

**PLAN DOCUMENT
FOR THE
TEXAS A&M UNIVERSITY SYSTEM
TAX-DEFERRED ACCOUNT PROGRAM**

Voluntary 403(b) Program

January 1, 2009

**THE TEXAS A&M UNIVERSITY SYSTEM
SYSTEM BENEFITS ADMINISTRATION
A&M SYSTEM BUILDING, SUITE 1120
200 TECHNOLOGY WAY
COLLEGE STATION, TEXAS 77845-3424**

**The Texas A&M University System
TAX-DEFERRED ACCOUNT PROGRAM**

TABLE OF CONTENTS

		<u>Page</u>
Section 1	Definitions	1
	1.1 "Account"	1
	1.2 "Account Balance"	1
	1.3 "Administrator"	1
	1.4 "Annuity Contract"	1
	1.5 "Beneficiary"	1
	1.6 "Custodial Account"	1
	1.7 "Code"	1
	1.8 "Compensation"	1
	1.9 "Disabled"	2
	1.10 "Elective Deferral"	2
	1.11 "Employee"	2
	1.12 "Employer"	2
	1.13 "Funding Vehicles"	2
	1.14 "Includible Compensation"	2
	1.15 "Individual Agreement"	2
	1.16 "Participant"	2
	1.17 "Plan"	2
	1.18 "Plan Year"	2
	1.19 "Related Employer"	3
	1.20 "Severance from Employment"	3
	1.21 "Vendor"	3
	1.22 "Valuation Date"	3
Section 2	Participation and Contributions.....	3
	2.1 Eligibility.....	3
	2.2 Compensation Reduction Election.....	3
	2.3 Information Provided by the Employer	3
	2.4 Change in Elective Deferrals Election	4
	2.5 Contributions Made Promptly	4
	2.6 Leave of Absence.....	4
Section 3	Limitations on Amounts Deferred	4
	3.1 Basic Annual Limitation.....	4
	3.2 Special Section 403(b) Catch-up Limitation for Employees with 15 Years of Service.....	4
	3.3 Age 50 Catch-up Elective Deferral Contributions.	4
	3.4 Coordination.....	4
	3.5 Special Rule for a Participant Covered by Another Section 403(b) Plan.....	5
	3.6 Correction of Excess Elective Deferrals	5
	3.7 Protection of Persons Who Serve in a Uniformed Service	5

Section 4	Loans	6
	4.1 Loans.....	6
	4.2 Information Coordination Concerning Loans.....	6
	4.3 Maximum Loan Amount.	6
Section 5	Benefit Distributions.....	6
	5.1 Benefit Distributions at Severance from Employment or Other Distribution Event.	6
	5.2 Minimum Distributions.	7
	5.3 In-Service Distributions from Rollover Account.	7
	5.4 Hardship Withdrawals	7
	5.5 Rollover Distributions.....	7
Section 6	Rollovers to the Plan and Transfers	8
	6.1 Eligible Rollover Contributions to the Plan.....	8
	6.2 Plan-to-Plan Transfers to the Plan.....	8
	6.3 Plan-to-Plan Transfers from the Plan.....	9
	6.4 Contract and Custodial Account Exchanges.....	10
	6.5 Permissive Service Credit Transfers.	11
Section 7	Investment of Contributions.....	11
	7.1 Manner of Investment.....	11
	7.2 Investment of Contributions	11
	7.3 Current and Former Vendors.....	11
Section 8	Amendment and Plan Termination	12
	8.1 Termination of Contributions	12
	8.2 Amendment and Termination.....	12
	8.3 Distribution upon Termination.....	12
Section 9	Miscellaneous.....	12
	9.1 Non-Assignability	12
	9.2 Domestic Relation Orders.....	12
	9.3 IRS Levy.....	12
	9.4 Tax Withholding	12
	9.5 Payments to Minors and Incompetents	13
	9.6 Mistaken Contributions.....	13
	9.7 Procedure When Distributee Cannot Be Located.....	13
	9.8 Incorporation of Individual Agreements.....	13
	9.9 Governing Law.....	13
	9.10 Headings	13
	9.11 Gender	13
Section 10	Roth 403(b) Contributions.....	14
	10.1 Definitions	14
	10.2 Roth 403(b) Contributions.....	14
	10.3 Distribution of Roth 403(b) Contributions	14

