

# *The Texas A&M University System*

## *Retirement Programs*

*Invest in Your Future*



**A**re you on track to live the life you want after you stop working? Experts estimate that you'll need 85% of your annual pre-retirement income to meet expenses each year in retirement. Facing rising health care costs, inflation, and a retirement that may last 30 years or more, you may need to save more to enjoy the retirement lifestyle you desire.

Most of your retirement income will come from three sources:

- Your mandatory retirement plan - Teacher Retirement System (TRS), the Optional Retirement Program (ORP) and possibly other employers' retirement plans
- Social Security
- Your personal savings

Most retirees find that income from their employer retirement plans and Social Security is not enough to maintain the standard of living they would like to enjoy during retirement. To be truly comfortable, most people need personal savings as well.

Within The Texas A&M University System retirement programs, you have a choice of additional optional plans which are intended to supplement your mandatory retirement plan (TRS or ORP). This guide will help you choose a plan that's right for you.

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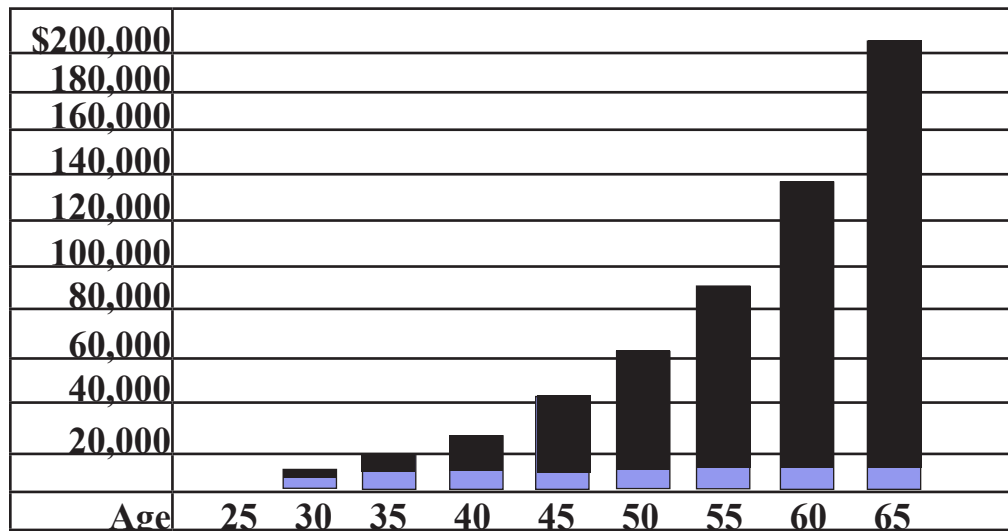
## But I'm Too Young To Think About Retirement

You may think you're too young to begin planning for retirement, but the sooner you start saving, the more comfortable your retirement years will be. When you start saving at a young age, not only are you able to contribute more to savings, but your investment earnings over the years will make your account even larger.

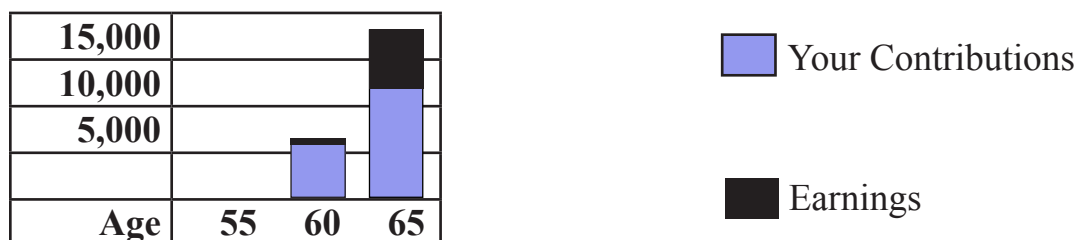
Let's look at what would happen if you saved just during your first 10 years of employment, say from age 25 to 35, and then simply left your savings invested until age 65. We'll compare that to what would happen if you saved only during your last 10 years of employment before retiring. In both cases, we'll assume you saved \$100 a month and earned 8% a year on your savings.

As you can see, saving early is a major advantage. Of course, if you start early and continue to save throughout your career, you'll have far more in savings for a secure retirement.

### Savings from ages 25 to 65



### Savings from ages 55 to 65



## *Plans at a Glance*

### *Mandatory Plans*

**Teachers Retirement System (TRS)** – A mandatory retirement program in which all benefit eligible employees are automatically enrolled unless they qualify for and elect to participate in ORP. This is a defined benefit plan which enables you to receive a lifetime annuity upon retirement.

**Optional Retirement Program (ORP)** - A mandatory retirement program in which qualified employees, generally faculty and high-level administrators, choose to participate as an alternative to TRS. This is a defined contribution plan under Internal Revenue Code 403(b) with employee and employer contributions which you decide how to utilize upon retirement.

#### *How to Enroll in ORP*

If you choose to enroll in ORP during your one-time irrevocable eligibility period, you need to complete an ORP Salary Reduction Agreement (HR 14) and turn it in to your Human Resources or Payroll office. Your investment vendor may be able to help you complete this form, which is available from your Human Resources office or on the A&M System benefits website at [www.tamus.edu/benefits/retirement](http://www.tamus.edu/benefits/retirement). You may also use this form to change your vendor at any time. Your vendor will ask you to complete a vendor application as well.

### *Voluntary Plans*

**Tax-Deferred Account Program (TDA)** - A voluntary program in which you may make pre-tax or after-tax (Roth) contributions. This is a defined contribution plan under Internal Revenue Code 403(b) which you decide how to utilize your account balance upon retirement.

