Let's Talk About:

Required Minimum Distributions from Qualified Annuities

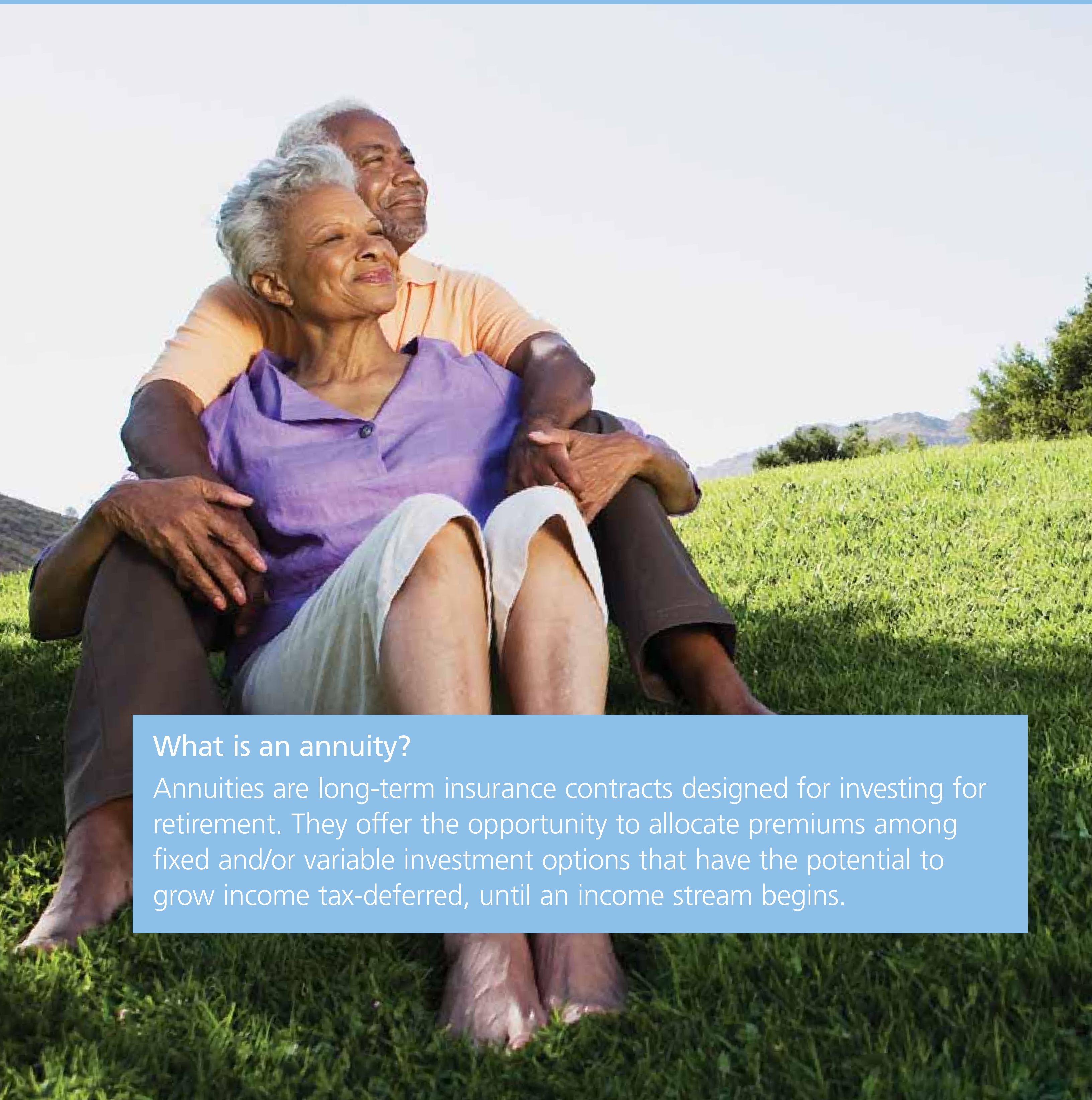
Not FDIC/NCUA Insured	Not A Deposit Of A Bank	Not Bank Guaranteed
May Lose Value	Not Insured By Any Federal Government Agency	

ANNUITIES

ING

Your future. Made easier.SM

Let’s talk



What is an annuity?

Annuities are long-term insurance contracts designed for investing for retirement. They offer the opportunity to allocate premiums among fixed and/or variable investment options that have the potential to grow income tax-deferred, until an income stream begins.

about annuities.