Appendix A	Authorized Vendors.....	15
Appendix B	Authorized Vendors (limited to contributions only).....	15
Appendix C	Authorized Vendors (limited to holding balances only).....	16
Appendix D	Administrative Procedures.....	17

Introduction

The Texas A&M University System Tax-Deferred Account (TDA) Program is authorized under Section 403(b) of the Internal Revenue Code. The TDA program is a governmental 403(b) plan and is not covered by the Employee Retirement Income Security Act of 1974 (ERISA).

Section 1 - Definitions

The following words and terms, when used in the Plan, have the meaning set forth below.

1.1 "**Account**": The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 "**Account Balance**": The bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 "**Administrator**": System Benefits Administration for The Texas A&M University System.

1.4 "**Annuity Contract**": A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the state of Texas and that includes payment in the form of an annuity.

1.5 "**Beneficiary**": The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 "**Custodial Account**": The group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

1.7 "**Code**": The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.8 "**Compensation**": All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a

compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan).

1.9 **"Disabled"**: The definition of disability provided in the applicable Individual Agreement.

1.10 **"Elective Deferral"**: The Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.

1.11 **"Employee"**: Each individual, whether appointed or elected, who is a common law employee of the Employer performing services as an employee of the Employer. This definition is not applicable unless the employee's compensation for performing services for a public education institution is paid by the Employer. Further, a person occupying an elective or appointive public office is not an employee performing services unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government.

1.12 **"Employer"**: The Texas A&M University System.

1.13 **"Funding Vehicles "**: The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan offered through a Vendor.

1.14 **"Includible Compensation"**: An Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws. Pursuant to Reg. Section 1.415-2(e)(4) of the Income Tax Regulations, Includible Compensation will include payments made to an individual who does not currently perform services for the Employer by reason of qualified military service (as defined in Section 414(u)(5) of the Code) to the extent those payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than enter qualified military service.

1.15 **"Individual Agreement"**: The agreements between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.16 **"Participant"**: An individual for whom Elective Deferrals (or Roth 403(b) Contributions) are currently being made, or for whom Elective Deferrals (or Roth 403(b) Contributions) have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

1.17 **"Plan"**: The Texas A&M University System Tax-Deferred Account (TDA) Program.

1.18 “**Plan year**”: The calendar year.

1.19 “**Related Employer**”: The Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

1.20 “**Severance from Employment**”: For purpose of the Plan, Severance from Employment means Severance from Employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of the public education institution, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not the public education institution or in a capacity that is not employment with the public education institution (e.g., ceasing to be an employee performing services for the public education institution but continuing to work for the same State or local government employer).

1.21 “**Vendor**”: The provider of an Annuity Contract or Custodial Account as identified in Appendix A, B and C.

1.22 “**Valuation Date**”: Each business day of the Plan Year.

Section 2 - Participation and Contributions

2.1 **Eligibility.** Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals or Roth 403(b) Contributions in accordance with section 10 made on his or her behalf hereunder immediately upon becoming employed by the Employer.

2.2 **Compensation Reduction Election.** An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral and/or Roth 403(b) Contributions in accordance with Section 10 on his or her behalf) and filing it with the Administrator or designate. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals (and/or Roth 403(b) Contributions) are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. All Elective Deferrals shall be made on a pre-tax basis. All Roth 403(b) Contributions shall be made in accordance with the terms in Section 10. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the Employee’s election.

2.3 **Information Provided by the Employee.** Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.4 Change in Elective Deferrals Election. Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals (and/or Roth 403(b) Contributions), his or her investment direction, and/or his or her designated Beneficiary. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

2.5 Contributions Made Promptly. Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within 15 business day following the end of the month in which the amount would otherwise have been paid to the Participant.

2.6 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals (and/or Roth 403(b) Contributions) under the Plan shall continue to the extent that Compensation continues.