#### *How to Enroll in TDA*

To enroll, you need to complete a TDA Salary Reduction Agreement (HR 17) and turn it in to your Human Resources or Payroll office. Your investment vendor may be able to help you complete this form, which is available from your Human Resources office or on the A&M System benefits website at [www.tamus.edu/benefits/retirement](http://www.tamus.edu/benefits/retirement). You may also use this form to change your vendor at any time. Your vendor will ask you to complete a vendor application as well.

**TexaSaver Deferred Compensation Plan (DCP)** – A voluntary program to which you make pre-tax contributions. This is a defined contribution plan under Internal Revenue Code 457(b) which you decide how to utilize your account balance upon retirement. The Employees Retirement System of Texas (ERS) administers this plan through Great West.

#### *How to Enroll in TexaSaver DCP*

To enroll, you need to go to [www.Texasaver.com](http://www.Texasaver.com) and select the 457 plan. The website contains instructions on how to enroll and details the investment options available to participants of the plan. You may also contact a representative directly at (800) 634-5091.



## Retirement Plan Features

<b>Mandatory Programs</b>	<b>Teacher Retirement System (TRS)</b> <ul style="list-style-type: none"> <li>• All benefit-eligible employees are automatically enrolled</li> <li>• Defined benefit plan</li> <li>• TRS controls/monitors investments</li> <li>• Benefit based on a formula including years of service and salary</li> <li>• Pre-tax employee contributions</li> <li>• Employer contributions</li> <li>• Vested after 5 years of service credit</li> <li>• Vested right to a lifetime annuity upon retirement</li> <li>• Disability benefit available</li> </ul>	<b>Optional Retirement Program (ORP)</b> <ul style="list-style-type: none"> <li>• May be chosen (irrevocably) by certain eligible employees during initial period of eligibility as an alternative to TRS</li> <li>• Defined contribution plan 403(b)</li> <li>• You manage your investments</li> <li>• Account growth based on performance of your selected investment portfolio</li> <li>• Pre-tax employee contributions</li> <li>• Employer contributions</li> <li>• Vested in employer contributions after one year and one day</li> <li>• No disability benefit available</li> <li>• Rollovers permitted from other Texas ORP plans only</li> <li>• Distributable events – termination of employment from all Texas institutions of higher learning, retirement, death, or reaching age 70 ½</li> </ul>
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	<b>Tax-Deferred Account (TDA)</b>		<b>Texa\$aver DCP</b>
	Traditional	Roth	
Employee Contributions	Pretax dollars	After tax dollars	Pretax dollars
Employer Contributions	None	None	None
Employee Withdrawals	Taxable when withdrawn	Tax free when withdrawn	Taxable when withdrawn
General Contribution Limits+	\$17,000 IRS maximum for both traditional and Roth sources. (Each dollar of a Roth contribution reduces the amount that can be contributed pretax, and vice versa.)		\$17,000
Over age 50 catch-up+	\$5,500 combined with Roth	\$5,500 combined with traditional	\$5,500
15-year catch-up++	\$3,000 combined with Roth (lifetime maximum of \$15,000)	\$3,000 combined with traditional (lifetime maximum of \$15,000)	N/A
Three years prior to retirement catch-up (special catch-up)++	N/A	N/A	Up to \$17,000 (may not be used simultaneously with age 50 catch-up)
Distribution events	Termination, retirement, death, or reaching age 59½	Termination, retirement, death, or reaching age 59½	Termination, retirement, death, reaching age 70½, or de minimis distribution+++
Early Distribution	Distributions made prior to age 59½ will be subject to ordinary income tax and possibly a 10% penalty	“Nonqualified” Distributions made prior to age 59½ will be subject to ordinary income tax and possibly a 10% penalty*	Distributions made prior to age 59½ will be subject to ordinary income tax
Loans	Yes**	Yes**	Yes
Hardships	Yes**	Yes**	Yes
Contract Exchanges / Transfers	Yes***	Yes***	Yes
Rollovers	Yes	Yes	May rollover from another eligible 457(b) plan

+ Contribution limits shown are IRS maximums for 2012.

++Additional eligibility requirements may apply.

+++ If your 457 Plan has less than \$5,000 and has been inactive for two years, you may take it as a de minimis distribution.

\*A “qualified” distribution occurs when the Roth account has been in place for five taxable years (from the year of first contribution) and a distributable event has occurred.

\*\*If permitted by your vendor.

\*\*\*Contract restrictions and surrender charges may apply.

## Approved Providers

The A&M System requires providers to meet certain criteria including, for example, maximum allowable fees, Roth availability, and minimum participation standards.

The following are Texas A&M University System-approved retirement providers who will partner with you to invest your contributions. You may actively contribute to one provider for ORP and up to two for TDA. The approved Providers are:

Fidelity Investments	1-800-343-0830	<a href="http://www.mysavingsatwork.com/texasam">www.mysavingsatwork.com/texasam</a>
ING	1-800-873-5518	<a href="http://www.ingretirementplans.com/SponsorExtranet/TexasA&amp;M">www.ingretirementplans.com/SponsorExtranet/TexasA&amp;M</a>
Lincoln Financial Group	1-800-454-6265	<a href="http://www.lfg.com/tamu">www.lfg.com/tamu</a>
MetLife Resources	1-800-236-8489	<a href="http://www.metlife.com/tamu">www.metlife.com/tamu</a>
RS Group/Pentegra	1-800-872-3473	<a href="http://www.pentegra.com">www.pentegra.com</a>
TIAA-CREF	1-800-842-2776	<a href="http://enroll.tiaa-cref.org/tamus/">http://enroll.tiaa-cref.org/tamus/</a>
VALIC	1-800-448-2542	<a href="http://www.valic.com/tamus">www.valic.com/tamus</a>

The approved providers all offer a wide variety of investment opportunities. A summary of the investments and services offered by each Provider is included in this brochure.

