



THE TEXAS A&M UNIVERSITY SYSTEM

Office of Risk Management/Benefits Administration

Annual Eligibility Notice for 403(b) Tax Deferred Plans

Here's your opportunity to save for retirement by participating in the A&M System's voluntary 403(b) Tax-Deferred Account (TDA) plan. You can choose to make pre-tax contributions with a traditional TDA or after-tax contributions with a Roth TDA.

How can I start?

You can start contributing *at any time* and you can begin with as little as \$25.00 a month!

First, complete a salary reduction agreement, available on our website at:

<http://www.tamus.edu/benefits/publications/forms/17.pdf>. You also need to choose a vendor and establish an account with one of them. A list of our seven active vendors can be found at:

<http://www.tamus.edu/benefits/retirement/orptda.html>. This list also has advisors and counselors in your area that can help you choose your investments. You'll need to submit a copy of the vendor's application for your account *and* your salary reduction agreement to your Human Resources or Payroll office.

What types of investment products are available?

Two types of investment options are available - annuities (fixed and variable) and mutual funds.

An annuity is a contract with an insurance company in which you contribute through a retirement plan, and the company makes payments back to you at a later time, retirement, for a specified period. If you invest in variable options, the value of your account will change according to the performance of the options you choose. Your financial advisor can help you choose which options suit you.

A mutual fund is a professionally managed collective investment that pools money from many investors and invests it in stocks, bonds, short-term money market instruments, etc. Mutual fund options include lifecycle funds, target date funds, and asset allocation funds. These funds automatically rebalance according to the mutual fund's objectives. There are also options available for investors who prefer to manage their own portfolio.

How much can I contribute?

In general, you may contribute up to \$16,500 in 2009. This amount is the general limit and is adjusted annually. Additional catch-up contributions are allowed if certain criteria are met, such as if you have at least 15 years of service with the A&M System and/or you are at least 50 years old by year's end.

Find out more about A&M System Retirement Programs through our new brochure online at:

<http://www.tamus.edu/benefits/retirement/Retirement%20Booklet/RPB.pdf>.

This Notice is not intended as tax or legal advice. Neither the A&M System nor the investment providers offering retirement savings products under the plan can provide you with tax or legal advice. Employees are encouraged to contact their financial representative or tax professional with any questions.