Section 3 - Limitations on Amounts Deferred

3.1 Basic Annual Limitation. Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferral (and/or Roth 403(b) Contributions to the extent permitted under Section 10) under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is the amount established under section 402(g)(1)(B) of the Code, which is \$16,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under section 415(d) of the Code.

3.2 Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service. Because the Employer is a qualified organization (within the meaning of § 1.403(b)-4(c)(3)(ii) of the Income Tax Regulations), the applicable dollar amount under Section 3.1 for any “qualified employee” is increased (to the extent provided in the Individual Agreements) by the least of:

- (a) \$3,000;
- (b) The excess of:
 - (1) \$15,000, over
 - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years;
- (c) The excess of:
 - (1) \$5,000 multiplied by the number of years of service of the employee with the qualified organization, over
 - (2) The total Elective Deferrals and, if applicable, Roth 403(b) Contributions made for the Employee by the qualified organization for prior years.

For purposes of this Section 3.2, a “qualified employee” means an employee who has completed at least 15 years of service taking into account only employment with the Employer.

3.3 Age 50 Catch-up Elective Deferral Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals (and/or Roth 403(b) Contributions), up to the maximum age 50 catch-up Elective Deferrals (or Roth 403(b) Contributions) for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,500 for 2009, and is adjusted for cost-of-living thereafter to the extent provided under the Code.

3.4 Coordination. Amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals (or Roth 403(b) Contributions) for a year be more than the Participant's Compensation for the year.

3.5 Special Rule for a Participant Covered by Another Section 403(b) Plan. For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a § 403(b) plan.

3.6 Correction of Excess Elective Deferrals. If the Elective Deferral (or Roth 403(b) Contributions) on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferrals (and/or Roth 403(b) Contributions) on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the Employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral (and to the extent applicable, Roth 403(b) Contributions), to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant. Excess Deferrals (and, if applicable, Roth 403(b) Contributions) will be distributed to the Participant, with allocable net income, no later than April 15 of the following taxable year or otherwise in accordance with Section 402(g) of the Code.

3.7 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

Section 4 - Loans

4.1 **Loans.** Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements with Vendors listed in Appendix A and B controlling the Account assets from which the loan is made and by which the loan will be secured.

4.2 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

4.3 **Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of:

(a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator or designate (not taking into account any payments made during such one-year period); or

(b) one half of the value of the Participant's vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator or designate).

For purposes of this Section 4.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

Section 5 - Benefit Distributions

5.1 **Benefit Distributions At Severance from Employment or Other Distribution Event.** Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), Section 5.4 (relating to hardship), or Section 8.3 (relating to termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Notwithstanding the foregoing and in accordance with the terms of the Individual Agreements, the withdrawal restrictions do not apply to Elective Deferrals and corresponding earnings made to an Annuity Contract as of

December 31, 1988 to the extent that such amounts can be identified by the Vendor. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 Minimum Distributions. Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in § 1.403(b)-6(e) of the Income Tax Regulations.

5.3 In-Service Distributions From Rollover Account. If a Participant has a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

5.4 Hardship Withdrawals. (a) Hardship withdrawals shall be permitted under the Plan in accordance with the financial need safe harbor rules described in Section 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations to the extent permitted by the Individual Agreements with Vendors listed in Appendix A and B controlling the Account assets to be withdrawn to satisfy the hardship. If applicable under an Individual Agreement, no Elective Deferrals (or Roth 403(b) Contributions) shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

(b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant's financial need (pursuant to § 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals (or Roth 403(b) Contributions) under the Plan.

(c) An Individual Agreement may make distributions to a Participant for expenses described in Section 1.401(k)-1(d)(3)(iii)(B)(1), (3), or (5) of the Income Tax Regulations for a primary Beneficiary. For this purpose, a "primary Beneficiary" is an individual who is named as a Beneficiary and has an unconditional right to all or a portion of the Account balance upon the death of the Participant.

5.5 Rollover Distributions. (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the Participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(c) A Participant or a spouse who is the designated Beneficiary of the Participant may elect to roll over amounts in accordance with Section 408A(e) of the Code directly to a Roth IRA.