### *Manage Your Investments Directly through Your Provider*

Once you've enrolled with a provider, you'll manage your account directly through them. You'll have direct online access to your account information and a toll-free number where you can speak with a representative.

## Selecting a Vendor

Planning and research are the keys to maximizing your investments. Ask friends and colleagues who have invested successfully, which products and companies they selected. Study product performance information using websites like [www.morningstar.com](http://www.morningstar.com) for mutual funds or [www.moody.com](http://www.moody.com) for rating annuity companies. Narrow your choices, and then visit with a vendor representative. Some important questions to ask include:

- How long has this company been in business?
- Where is your office? If you're not available to answer questions or help me with my account(s), will anyone else be able to do so?
- How are you paid? What incentives are you given for servicing my account(s)? Do you get more commission or incentive for selling certain products?
- How many A&M System clients do you have? May I have three client references?
- How many companies do you represent?
- How do you decide which products to recommend to particular clients?
- Do you offer both fixed investments with guaranteed interest rates and variable, high-growth investments?
- What have the earnings been on each product over the past year/five years/ten years?
- What fees will I have to pay (such as commissions, management fees, etc.)?
- What risks are associated with each option?
- Can I invest in a combination of funds, and can I transfer money between funds? Is there a fee for transferring money?
- What payment options do you offer at retirement?
- Can I borrow against my TDA account(s)?
- How often do you provide account statements, and what information do they include?



## ***Investment Options***

The seven approved providers each offer a wide variety of investment products. Not all providers offer investments in each category. Investment product information can be found at the end of this brochure.

### ***Asset Allocation or Lifecycle Options***

These are mutual funds designed for investors who want a simple yet diversified approach to investing. They are professionally managed and periodically rebalanced according to their investment objective. Lifecycle funds are rebalanced according to a target retirement date; asset allocation funds are rebalanced based on risk objectives.

### ***Core Investment Options***

These include a limited menu of investment options that represent mutual funds invested primarily in three major classes (stocks, bonds, and short-term investments). This is for investors who are comfortable diversifying investments on their own or with the assistance of an investment advisor and/or asset allocation tool.

### ***Expanded Options***

These include a larger menu of investment options for more sophisticated investors. These are for investors who are comfortable managing a portfolio, either on their own or with the help of an investment advisor, and understand how to research, evaluate, and monitor a variety of investments.

### ***Annuity Options***

Some providers also offer fixed and/or variable annuity products. An annuity is a contract with an insurance company. It allows you to accumulate contributions, where you can select a variety of investment options, including mutual funds and guaranteed fixed-interest accounts. An annuity also provides you the option of receiving regular income payments over your lifetime or for another specified period of time and may provide a guaranteed death benefit for your beneficiary. Check with each provider for the guarantees contained in their contracts.

*Each provider has representatives who can meet with you to help you choose investments for your retirement portfolio. In addition, many provider Web sites offer online planning tools to help you manage and track your portfolio on your own. To schedule a consultation, contact your provider directly.*



## Frequently Asked Questions

### **How often can I change my contribution amount to my Tax-Deferred Account (TDA)?**

You may change your contribution amount once each month. Complete a TDA Salary Reduction Agreement/Change of Vendor form and send it to your Human Resources or Payroll Office.

### **How often can I change Optional Retirement Program (ORP) or TDA vendors?**

You may change your vendor whenever you choose. Just fill out the TDA or ORP Salary Reduction Agreement/Change of Vendor form and submit it to your Human Resources or Payroll Office. Then visit with your vendor representative to enroll in a product. Your new vendor must be on the A&M System approved vendor list.

### **Do I have to transfer my existing ORP or TDA account in order to change vendors?**

No. You may leave your existing account with your former vendor and change future contributions to a new vendor. You may also contribute to two different TDA vendors at the same time.

### **What is the difference between a Roth TDA and a traditional TDA?**

With a traditional TDA, your contribution is deducted from your pay before federal income tax is calculated, so you do not pay current income tax on your contributions or on the investment earnings on your savings. When you make withdrawals from your TDA account upon retirement, you will pay federal income tax on the withdrawals. With a Roth TDA, your contribution is deducted from your pay after federal income tax is calculated, so you pay current income tax on your contributions. You do not pay income tax on your investment earnings now or in the future. When you make withdrawals from your Roth TDA account upon retirement, you will not pay federal income tax on the withdrawals.

### **Are loans or hardship withdrawals allowed from an ORP account?**

No. Texas state law prohibits distributions, including loans and hardship withdrawals, under the Optional Retirement Program (ORP) until a participant retires, dies, reaches age 70½ or terminates employment with all Texas public institutions of higher education.

### **Are loans or hardship withdrawals allowed from a TDA account?**

Yes. The TDA program does allow loans and hardship withdrawals regardless of the person's employment status. Not all TDA vendors offer loans and hardships. Hardship withdrawals include major unreimbursed medical expenses, college costs for immediate family members, purchase of your primary residence or payments to prevent eviction from or foreclosure on your primary residence. If you receive a financial hardship withdrawal, federal law requires that plan contributions be suspended for six months.

### **Am I permitted to take a distribution from my ORP account while employed with the A&M System?**

Texas state law prohibits distributions under the Optional Retirement Program (ORP) until a participant retires, dies, reaches age 70½ or terminates employment with all Texas public institutions of higher education.

### **Am I permitted to take a distribution from my TDA account while employed with the A&M System?**

The TDA program allows distributions from your account once you have reached age 59 ½, retire, or end employment with the A&M System. The TDA program also allows hardship withdrawals (see above).

### **Can I contribute to the TDA and the TexaSaver DCP at the same time?**

Yes. The TDA and the TexaSaver DCP are two separate plans with separate contribution limits.

### **Can I contribute to both a traditional TDA and a Roth TDA?**

Yes; however, both are subject to the same total TDA annual limit.

