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Date: January 21, 2009

Re: Changes in Galena Park ISD 403(b) Plan Effective January 1, 2009

Dear Galena Park ISD Employees:

You are receiving this letter because you are a current participant or are eligible to participate in your employer's 403(b) retirement plan. The 403(b) plan (often called a "tax sheltered annuity" or "TSA") is a voluntary plan that allows you to defer a portion of your paycheck to a retirement plan. Under federal tax law, you do not have to pay income taxes on your contributions or account earnings until you take the money out of the plan.

Due to significant changes in 403(b) plans made by the Internal Revenue Service (IRS), your employer has chosen to have their plan administered by our company, JEM Resource Partners (JEM). We will be the third party administrator contracted by your employer to provide this service.

This letter is to inform you about changes that you will see effective as of the date listed above in the administration of your employer's plan. *Here are the important things you need to know about this change:*

1. All 403(b) salary reduction agreements will now be done online through an Internet website. If you want to contribute through payroll deduction to the plan or make changes to your existing deductions in the plan after the effective date, you will do this online through the website, www.region10rams.org. See instructions at the end of this memo.
2. Only the vendors listed on the JEM website will be allowed to offer annuities or other investments in the 403(b) plan. You will choose both a vendor and a product when you set up a payroll deduction or change a vendor. All vendors who (a) are on the approved list of 403(b) vendors and products published by the Texas Teacher Retirement System (TRS) *and* (b) agree to follow your employer's 403(b) plan rules and meet the administrative requirements necessary for your employer (and JEM) to keep the plan in compliance with federal and state laws will be the vendors available in the plan.
3. Later this year you will be able to use the website to see your account balance with many of the vendors in the plan. At that time, you will be required to request distributions and loans through the website. You will be notified when these services are available in your plan.
4. As your employer changes over to the new administration, we will be asking for any information on inactive 403(b) accounts that you may have, even if you are not currently contributing to them. Under the new IRS regulations, *effective January 1, 2009 you will no longer be able to obtain loans or distributions from these accounts unless we are notified about the account and it becomes a part of your employer's plan.* We will send out more information about this in the future.
5. As of January 1, 2009, your plan will be required to operate under a Written Plan that complies with IRS rules. As soon as your employer's Written Plan is approved you will be able to see a summary of the plan rules by going to the website, www.region10rams.org and selecting your employer's name.

Your employer and JEM will make a sincere effort to implement the new IRS rules with as little disruption to you as possible.

JEM is completely independent of the investments and vendors offered in the plan and JEM will not sell 403(b) products to employees.

JEM looks forward to serving you as the Plan Administrator. If you have any questions, please contact us by email at 403b@jemtpa.com or by calling (800) 943-9179.

Sincerely,

The JEM 403(b) Administration Team

For the approved list of vendors:

1. Go to www.region10rams.org – the tab on the left bar “403b Vendors” OR
2. Click on “Services” at top of page, then
3. Click on “403b Services” on middle page
4. Click on left hand bar “Resources”
5. Click on “Texas Vendor List” on the middle of the page

The Galena Park ISD site will be available for internet access to request 403b changes or additions after January 20, 2009.

*If you do not have Internet access or need assistance, please call us at (800) 943-9179 and we can assist you with these services by phone.

To make a 403(b) salary reduction election or changes online please follow the instructions below.

1. Go to www.region10rams.org.
2. Click on “Login to Retirement Solution” on the left side of the screen.
3. If you are currently a participant in the 403(b) Plan:
 - a. Click on “Login”
 - b. Enter your Social Security Number as the User ID and the last four numbers of your Social Security Number for the Password, then click on “**Participant**”
4. If you are *not* currently a participant in the 403(b) Plan:
 - a. Click on “Login”
 - b. Choose “New to the System, Enroll Now”
 - c. Enter Your Social Security Number as the User ID and “**galen403**” as the Password, then click on “Participant”.
5. If you have any problems, please call JEM Customer Service at (800) 943-9179.