Most people who purchase an annuity do so as a part of their overall long-term retirement strategy. Annuities are long-term insurance contracts designed to help you accumulate assets for retirement and to provide a guaranteed source of income that can last for life. Any interest credited or gains realized in fixed or variable annuities have the potential to grow income tax-deferred, until an income stream begins.

Annuity income is defined as a series of periodic payments, a part of which may be return of your premium or principal, which is guaranteed by the issuing insurance company for a specified period of time or for the life of the annuitant. There are two phases to an annuity contract: the accumulation phase and the income phase.

Accumulation Phase – depending upon which type of annuity you purchase, your premium payments are either credited a fixed rate or invested in various portfolios that you choose; either of which have the potential to grow tax-deferred. Optional living benefits provide protection against loss of current and future income during this phase, while death benefits provide protection for your beneficiaries.[1]

Income Phase – you can choose to receive income from a variety of payout options including a lifetime income stream. Annuity income is defined as a series of periodic payments, which may consist of a portion of principal, for a specified period of time or for the life of the annuitant.

[1]All withdrawals reduce the death benefit and may reduce the value of any optional benefits. Early withdrawals and other distributions of taxable amounts may be subject to ordinary income tax, a surrender charge, and if taken prior to age 59½, an IRS 10% premature distribution penalty tax may apply.

The Power of Tax Deferral

An annuity allows you to defer paying taxes on accumulated interest or gains until you take withdrawals. At that time your interest credited or gains will be taxed as ordinary income which differs from person to person. Over time, tax deferred retirement vehicles may allow you to accumulate more assets than with a comparable taxable investment.

IRAs and other qualified plans already offer tax deferral like that provided by an annuity. You should purchase a qualified annuity contract only if you want the additional features like death benefits and the ability to receive lifetime income, taking into account that these benefits are available for an extra cost.

Protect Your Income. Protect Your Family.

Annuities offer living benefits that can protect your retirement income. These living benefits are optional riders – available for an additional cost – that allow you to secure a minimum amount of income that will last for the rest of your life, no matter how the market performs.

If providing a legacy for your beneficiary is a concern, annuities offer death benefits that can protect your contract value when you pass away. Death benefits can help you create, protect and grow a lasting legacy, regardless of stock market conditions.

Now, let's

Growing Your Assets

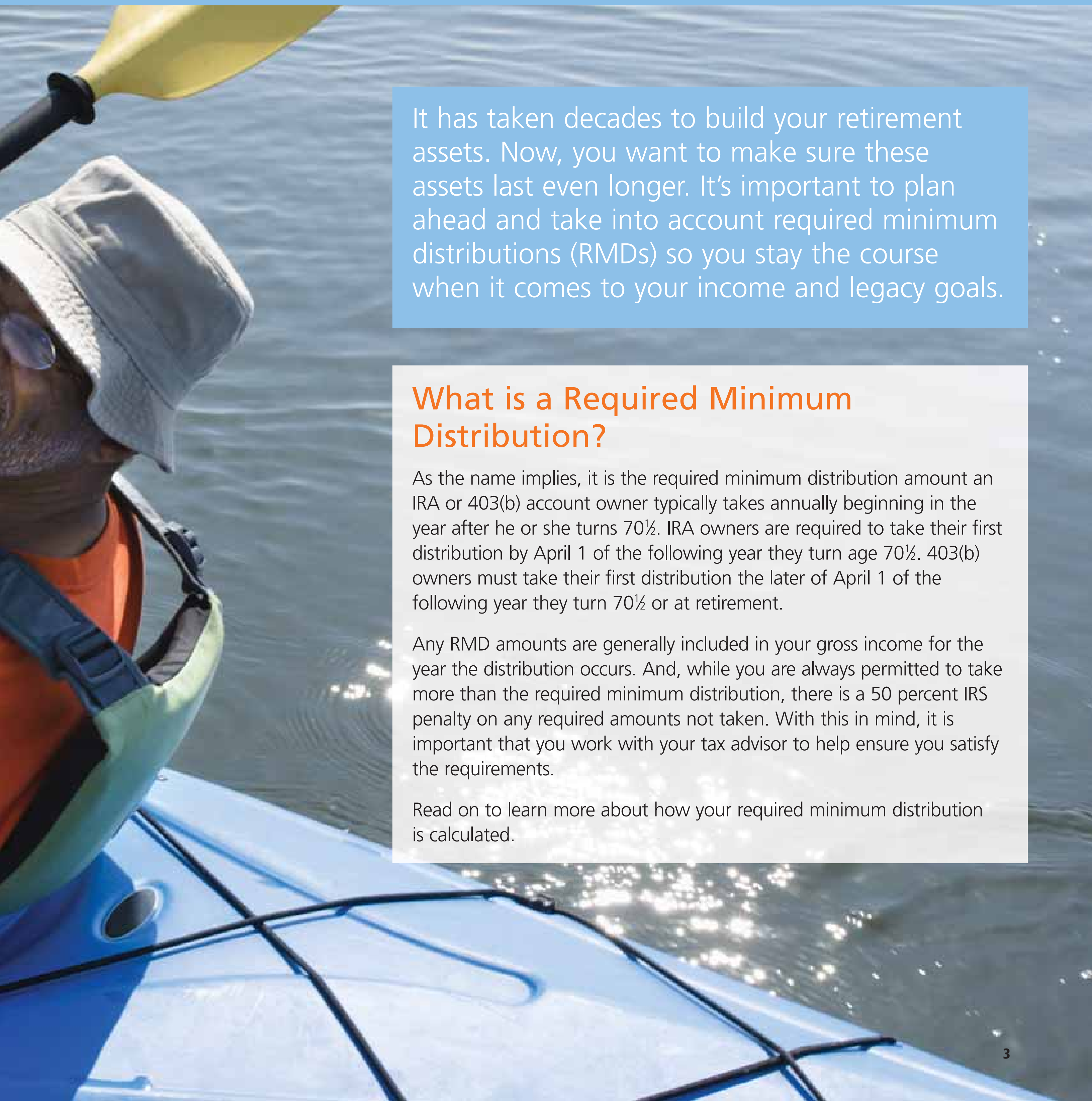
Variable annuities can offer access to a wide array of money managers, as well as innovative investment options. With a variable annuity, you can:

- Build your own portfolio by allocating your assets to portfolios, run by experienced money managers, that cover the spectrum of investment styles and risk profiles.
- Choose ease of investment with risk-based fund-of-fund portfolios. These portfolios are a diversified mix of management styles, tailored to specific risk tolerances and time horizons.

Some people favor the guaranteed protection of principal that comes with a fixed annuity. Instead of access to variable investment options, fixed annuities offer different methods of earning potential through traditional fixed-interest crediting and/or index-linked interest crediting. For each premium, interest is credited based on the new money rate or index-linked interest crediting rate in effect at the time the premium is received and is guaranteed for a specified period of time by the issuer.

Annuities can provide you the opportunity to accumulate assets for retirement, protect your beneficiaries in the event of a tragedy, and provide and protect your income in retirement.

talk about you.



It has taken decades to build your retirement assets. Now, you want to make sure these assets last even longer. It's important to plan ahead and take into account required minimum distributions (RMDs) so you stay the course when it comes to your income and legacy goals.

What is a Required Minimum Distribution?

As the name implies, it is the required minimum distribution amount an IRA or 403(b) account owner typically takes annually beginning in the year after he or she turns 70½. IRA owners are required to take their first distribution by April 1 of the following year they turn age 70½. 403(b) owners must take their first distribution the later of April 1 of the following year they turn 70½ or at retirement.

Any RMD amounts are generally included in your gross income for the year the distribution occurs. And, while you are always permitted to take more than the required minimum distribution, there is a 50 percent IRS penalty on any required amounts not taken. With this in mind, it is important that you work with your tax advisor to help ensure you satisfy the requirements.

Read on to learn more about how your required minimum distribution is calculated.

Calculating

The Calculation

Your RMD calculation is based on the "entire interest", of your account. This includes your contract value and the actuarial present value of all the additional benefits within your contract. This amount is divided by a Uniform Life Expectancy factor to determine your RMD.

The present value of additional benefits is an assessed value of all your living and death benefits, under the contract as of December 31 of the previous year. The guarantees associated with additional benefits may create a greater value than the contract value and this may result in higher RMDs compared to qualified accounts without additional benefits.

That means if your additional benefits are providing value to you, they could impact the calculation of your RMD.

Example of a Hypothetical Investor

Meet John Brenner, age 71. This is the first year he will take his required minimum distribution. Because guaranteed income is an important part of his overall retirement strategy, he has a living benefit rider. His financial professional is visiting him to go over his required minimum distribution calculation. Here's how it works.