### **What if I leave A&M System employment?**

You may leave your account invested until retirement but may make no further contributions. You may withdraw your funds, but you will pay a 10% penalty tax unless you're disabled, you reached age 59 ½, you retired at age 55 or older, or you take an annuity at any age. You may roll your account balance into a similar plan without penalty.



## About Fidelity Investments

Founded in 1946, and America's largest privately held investment company, Fidelity has always been committed to providing exceptional money management, outstanding customer service, and state-of-the-art technology.

Fidelity is committed to providing a range of investment options, proven long-term performance, educational resources, and superior customer service to all our participants to help them plan for retirement.

Source: Fidelity Facts, FMR LLC, 2009.

**Investment Options**—When it comes to mutual funds, Fidelity has a long-standing commitment to research and performance. By investing your ORP and TDA contributions at Fidelity, you have access to hundreds of investment products, all categorized in an easy-to-understand format.

You have the flexibility to select from Fidelity and non-Fidelity investment options (including life cycle funds) that range from more conservative to more aggressive, making it easier for you to develop a well-diversified investment portfolio.

**Easy account access**—Learn more about Fidelity, how to enroll, and how to access your account.

**www.mysavingsatwork.com/texasam**—This convenient Web site will provide all you need to know about your Texas A&M University System plans, and how to enroll with Fidelity. No login is necessary to obtain more information.

**1-800-343-0860**—Fidelity Representatives are knowledgeable and committed to helping you learn more about Fidelity and about understanding your retirement options.

**On-campus, in-person meetings**—To view the latest schedule of on-campus meetings with a Fidelity Retirement Counselor, and reserve an appointment for yourself, you are invited to visit [www.fidelity.com/atwork/reservations](http://www.fidelity.com/atwork/reservations) or call 1-800-642-7131.

**Helpful Hint:** If you don't want to wait until your Fidelity Retirement Counselor's next on-campus visit, call and speak to a representative at 1-800-328-6608. Our representatives can help answer your questions about enrollment, transfers, and rollovers. No appointment is needed to speak to a representative over the phone.

For more information about the complete menu of investments in your plan, please visit [www.mysavingsatwork.com/texasam](http://www.mysavingsatwork.com/texasam) or call 1-800-343-0860.

*Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.*

**Before investing in any investment option, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit [www.fidelity.com](http://www.fidelity.com) for a free prospectus. Read it carefully before you invest.**

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ING offers flexibility to build a portfolio designed to support the retirement you want. As part of the Texas A&M University System retirement plans, ING offers Mutual Fund (403(b)(7)) and Variable Annuity (403(b)(1)) Options for the Optional Retirement Plan (ORP), and the Tax-Sheltered Annuity Programs (TSA). Product information follows. For more information please call your local representative or visit [ww6.ingretirementplans.com/SponsorExtranet/TexasA&M](http://ww6.ingretirementplans.com/SponsorExtranet/TexasA&M).

Features	Mutual Fund Option- ING Retirement Choice	Variable Annuity Option- ING Retirement Master
<b>Product and Investment Options</b>	Mutual funds provided through a custodial account. <b>High Service Model: Over 125 mutual funds</b> <b>Direct Access Model:</b> Suite of 7 target date mutual funds known as the ING Solution Portfolios <sup>SM1</sup> .	Over <b>100 Variable Investment options</b> offered through a group variable annuity contract; and the Fixed Plus Account <sup>2</sup> which provides a 3.00% minimum contractual guarantee.
<b>Deferred Sales Charge</b>	None	None
<b>Service Options</b>	All receive the following services: Quarterly Account Statements, Toll-Free Account Access: 1-800-584-6001, and Internet Account Access High Service Model also receives: <ul style="list-style-type: none"> <li>Personalized service, enrollment assistance and educational materials from your local representative</li> <li>Assistance in helping you consider how much to invest and how to evaluate an appropriate asset allocation mix, in addition to periodic account reviews</li> </ul> Direct Access Model utilizes on-line self-enrollment	<ul style="list-style-type: none"> <li>Personalized service, enrollment assistance and education from your local representative</li> <li>Assistance in helping you consider how much to invest and how to evaluate an appropriate asset allocation mix, in addition to periodic account reviews</li> <li>Quarterly Account Statements</li> <li>Toll-Free Account Access: 1-800-525-4225</li> <li>Internet Account Access</li> </ul>
<b>Fees</b> -(Fund management and other fund operating expenses will also apply).	A 0.75% asset based fee on all assets if High Service Model is selected. No asset based fee applies if Direct Access Model is selected.	A 0.75% Mortality & Expense Risk Charge (M&E) on all variable investment options during the accumulation phase.
<b>Restrictions</b>	Transfers between mutual fund investment options are subject to ING's policy on market timing and excessive trading. For details refer to the Disclosure Booklet.	Transfers between variable investment options are subject to ING's policy on market timing and excessive trading. Restrictions apply to transfers and withdrawals from ING Fixed Plus Account. For details refer to the Contract Prospectus Summary.
<b>Guaranteed Death Benefit</b>	None	A guaranteed death benefit option is available. If beneficiary requests payment within six months of participant's death, death benefit is guaranteed to be greater of: a) account value minus any outstanding loan balances, or b) total contributions made to the contract minus any loans, withdrawals or annuitizations.
<b>Distribution Options</b>	Lump Sum withdrawals	Systematic distribution options and a variety of fixed and/or variable lifetime-based or certain payout options. If electing a variable payout option, Mortality & Expense Risk Charge is 1.25%).

<sup>1</sup>All portfolios will fluctuate in value, and there is no guarantee that any investment option will achieve its stated objective. Stocks are more volatile than bonds, and portfolios with a higher concentration of stocks are more likely to experience greater fluctuations in value than portfolios with a higher concentration in bonds. Foreign stocks and small and midcap stocks may be more volatile than large cap stocks. Investing in bonds also entails credit risk and interest rate risk. Generally investors with longer timeframes can consider assuming more risk in their investment portfolio. The ING Solution Portfolios are actively managed and the asset allocation adjusted over time. Refer to the prospectus for more information about the specific risks of investing in the various assets classes included in the ING Solution Portfolios.