Section 6 - Rollovers to the Plan and Transfers

6.1 Eligible Rollover Contributions to the Plan.

(a) **Eligible Rollover Contributions.** To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, in no event does the Plan accept a rollover contribution from a Roth IRA described in section 408A of the Code.

(b) **Eligible Rollover Distribution.** For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the Employee, (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code, (4) corrective distributions of excess contributions under a qualified cash or deferred arrangement described in Section 1.401(k)-2(b)(2) of the Income Tax Regulations and excess aggregate contributions described in section 1.401(m)-2(b)(2) of the Income Tax Regulations, together with the income allocable to these distributions, or (5) loans that are treated as deemed distributions pursuant to Section 72(p) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) **Separate Accounts.** Unless otherwise provided by the terms of the applicable Individual Agreements, Vendors shall provide separate accounting for any eligible rollover distribution paid to the Plan.

6.2 Plan-to-Plan Transfers to the Plan. (a) At the direction of the Employer, for a class of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Administrator may permit a transfer of assets to the Plan in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire

interest therein to the Plan and the Participant is an Employee or former Employee of the Employer. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with § 1.403(b)-10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer in accordance with Section 1.414(l)(1) of the Code.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.3 Plan-to-Plan Transfers from the Plan. (a) At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with § 1.403(b)-10(b)(3) of the Income Tax Regulations. A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are Employees or former Employees of the Employer (or the business of the Employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code

and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to § 1.403(b)-10(b)(3) of the Income Tax Regulations.

6.4 Contract and Custodial Account Exchanges. A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan as identified in Appendix A as an authorized vendor, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not identified in Appendix A as an authorized vendor is not permitted.

6.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

Section 7 - Investment of Contributions

7.1 Manner of Investment. All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in Section 6.4 of the Plan, the Individual Agreements and permitted under applicable Income Tax Regulations.

7.3 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan as appendices. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy

section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals (or Roth 403(b) Contributions) under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals (or Roth 403(b) Contributions) under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Section 8 - Amendment and Plan Termination

8.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

8.2 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time.

8.3 Distribution upon Termination of the Plan. The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed as soon as administratively practicable under the Plan, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Section 9 - Miscellaneous

9.1 Non-Assignability. Except as provided in Section 9.2 and 9.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

9.2 Domestic Relation Orders. Notwithstanding Section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

9.3 IRS Levy. Notwithstanding Section 9.1, if a Participant or Beneficiary is entitled to a distribution in accordance with Section 5, the Administrator may pay from a Participant's or

Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

9.4 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals (and, if applicable, Roth 403(b) Contributions), which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

9.5 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

9.6 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

9.7 Procedure When Distributee Cannot Be Located. The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.

9.8 Incorporation of Individual Agreements. The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code.

9.9 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the state of Texas.

9.10 **Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.11 **Gender.** Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

Section 10 – Roth 403(b) Contributions

10.1 Definitions

(a) “Roth 403(b) Contributions” means contributions that are:

- (1) made by the Employer to the Plan pursuant to a Compensation reduction agreement entered into by a Participant, which qualifies as a “designated Roth contribution” within the meaning of the Code Section 402A;
- (2) irrevocably designated by the Participant at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the Elective Deferrals the Participant is otherwise eligible to make under the Plan; and
- (3) treated by the Employer as includible in the Participant’s income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election.

(b) “Roth 403(b) Contributions Account” means the account established and maintained by the Administrator for each Participant with respect to his total interest (including earnings and losses attributable thereon) under the Plan resulting from Roth 403(b) Contributions.

10.2 Roth 403(b) Contributions. For each Plan Year, each Participant may elect to make Roth 403(b) Contributions to the Plan up to the applicable limit under Code Section 402(g) and as aggregated with Elective Deferrals as described in Section 3.1, 3.2, and 3.3, and subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions will be allocated to the Participant’s Roth 403(b) Contributions Account.

10.3 Distribution of Roth 403(b) Contributions. (a) Qualified Distributions: Distributions from a Roth 403(b) Contributions Account will be tax-free for federal income tax purposes if:

- (1) The amounts are held for a 5-year holding period, measured from the first year that the initial Roth 403(b) Contribution was made on behalf of the Participant to a Roth 403(b) Contributions Account, and
- (2) The distribution is due to a Participant’s attainment of age 59 ½, death, or in the event of the Participant’s becoming Disabled.

