONTRACT - ANNUITY PAYMENT OPTIONS**

While the Company may make other options available, the following annuity payment options (if allowed by your employer’s plan) are currently offered on amounts maintained in the Fixed Plus contract:

### **Non-Lifetime Option:**

**Payments for a Stated Period**  
- periodic payments made for a fixed period of years (no fewer than 5 years, but no more than 30 years or as otherwise specified in the Fixed Plus contract). If you die before receiving all the payments, your beneficiary can choose

either to receive the remaining periodic payments or to have the present value of the payments in a lump sum.

Note: This must be an irrevocable election (no withdrawals or changes may be made).

### **Single Lifetime Options:**

**Life Income** - periodic payments made for as long as you live.

**Life Income with Guaranteed Payments** - periodic payments made for as long as you live with a specified minimum number of payments guaranteed (no fewer than 5 years, but no more than 30 years or as otherwise specified in the Fixed Plus contract). If you die before the end of the guarantee period, payments will continue to your beneficiary for the remainder of the guarantee period.

### **Joint Lifetime Option:**

**Life Income Based Upon Two Lives** - periodic payments made for as long as you and a second annuitant live. You may further elect from among the following options:

- 100% of the payment to continue to the survivor;
- 66⅔% of the payment to continue to the survivor;
- 50% of the payment to continue to the survivor;
- 100% of the payment to continue after the first death with payments guaranteed to the

beneficiary after the second death for a period of years; the number of years in the payment period must fall within the range of at least 5 years to no more than 30 years, or as otherwise specified in the Fixed Plus contract; or

- 100% of the payment amount to continue at the death of the specified second annuitant and 50% of the payment amount to continue at the death of the specified annuitant.

Note: All Single and Joint Lifetime options are irrevocable elections (no withdrawals or changes may be made) regardless of the investment option(s) selected.

In no event may annuity payments extend beyond (a) your life; (b) the lives of you and your beneficiary; (c) any certain period greater than your life expectancy; or (d) any certain period greater than the joint life expectancies of you and your beneficiary. In addition, when your payments start, your age plus the number of years for which payments are guaranteed cannot exceed that permitted by the Code minimum distribution regulations.

### **DIRECT DEPOSIT**

A direct deposit program for distributions paid directly to you is available at no additional charge. Electronic Funds Transfer (EFT) is an electronic deposit of your payment(s) directly into your checking or savings account by an automated clearing house. This allows you to receive your payment(s) more quickly than with traditional check processing.

## **COMPENSATION AND RELATED EXPENSES**

Contributions under the Program may also compensate one or more sales professionals for their services which may include installing and servicing the contract by providing product explanations, and periodically reviewing participants' retirement needs and available investment options. Persons who offer and sell the Programs may be paid a commission. Commissions may be paid as flat dollar amount and/or as a percentage ranging from 0% to 3% on recurring payments made during the first year of the participant account, recurring payments after the first year of the participant account, transferred assets and increased payments. In addition, the Company may pay an asset-based commission ranging up to 0.50%. We may also pay additional flat dollar amounts to qualifying registered representatives based on a participant's increased or re-started contributions and/or the number of new participant enrollments over a specified period. In some cases, we may also pay flat dollar amounts that may exceed the commission maximums described above.

We intend to recoup this compensation and other expenses paid to sales professionals through fees and charges imposed under the Program, including the Participant Recordkeeping Fees, the revenues received from the funds and their service providers, and from the Company's margins on the Fixed Plus Account.

See the Supplement for more details.

## **CHANGES TO THE CONTRACT**

The Company and your employer may change the Fixed Plus contract at any time by written mutual agreement. If we propose a change requiring mutual agreement and your employer does not agree to the change, the Company may close the Fixed Plus contract to new participants. Through our authorized officers, we may also change a limited number of provisions relating to the annuity payment options under the Fixed Plus contract by giving written notice to your employer 12 months before the effective date of the change. We may change the contract at any time where such change is required by federal or state law. Changes to certain provisions may apply only for new participants covered on or after the date the change is effective. Any change will not affect the amount or terms of any annuity or periodic payment option beginning prior to the effective date of the change unless it is deemed necessary for the plan or contract.

## **SUSPENSION OF FINANCIAL TRANSACTIONS OR PAYMENT DELAY**

In accordance with applicable federal securities laws and regulations, we reserve the right to suspend financial transactions or postpone payments during times when the following situations occur:

- The New York Stock Exchange (NYSE) is closed or trading on the NYSE is restricted; or
- The SEC determines that a market emergency exists or restricts trading for the protection of investors.

The Company, under certain emergency conditions, may also

defer any payment from the Fixed Plus Account for a period of up to six months (unless not allowed by state law), or as provided by federal law.

## **QUESTIONS OR COMPLAINTS**

Questions? Participants: Please contact us at the toll-free phone number found in your enrollment material. Plan sponsors: Please call Plan Sponsor Services at 888-410-9482.

Complaints? Please contact us at ING Life Insurance and Annuity Company, Contact Center – B2S, PO Box 99065, Hartford, CT 06199-0065. By telephone, participants should contact us at the toll-free phone number found in your enrollment material; plan sponsors may use the toll-free Plan Sponsor Services number shown above.

## APPENDIX A

### Waiver of the 20% Limit in a 12-Month Period for Partial Withdrawals from the ING Fixed Plus Account

This Appendix A applies if your employer elected the percentage limit restriction as described in WITHDRAWALS.