<sup>2</sup>Guarantees are based on the claims-paying ability of ING Life Insurance and Annuity company and do not apply to do not apply to the investment return or principal value of the separate account.

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

Mutual funds and variable annuities offered through a retirement plan are long-term investments designed for retirement purposes. If withdrawals are taken prior to age 59½, an IRS 10% premature distribution penalty tax may apply. Early withdrawals from a variable annuity may be subject to a deferred sales charge. Money distributed will be taxed as ordinary income in the year money is distributed. Account values fluctuate with market conditions, and when surrendered the principal may be worth more or less than original amount invested. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. For 403(b)(1) annuities: employee deferrals (including earnings) may generally be distributed only upon your: attainment of age 59½, severance from employment, death, disability, or hardship. Hardship withdrawals are limited to employee deferrals made after 12/31/88. *Exceptions:* No Internal Revenue Code withdrawal restrictions apply to '88 cash value (employee deferrals (including earnings) as of 12/31/88) and employer contributions (including earnings). However, employer contributions made to an annuity contract issued after December 31, 2008 may not be paid or made available before a distributable event occurs. Such amounts may be distributed to a participant or if applicable, the beneficiary: upon the participant's severance from employment or upon the occurrence of an event, such as after a fixed number of years, the attainment of a stated age, or disability. For 403(b)(7) custodial accounts: employee deferrals and employer contributions (including earnings) may only be distributed upon your: attainment of age 59½, severance from employment, death, disability, or hardship. Hardship withdrawals are limited to: employee deferrals and '88 cash value (earnings on employee deferrals and employer contributions (including earnings) as of 12/31/88).

Insurance products, annuities and retirement plan funding issued by (third party administrative services may also be provided by) ING Life Insurance and Annuity Company. Securities are distributed by ING Financial Advisers, LLC (member SIPC), One Orange Way, Windsor, CT 06095.

# Lincoln Financial Group

## Background and Financial Strength

A Fortune 500 company with headquarters in the Philadelphia region, Lincoln Financial Group had assets under management of \$171 billion as of March 31, 2009. Lincoln Financial Group's oldest affiliate has more than a century-long heritage of proven results. A century of success is a strong measure of financial strength and client satisfaction. A leader in employer markets for nearly 40 years, Lincoln Financial has a solid reputation for outstanding customer service and overall expertise as a plan provider. More than 26,000 employers and more than 1.3 million plan participants have chosen Lincoln Financial to help save for retirement. For more information regarding Lincoln's financial strength, please visit [www.LincolnFinancial.com](http://www.LincolnFinancial.com).

## Product Highlights

Lincoln Financial offers a mutual fund program and a group variable annuity product.

### *Lincoln Alliance*<sup>®</sup> Program offers:

- 28 core mutual funds including 9 American Funds
- 4 Time-based & 3 Risk-based Asset Allocation Models
- Fixed Annuity (3% minimum)
- No surrender charges

### *Multi-Fund*<sup>®</sup> Group Variable Annuity offers:

- 38 investment options
- 4 Time-based & 3 Risk-based Asset Allocation Models
- Fixed Account (3% minimum)
- No surrender charges
- Guaranteed minimum death benefit

## Fees and Restrictions

### *Lincoln Alliance*<sup>®</sup> Program offers:

- No annual administrative fees
- No surrender charges
- No M&E fee
- Fund expenses (0.63% - 1.52%)\*
- Possible 20% annual limit on Fixed Annuity transfers

### *Multi-Fund*<sup>®</sup> Group Variable Annuity offers:

- No annual administrative fees
- No surrender charges
- 0.75% annual M&E fee
- Fund expenses (1.08% to 2.31%)
- Possible 20% annual limit on Fixed Account transfers

\* Data provided by Morningstar and it is subject to change. Lincoln Financial does not guarantee its accuracy.



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## Participant Service Options

- Access to your account is available 24 hours a day, 7 days a week at [www.LFG.com/tamu](http://www.LFG.com/tamu).
- Knowledgeable customer service representatives, who can provide you with information and answer questions regarding your account, are available from 7:00 a.m. to 7:00 p.m. CST by calling 800-4LINCOLN (800-454-6265).
- Your local Lincoln Financial representatives are also available to assist you with your retirement planning needs, from enrollment to retirement. Lincoln Financial's local representatives specialize in retirement planning and understand the importance of personalized service. Please visit [www.LFG.com/tamu](http://www.LFG.com/tamu) for a listing of local Lincoln Financial representatives.
- Various educational materials designed to provide you with information about Lincoln Financial's products and services, investments, market conditions and retirement planning needs are available at any time courtesy of your employer.
- Local seminars are offered to assist you with your retirement planning. These seminars include topics such as risk analysis, asset allocation, investment options, market trends and tax/legislative updates.

## How to Enroll

Contact your Lincoln Financial professional to help you enroll as a participant in your retirement plan or visit [www.LFG.com/tamu](http://www.LFG.com/tamu) to access information on Lincoln Financial's retirement programs developed exclusively for The Texas A&M University System employees. Here you will also find a complete list of Lincoln Financial representatives by campus.

**Insurance and investment company products are sold by prospectus. An investor should consider the investment objective, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. A prospectus is available by calling 800-4Lincoln or by visiting [www.LFG.com/tamu](http://www.LFG.com/tamu). Read it carefully before investing or sending money.**

Securities in the *Multi-Fund*<sup>®</sup> variable annuity are offered through Lincoln Financial Distributors Corp., a broker/dealer and securities in the *Lincoln Alliance*<sup>®</sup> program are offered through Lincoln Financial Advisors Corp., a broker/dealer both are affiliates of Lincoln National Corporation, 1300 S. Clinton St., Fort Wayne, IN 46802. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.