(b) Non-qualified Distributions: Amounts distributed from a Roth 403(b) Contributions Account that are not considered “Qualified Distributions” as defined in Section 10.3(a), may be distributed from a Roth 403(b) Contributions Account subject to the distribution rules applicable to Elective Deferrals as described in Section 5.1. Such nonqualified distributions shall be subject

to federal income tax to the extent that the amount distributed exceeds the value of the Roth 403(b) Contributions.

IN WITNESS WHEREOF, the Employer has caused this Plan to be executed this 19th day of December, 2008.

Employer: The Texas A&M University System

By: 

Title: Director

Date signed: 12/19/08

Effective Date of the Plan: January 1, 2009

Appendix A

Vendors authorized to receive ongoing contributions, and Exchange and Transfers under the Plan:

<u>Name of Organization</u>	<u>Contact Person</u>	<u>Telephone Number</u>
AIG Retirement	Deltra Hays	(713) 463-3803
Fidelity Investments	Eric Bjurlin	(817) 474-8168
ING	Troy Dryer	(512) 554-7314
Lincoln Financial Group	Rachel Knapp	(866) 266-7972
Metlife Resources	Alicia Shepler	(732) 652-1253
RS Group	Thomas Anderson	(972) 420-7686
TIAA-CREF	Donna Ahrens	(512) 795-7018

Appendix B

Vendors authorized to receive ongoing contributions. Exchanges and Transfers to these Vendors are not permitted under the Plan:

<u>Name of Organization</u>	<u>Contact Person</u>	<u>Telephone Number</u>
Security Benefit	Chris DeGrassi	(785) 438-3298
USAA	Melinee McComas	(800) 531-8292 ext 4669
AXA Equitable	Christopher Zingaro	(732) 452-7310
Great American Life Insurance Co. Plan Member Services	Carol Willman Kathy Patton	(800) 789-6771 ext 12271 (800) 874-6910 ext 2306
American Century Life Insurance Co. of the Southwest	Doug Baker Debbie Hill	(800) 345-3533 ext 42516 (866) 243-7174
Jefferson National Life Insurance Co.	Donna Diachenko	(502) 515-7811
ISC Group	Tarynn Ecton	(800) 888-3520
Commonwealth Annuity	Laura Bryant	(508) 460-2437
Thrivent Financial for Lutherans	Amanda Brooks	(920) 628-3149
Ameriprise Financial Services	Jeremy Bly	(612) 678-9018
Horace Mann Life Insurance Co.	Tricia Seifert	(866) 999-1945 opt 1
Waddell & Reed	Allan Browns	(913) 236-1540
Diversified Investors	Brad Warren	(319) 298-3985
AVIVA (Delta Life/American Investors)	Lisa Opitz	(800) 255-2405 ext 457
Modern Woodmen of America	Debra Henderson	(309) 793-5689

Appendix C

Vendors authorized to hold account balances. Ongoing contributions, Exchanges, and transfers to these Vendors are not permitted under the Plan.