In some circumstances, partial withdrawals from the ING Fixed Plus (Fixed Plus) Account may be limited to no more than 20% of your account value held in the Fixed Plus Account in each 12-month period. Generally, the percentage limit does not apply to any benefit-related partial withdrawals (as discussed under WITHDRAWALS). In accordance with the Fixed Plus contract, we will also waive the percentage limit when the partial withdrawal is associated with any of the following specific conditions (applicable to all plans unless otherwise indicated):

1. Due to your death before annuity payments begin and paid within six months of your death (exception applies to only one partial withdrawal).
2. To purchase annuity payments.
3. Due to other conditions as the Company may allow without discrimination. Currently these include:
  - (a) When you separate from service with your employer\*, and when:
    - Separation from service is documented in a form acceptable to us;
    - The amount is paid directly to you or as a direct rollover (if permitted by the Code) to another Code Section 403(b), 401, or governmental 457(b) plan or an Individual Retirement Annuity or an Individual Retirement Account designated by you; and
    - The amount paid for all withdrawals due to separation from service during the previous 12 months does not exceed 20% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.

\* Note on severance and separation: A *waiver* of the Fixed Plus Account withdrawal limit does not apply if it is due to a severance from employment that does not otherwise qualify as a separation from service. Although it may not result in the waiver described in this appendix, the Code does permit certain distributions upon a severance from employment. See "Restrictions on Distributions" provisions under TAX INFORMATION for your specific type of plan.
  - (b) Due to a plan loan taken in accordance with the terms of the plan, and in accordance with the loan procedures described under "Loans" in this Information Booklet.
  - (c) For all plans except 457(b) plans and governmental 401(a) plans:  
Due to financial hardship as defined in the Code, and when:
    - If applicable, the financial hardship is certified by your employer;
    - The amount is paid directly to you, and
    - The amount paid for all withdrawals due to financial hardship during the previous 12 months does not exceed 20% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.
  - (d) For 457(b) plans only:  
Due to an unforeseeable emergency as defined in the Code, and when:
    - The unforeseeable emergency is certified by your employer;
    - The amount is paid directly to you, and
    - The amount paid for all withdrawals due to an unforeseeable emergency during the previous 12 months does not exceed 10% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.
  - (e) For 457(b) and governmental 401(a) plans only:  
For an in-service distribution permitted by the plan, and when:
    - The in-service distribution is certified by your employer;
    - The amount is paid directly to you, and
    - The amount paid for all withdrawals due to a permitted in-service distribution during the previous 12 months does not exceed 10% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.

## APPENDIX B

### Waiver of the Restrictions on Full Withdrawals from the ING Fixed Plus Account

This Appendix B applies if your employer elected the percentage limit restriction as described in WITHDRAWALS.

In some circumstances, full withdrawals from the ING Fixed Plus (Fixed Plus) Account may be paid out in five annual payments. Generally, this restriction does not apply to any benefit-related withdrawal (as discussed under WITHDRAWALS). In accordance with the Fixed Plus contract, we will also waive this restriction when the full withdrawal is associated with any of the following specific conditions (applicable to all plans unless otherwise indicated):

1. When the amount in the Fixed Plus Account is \$5,000 or less and during the previous 12 months no amounts have been withdrawn, transferred (including transfers made to issue a plan loan), or used to purchase annuity payments.
2. Due to your death before annuity payments begin and paid within six months of your death.
3. To purchase annuity payments on a life-contingent basis or for a stated period.
4. If contributions have not been made for a period of two full years and the guaranteed monthly benefit under the annuity options would be less than \$20 per month and, at the Company's option, your account is being terminated.
5. When you separate from service with your employer\*, and when:
  - Separation from service is documented in a form acceptable to us;
  - The amount is paid directly to you or as a direct rollover (if permitted by the Code) to another Code Section 403(b), 401, or governmental 457(b) plan or an Individual Retirement Annuity or an Individual Retirement Account designated by you; and
  - The amount paid for all withdrawals due to separation from service during the previous 12 months does not exceed 20% of the average value of the Fixed Plus Account held under the group fixed annuity contract (the Fixed Plus contract) during that period.

\* Note on severance and separation: A *waiver* of the Fixed Plus Account withdrawal limit does not apply if it is due to a severance from employment that does not otherwise qualify as a separation from service. Although it may not result in the waiver described in this appendix, the Code does permit certain distributions upon a severance from employment. See "Restrictions on Distributions" provisions under TAX INFORMATION for your specific type of plan.
6. For all plans except 457(b) plans and governmental 401(a) plans:  
Due to financial hardship as defined in the Code, and when:
  - If applicable, the financial hardship is certified by your employer;
  - The amount is paid directly to you, and
  - The amount paid for all withdrawals due to financial hardship during the previous 12 months does not exceed 20% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.
7. For 457(b) plans only:  
Due to an unforeseeable emergency as defined in the Code, and when:
  - The unforeseeable emergency is certified by your employer;
  - The amount is paid directly to you, and
  - The amount paid for all withdrawals due to an unforeseeable emergency during the previous 12 months does not exceed 10% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.
8. For 457(b) and governmental 401(a) plans:  
For an in-service distribution permitted by the plan, and when:
  - The in-service distribution is certified by your employer;
  - The amount is paid directly to you, and
  - The amount paid for all withdrawals due to an in-service distribution during the previous 12 months does not exceed 10% of the average value of the Fixed Plus Account held under the Fixed Plus contract during that period.



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ING  
One Orange Way  
Windsor, CT 06095-4774



[WWW.ING.COM/US](http://WWW.ING.COM/US)