**Build your personal safety net.** Despite historic uncertainty in the financial markets, preparing for the “ifs” in life can be a real balancing act. Metropolitan Life Insurance Company clients are benefiting from our long-term, disciplined approach to business. See how MetLife can help you strengthen your personal safety net even in times like these.

## MetLife Resources Program Offerings

MLR offers several choices and tools within each of the Texas A&M Retirement Programs to help you meet your retirement needs. Your options include a variable annuity-based program called Gold Track Select (GTS), a mutual fund-based program called Mutual Fund Select Portfolios (MFSP) with a fixed account under the Gold Track Select Registered Fixed Account option, or a combination of both.

Features	Gold Track Select Variable Annuity	Mutual Fund Select Portfolios
<b>Fixed Annuity Option</b>	yes	yes
<b>Target Date Mutual Funds</b>	no	yes
<b>Guaranteed Death Benefit*</b>	yes	no
<b>Fees</b>	0.80% mortality & expense charge**	no administrative fee
<b>Unlimited Transfers***</b>	yes	yes

Please visit our website [www.metlife.com/tamu](http://www.metlife.com/tamu) for more information.

How do you define a successful retirement? What really matters? Thoughtful planning can lead to a retirement that delivers on what you care about most, ensuring an active, satisfying life in your retirement years. MetLife can help you build a solid retirement strategy.

- Envisioning your retirement
- Determining what retirement will cost
- Funding your retirement
- Protecting your retirement income

We are living through some very unpredictable times. By creating a personal safety net and plan, you can find more certainty and enjoyment now and in retirement. MetLife Resources Financial Services Representatives are available for one-on-one consultations to provide retirement funding information and help you prepare for the future. Call **1-800-236-8489** for an appointment.

\*The registered Fixed Account Option, beneficiary protection and the guaranteed payout options are backed by the financial strength and claims-paying ability of MetLife Insurance Company of Connecticut.

\*\*This fee is reduced in the calculation of the daily unit value and is not a separate fee.

\*\*\*Some restrictions may apply; please see the prospectus for more details.

*Mutual funds are sold by prospectus only, Gold Track Select variable annuity and the Registered Fixed Account are offered by prospectus only, all are available from your registered representative. You should carefully consider the product's features, risks, charges and expenses, and the investment objectives, risks and policies of the underlying portfolios, as well as other information about the underlying funding choices. This and other information is available in the prospectus, which you should read carefully before investing. The account value is subject to market fluctuations so that, when annuitized or withdrawn, it may be worth more or less than its original value. Product availability and features may vary by state. Gold Track Select variable annuity and the Registered Fixed Account product guarantees are based on the financial strength and claims-paying ability of MetLife Insurance Company of Connecticut. Diversification cannot eliminate the risk of investment losses, and past mutual fund performance is not a guarantee of future results.*

Gold Track Select Variable Annuity is issued by MetLife Insurance Company of Connecticut (MLICC) under policy form numbers L-14666TX, L-14669 TX, L-14672 TX, 1300 Hall Boulevard, Bloomfield, CT 06002-2910. Products are distributed by MetLife Investors Distribution Company (MLIDC) (member FINRA), 5 Park Plaza, Suite 1900, Irvine, CA 92614. Securities, including variable products are offered through MetLife Securities, Inc. (MSI) (member FINRA/SIPC), New York, NY 10166. MLICC, MLIDC and MSI are MetLife companies.

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# FUND FREEDOM ADVANTAGE

FOR SECTION 403 (b) PLAN ACCOUNTS

## **The Pentegra Advantage for ORP and 403(b) Accounts**

Pentegra Retirement Services offers employees of Texas A&M University System the opportunity to save for retirement—tax-deferred, using no load or waived mutual funds.

### **Ultimate Fund Flexibility**

We offer access to an investment platform with thousands of funds to choose from, with no hidden charges, surrender fees or penalties.

### **Convenience and Confidence**

Enjoy the ease of a single, flexible solution for personalized retirement investing with the confidence that comes with unlimited, unbiased fund options and objective advice.

### **Account Access When It's Convenient for You**

With our online account access tools, you can access your account when and where it's convenient for you.

### **Informative, Easy-To-Understand Statements**

Delivered in hard copy and online in a clear, comprehensive format.

### **The Pentegra 403(b) Advantage delivers:**

- > Access to thousands of mutual funds, without paying commissions
- > Specifically designed for retirement investing
- > No minimum investment
- > Unlimited allocation adjustments and transfers
- > Review and manage your account online 24/7, [www.pentegra.com](http://www.pentegra.com)
- > Customizable online statements
- > Informative, easy to understand quarterly statements
- > Automatic contribution processing
- > Loan availability lets you borrow from your account

RSGroup Trust Company, a wholly owned subsidiary of Pentegra Retirement Services, provides retirement plan services to financial institutions, corporations, municipalities, non-profit organizations and educational institutions. With over \$5.2 billion in assets under management, we serve more than 100,000 participants nationwide. We offer a fee-based, objective approach to our clients in a commission-free environment.

### **New Links**

Your 403(b)/Orp Plan [https://www.403bplan.info/employee\\_login.php](https://www.403bplan.info/employee_login.php)

Mutual funds and other securities are NOT insured by the FDIC or any other government agency, and are not deposits or other obligations of, or guaranteed by any financial institutions or Pentegra Services, Inc. or any of its affiliated companies. Investment in mutual funds and other securities will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost and are subject to investment risk, including the possible loss of the principal amount invested.

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# WHY CHOOSE TIAA-CREF FOR TEXAS A&M UNIVERSITY SYSTEM RETIREMENT PLANS?

