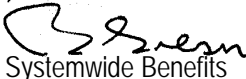


Date: July 11, 2008 Code: TECHNICAL LETTER
HR/Benefits 2008-07

To: Human Resources Directors
Benefits Officers

From: Bruce Gibson 
Senior Director, Systemwide Benefits
Human Resources Administration

Subject: 403(b) Tax Sheltered Annuity (TSA) – Program Update

Overview

Audience: Benefits Officers or campus designee(s) responsible for tax sheltered annuity (TSA) administration

Action Item: Provide updated information regarding the TSA Program to affected employees

Affected Employee Group(s)/Unit(s): All employees eligible to participate in the CSU 403(b) TSA Program

Summary

This Technical Letter provides campuses with information regarding TSA vendor changes.

The remainder of this Technical Letter should be reviewed by Benefits Officers and any campus designee responsible for the administration of the California State University Tax Sheltered Annuity Program.

This Technical Letter provides updates to the California State University Tax Sheltered Annuity Program. One company will no longer accept employee contributions. Another company changed its name. And, two companies are no longer accepting new 403(b) applications.

Company No Longer Accepting Contributions

As of August 31, 2008, Northwestern Mutual Life Insurance Company will no longer accept employee contributions. Consequently, deduction code 026-050 will be frozen effective July 30, 2008. Therefore, the July pay period (July 31 warrant) will be the last TSA deduction forwarded to Northwestern Mutual Life Insurance Company on behalf of the participating employees.

Deduction Code	TSA Company
026-050	Northwestern Mutual Life Insurance Company

Please notify affected employees of this change so that they can choose another vendor for their TSA contribution.

Distribution:

CSU Presidents
Interim Vice Chancellor, Human Resources
Payroll Managers

Debbie Green, State Controller's Office
Pam Keegan, State Controller's Office

Company Name Change

The following changes are effective immediately:

Deduction Code	Previous Name	Current Name
026-114	Citizen Funds	Sentinel Investments

Companies Not Accepting New 403(b) Applications

The following TSA companies are no longer accepting new 403(b) applications:

Deduction Code	TSA Company	Effective Date
026-005	Sun Life Financial	Immediately
026-060	Pioneer Group	September 30, 2008

However, employees with an active 403(b) account with the above companies will be able to continue salary deferrals.

CMS Processing Instructions

This technical letter has CMS baseline impact, and specific details will be provided to campuses in a future CMS communication.

Questions regarding this Technical Letter may be directed to Human Resources Administration at (562) 951-4411. This Technical Letter is also available on the Human Resources Administration's Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

BG/lmb