John's 12/31 contract value:	$100,000
John's 12/31 actuarial present value (APV):	$25,000
John's life expectancy:	26.5

(12/31 value + additional benefit APV)	/	life expectancy	= **John's RMD**
($100,000+ $25,000	/	26.5	= $4,716.98

your RMD

Safe Harbor Rules

The actuarial present value of additional benefits will be disregarded if:

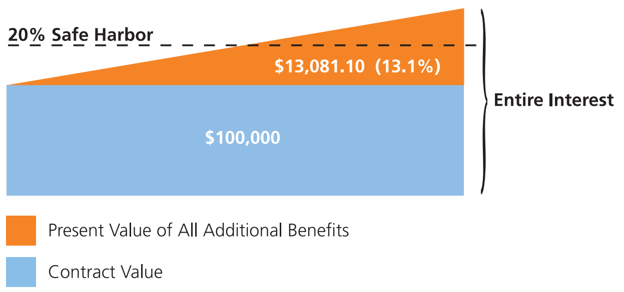
1. Your only benefit is a return of premium death benefit that reduces dollar for dollar as a result of withdrawal, or
2. Your additional benefits reduce pro-rata as a result of withdrawals, and the actuarial present value is not more than 20% of your contract value.

Example

In this example, the actuarial present value is less 20% of the contract value.

John's 12/31 contract value:	\$100,000
John's 12/31 actuarial present value (APV):	\$13,000
John's life expectancy:	26.5
Question: Is John's APV greater than 20% of his contract value? **Answer:** No.	

12/31 value	/	life expectancy	= **John's RMD**
\$100,000	/	26.5	= \$3,773.58



Distribution Logistics

Each year ING will provide you with your RMD amount so you and your financial professional can create a strategy that allows you to maximize your additional benefits while still taking the required distributions.

Under the aggregation rules, if available, you may determine from which accounts you can take your RMDs. That means even though your RMD is based on values of all your IRAs and/or 403(b) contracts, you may elect to have your RMD taken from one, or a combination of your accounts.

Withdrawals may impact the living benefit and death benefit guarantees under your annuity. If available, certain aggregation rules provide that you may take your RMD amount from assets not in an annuity, which can help preserve your future income or legacy benefits.

Your next steps…

Schedule a meeting with your trusted financial professional to discuss your RMDs and to identify an appropriate distribution strategy.

Client Services

Our friendly Customer Service staff is ready to help you. You will receive quarterly statements, confirmations of every financial transaction, and access to 24-hour, automated, telephone customer service.

For more information please contact:

ING Variable Annuity Customer Service
909 Locust Street
Des Moines, IA 50309
800.366.0066

www.ingannuities.com

You should consider the investment objectives, risks and charges, and expenses of the variable annuity and its underlying investment options carefully before investing. The prospectuses for the variable annuity and underlying investment options contain this and other information. You may obtain free prospectuses by calling 800-366-0066. You should read the prospectuses carefully before investing.

This material is not intended to be used to avoid tax penalties, and was prepared to support the promotion or marketing of the matter addressed in this document. The taxpayer should seek advice from an independent tax advisor.

Variable annuities are long-term investments designed for retirement planning. They are a contract between you and an insurance company, under which the insurer agrees to make periodic payments to you. Additionally, variable annuities offer the opportunity to allocate premiums among fixed and variable investment options that have the potential to grow income tax-deferred, until an income stream begins. These payments, called annuity income, will begin either immediately or at a future date and a part of which may be the return of your premium or principal. This income is guaranteed by the issuing insurance company for a specified period of time or for the life of the annuitant. Optional benefits and riders are available for an additional cost.

Variable insurance products are subject to investment risk, are not guaranteed and will fluctuate in value. In addition, there is no guarantee that any variable investment option will meet its stated objective.

Annuity products are issued by ING USA Annuity and Life Insurance Company (Des Moines, IA) and ReliaStar Life Insurance Company of New York (Woodbury, NY). Variable annuity products are distributed by Directed Services LLC. Only ReliaStar Life Insurance Company of New York is admitted and its products issued, within the state of New York. All are members of the ING family of companies.

All guarantees are based upon the financial strength and claims-paying ability of the issuing company which is solely responsible for all obligations under its contracts.

cn60890082009

ING

136461 08/01/2008