TIAA-CREF is the financial services organization of choice for more than three million of your colleagues in the academic, medical, cultural and research fields. We offer certain advantages that can help you achieve your retirement and investment goals, both now and in the future. To and through retirement, TIAA-CREF offers:

TIAA-CREF's products and services are available under the Texas A&M University System retirement plans, giving you the opportunity to help save for retirement with one of the most respected firms in the financial services industry. TIAA-CREF offers Texas A&M University System employees the following advantages:

## A WIDE ARRAY OF INVESTMENTS

These include the TIAA and CREF variable annuity accounts and TIAA-CREF mutual funds. We invented the variable annuity in 1952 and have long pioneered its use in funding retirement investing. More than two-thirds of TIAA-CREF's mutual funds and variable annuity accounts outperformed their Morningstar medians over the past three years, and 64% outperformed their Morningstar medians over the past five years (as of 3/31/09).<sup>1</sup>

## INVESTMENT CHOICES THAT MATCH YOUR GOALS

From retirement savings accounts to life insurance, education savings and mutual funds, we can help you determine what's right for your situation. We also offer unique choices like the TIAA Traditional Annuity, which provides a minimum guaranteed rate (generally 3%) plus the opportunity for additional amounts<sup>2</sup> and a good way to obtain guaranteed income during retirement.<sup>3</sup> Visit [www.tiaa-cref.org/tamus](http://www.tiaa-cref.org/tamus) to learn more about your investment choices.

## FINANCIAL STRENGTH

For its stability, sound investments, claims-paying ability and overall financial strength, TIAA currently holds top ratings from all four leading insurance company ratings agencies: A.M. Best Co. — A++ (as of 9/08), Standard & Poor's — AAA (as of 8/08), Fitch — AAA (as of 8/08) and Moody's Investors Service — Aaa (as of 5/09).\*

## LOW COSTS

TIAA-CREF is committed to keeping costs low, which is why our expenses are among the lowest in the variable annuities and mutual funds industries.\*\*

## OBJECTIVE AND INDEPENDENT ADVICE

Our knowledgeable consultants offer objective advice. Our consultants receive no commissions. They are compensated through a salary-plus-incentive program that focuses on client service excellence.

## ONLINE ENROLLMENT

It's easy for you to enroll online. Simply go to [www.tiaa-cref.org/tamus](http://www.tiaa-cref.org/tamus) and click on "Enroll Now." If you need assistance call TIAA-CREF at **800 842-2888** Monday through Friday, 8 a.m. to 10 p.m., and Saturday, 9 a.m. to 6 p.m. (ET).

<sup>1</sup> The Morningstar median represents the midpoint of an index of comparable funds/accounts grouped on factors such as investment objective and asset class.

<sup>2</sup> These additional amounts, when declared, remain in effect for the "declaration year," which begins each March 1. There is no assurance that additional amounts will be declared.

<sup>3</sup> Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. Payments under CREF and the TIAA Real Estate Account are variable and will rise or fall based on investment performance.

\* These ratings do not apply to variable annuities, mutual funds, or any other product or service not fully backed by TIAA's claims-paying ability.

\*\* Morningstar Direct (March 2009) based on Morningstar expense comparisons by category.

TIAA-CREF products may be subject to market and other risk factors. See the applicable product literature, or visit [tiaa-cref.org](http://tiaa-cref.org) for details.

Past performance is no guarantee of future results. Our funds have been negatively impacted due to the recent market volatility. For current performance, please visit [www.tiaa-cref.org/performance](http://www.tiaa-cref.org/performance).

**You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or go to [tiaa-cref.org](http://tiaa-cref.org) for a prospectus that contains this and other information. Please read the prospectus carefully before investing.**

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**FINANCIAL SERVICES  
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# The Texas A & M University System Plan

## VALIC Plan Highlights Summary

SAVING : INVESTING : PLANNING

Texas A&M University System retirement plan participants have powerful advantages to help them prepare for the future, including:

- > Tax-deferred growth of their savings, and
- > Pretax contributions that can reduce current income taxes.

Income taxes are payable upon withdrawal. Federal restrictions and a 10% tax penalty may apply to withdrawals before age 59½.

### Why VALIC:

- > For over half a century specializing in retirement plans
- > Third-largest plan provider to employees of major colleges and universities

### VALIC offers participants these additional advantages:

- > **Exceptional client service.** Online, by phone and in person
- > **Guided Portfolio Services.**® Independent investment advice and managed account program
- > **Comprehensive Financial Plan.** No-cost financial analysis
- > **VALIC's mutual fund program, which includes a fixed annuity.\*** Remember that investment values for variable annuities and mutual funds may fluctuate, and when redeemed may be worth more or less than the original cost

VALIC offers our group mutual fund platform to the Texas A&M University System at no cost to the client except for a 0.50% fee on assets held in the SSgA S&P Index Fund.

### Exceptional client service

- > Personal, face-to-face service from local financial advisors with VALIC
- > Access to account information 24/7 online (VALIC.com/tamus) and by phone (1-800-448-2542)
- > Quarterly account statements detailing balances and transactions
- > Annual review to make sure your retirement savings plan is on track to meet your goals

\* Policy Form GFUA 504, a group fixed unallocated annuity issued by The Variable Annuity Life Insurance Company.

**To view or print a prospectus, visit [www.valic.com/tamus](http://www.valic.com/tamus) and look to the right-hand side of the screen. Click the appropriate link inside the box titled "Prospectuses and Other Materials." Click on "Funds" in Quick Links, and funds available for your plan are displayed. The prospectus contains the investment objectives, risks, charges, expenses and other information about the respective investment company that you should consider carefully before investing. Please read the prospectus carefully before investing or sending money. You can also request a copy by calling 1-800-448-2542.**

**Securities and investment advisory services are offered by VALIC Financial Advisors, Inc., member FINRA and an SEC-registered investment advisor.**

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Online, by phone  
or with an advisor

## CLICK

VALIC.com/tamus  
Find "To enroll," click  
link for list of advisors

## CALL

1-800-448-2542  
7 a.m. - 8 p.m. (CT)

## VISIT

your local  
financial advisor

## Helpful Definitions

**Annual insurance fee:** This covers mortality and expense (M & E) risk charges and other administrative expenses. It also provides for a guaranteed death benefit and for lifetime guaranteed income payouts.

**Annual policy fee:** This covers the costs of maintaining and administering an account during the accumulation phase. It is often waived when an account's value reaches a certain level.

**Annual sub-account fee:** A fee deducted for fund operating costs, management fees, and other asset-based costs incurred by the fund. This charge is assessed at the sub-account level and is not deducted from policy values.

**Annuitant:** The person(s) who receives the income from an annuity contract.

**Annuitize:** To begin a series of payments from an annuity. When someone who has been investing in an annuity retires, a payout schedule is selected according to need. The company that sold the annuity then pays a fixed-dollar amount for an extended period of time, often the rest of the policyholder's life.

**Annuity:** Form of contract sold by life insurance companies that guarantees a fixed or variable payment to the annuitant at some time in the future, usually retirement. Prior to the annuity date, during the accumulation phase, the cash values of the annuity accumulate tax-deferred, with specific contractual guarantees and at competitive interest rates. During the payout phase, a fixed annuity will ultimately pay out the accumulated value in regular installments varying only with the payout method selected. In a variable annuity, the cash accumulations reflect the performance of an underlying portfolio of investments such as stocks and bonds.

**Asset allocation:** A method of portfolio management that allows investors to determine an appropriate mix to produce the maximum reward given the level of risk they are willing to accept.

**Asset category:** A broad group of assets that corresponds to an investment objective -- such as growth, income or stability. Stocks represent the asset category for growth, bonds for income, and cash equivalents for stability.

**Asset class:** A group of assets that is similar in type and investment objective, for example, large company stocks or international government bonds.

**Asset management fee:** Fees charged by the investment advisor to manage the assets in a plan.

**Back-end load fund:** An open- or closed-end investment company that charges a fee upon the redemption or sale of its fund shares. Typically, loads are reduced based on the value of the shares and/or the passage of time. Are also referred to as Class B shares.

**Blue chip stock:** The common or preferred stock of well-known, major corporations that is traded on a national stock exchange. Blue chip status is derived from long periods of earnings growth, dividend payments and financial stability.

**Bond:** A certificate of debt or negotiable promissory note of a corporation or public body that promises to repay on a maturity date some years in the future and to pay periodic interest until then.

**Defined-benefit plan:** An employer-sponsored retirement plan in which the employee receives a future benefit based upon a predetermined formula. (Example: \$100 per month at retirement for each year employed.)

**Defined-contribution plan:** An employer-sponsored plan in which the amount of the employee's retirement benefit is determined by contributions, rather than a predetermined formula. The employee's benefit equals his/her accumulated contributions plus earnings.

**Expense guarantee:** A guarantee common to all annuities which is that expenses, the cost of doing business, will not be increased or exceed a certain percentage of the annuity contributions.



**Fixed annuity:** An annuity that pays a set rate of interest.

**Fixed investment option:** A fund that has a guaranteed or a “fixed” rate of interest (aka fixed-income investment.)

**Front-load fund:** An open- or closed-end investment company that charges a fee upon the purchase of its shares. This fee, called “the load,” is deducted from the amount invested. Also called Class A shares.

**In-service withdrawal:** A participant-initiated withdrawal from an employer-sponsored retirement plan while the participant is still employed by the company.

**Margin:** The amount of money paid by investors when they use their broker’s credit to buy a security.

**Maturity:** The date on which a bond must be repaid.

**Minimum distribution:** The minimum annual required distribution amount from an employer-sponsored retirement plan account. Distributions are required when the participant reaches age 70½ or retires, whichever is later.

**Money market:** An asset class consisting of short-term debt instruments and government securities that carry little risk.

**Mortality and Expense (M&E) risk charge:** A fee that covers contract guarantees in annuity contracts, such as death benefits.

**Mutual fund:** A fund established by an investment management company to invest the pooled money of individual shareholders in a diversified portfolio of securities selected to meet stated goals. Funds offer shareholders diversification, liquidity and professional management.

**Rebalancing:** Adjusting a portfolio, through fund transfers or sales or purchases, to re-establish the initial allocation of assets.

**Rollover:** The nontaxable transfer of assets from one eligible retirement plan to another, such as from a defined contribution plan to an IRA.

**Surrender charge:** A fee imposed for terminating an annuity contract prior to its maturity.

**Term life insurance:** Insurance that covers the insured for a specified period such as one, five or 10 years, often with an option to renew. Premiums are paid throughout this time, but generally become higher during the course of the term, as the policyholder grows older.

**Variable annuity:** A tax-advantaged retirement-planning and payout vehicle offered only through a life insurance/annuity company. A variable annuity serves as an accumulation vehicle prior to retirement by accepting contributions and providing the investor with a choice from among variable-return investment options. It serves as an income vehicle, starting at retirement, and bases its income payments on the performance of the underlying variable-return investments.

**Vesting:** A participant’s right of ownership to the money in his or her plan account. A participant’s contributions and his/her earnings are always 100% vested; however, company contributions and employer matching contributions may become vested over a period of time.

**Whole life insurance:** Form of life insurance policy that offers protection in case the insured dies and also builds cash value. The policy stays in force for the lifetime of the insured, unless the policy is canceled or lapses. The policyholder usually pays a set annual premium to whole life, which does not rise as the person grows older, as in the case with term insurance.