<u>Name of Organization</u>	<u>Contact Person</u>	<u>Telephone Number</u>
American Funds	Susan O'Riley	(210) 474-4396
Van Kampen Funds	David Goldberg	(212) 296-6621
John Hancock Signature Services	Laong Chanthapho	(617) 572-4669
National Western Life	Jo Morris	(512) 719-2273
Jefferson Pilot	Jim Rooney	(800) 254-6265
Pioneer Investments	Diane Wilcox	(781) 827-8363
Nationwide Life Insurance	Chris Ison	(614) 435-0515
John Hancock Mutual Life Insurance Co.	Annuity Service	(800) 422-0237
United Investors Life Insurance Co.	Tom Wilson	(361) 883-3177
Merrill Lynch	John Anderson	(979) 695-3002
ReliaStar Life Insurance	Bonnie Coffey	(701) 858-2445
FTJ Fundchoice	Michael Hall	(859) 426-2000
Symetra Life Insurance	Brian Main	(425) 256-5632
Jackson National Life	Jeff Thompson	(517) 367-3960
Americo Financial Life & Annuity	Bryan Easum	(816) 394-2495
American Skandia	Linda Wise	(215) 658-5328
American United Life	Chuck Condrey	(317) 285-2075
Franklin Templeton	Alvin Hasegawa	(800) 632-2350 ext 53722
Evergreen Funds	Faye Howard	(800) 247-4075
Fidelity Guaranty Life	Sharon Vollertsen	(866) 506-0941 ext 11454
General American Life	Sheri Maria	(800) 237-8872
INVESCO/Aim	Brian Houston	(713) 214-1592
New York Life	Donna Shoop	(800) 695-9873 ext 8709
Prudential Life Insurance	William Brennan	(800) 458-6333
Fiserv	Brittany Marshall	(303) 294-5967
Southern Farm Bureau	Mary Banks	(601) 981-7422 ext 1579
Sun Life	Greg Fradkin	(800) 752-7215
Union Central Life	Nancy King	(800) 825-1551 ext 2928
T. Rowe Price	Ellen Evans	(800) 492-7670
Western National Life Insurance	Connie Pritchett	(800) 288-4088 ext 7579
Wachovia	Andrea Montalvo	(800) 654-1410
ITT Hartford	Don Brown	(818) 715-1876
Conseco Life Insurance Co.	Don Papp	(800) 689-0240

Appendix D

Administrative Procedures

A. Enrollment Procedures

The following forms must be completed and submitted to the System Member Human Resources or Payroll Office by either the employee or the vendor representative. All forms are provided on the System Benefits Administration website, <http://www.tamus.edu/benefits/retirement/>.

1. System TDA Salary Reduction Agreement/Change of Vendor form (HR 17).
2. A copy of the vendor enrollment/application form.

B. Effective date of participation (Payroll Deadlines)

1. The System will determine the employee's effective date of participation. The effective date will be the first day of the month, provided all necessary and properly executed forms are signed, received by the appropriate Payroll office, and processed before payroll has run for that month. A new employee with an employment date other than the first day of the month may elect to participate as of his/her employment date provided all forms are submitted prior to payroll being processed for that month. Forms received after the monthly payroll calculation will be effective on the first of the following month.
2. Any vendor enrollment/application form or salary reduction acknowledgment that is submitted incorrectly or incompletely will be returned to the submitting party immediately. The employee and representative are responsible for resubmitting the corrected forms within the employee's eligibility period. The final complete and correct application submission will determine the employee's effective date of participation.

C. Procedure for MCL Calculation Worksheet

1. With the assistance and cooperation of the vendor, each participant is responsible for accurately completing the MCL worksheet, but is not required to submit the MCL worksheet with their TDA Salary Reduction Agreement. The purpose of this worksheet is to assist the participant in determining their annual contribution limit. The participant is solely responsible for the accuracy of the calculation, although the System Member Human Resources or Payroll Office may provide information to assist with the calculation, review the calculation or provide other services related to the calculation. The System payroll program will automatically calculate/verify the MCL amount when a new TDA Salary Reduction Agreement is submitted.
2. The System produces automated MCL calculations for participants whose year-end projected contribution amount exceeds their cutoff limit on an annual basis in October, November, and December or as deemed appropriate by the System. It

remains the responsibility of the TDA participant to review such calculations for accuracy of data and submit a new TDA Salary Reduction Agreement if necessary. Participants may contact their vendor representatives for assistance. The System reserves the right to change or terminate participant's contribution amounts to ensure compliance with IRS contribution limits.

D. Procedure for changing the TDA Vendor or reduction amount

1. A request to change the dollar amount or percentage amount of reduction requires a new TDA Salary Reduction Agreement. Participants may submit a new TDA Salary Reduction Agreement as frequently as once per month.
2. Participants can change vendors by submitting a new TDA Salary Reduction Agreement/Change of Vendor Form (HR 17) and application from the new vendor to the appropriate System Member Human Resources or Payroll Office. The change will be effective on the first day of the month, provided all necessary and properly executed forms are signed, received by the appropriate Payroll office, and processed before payroll has run for that month. Forms received after the monthly payroll calculation will be effective on the first of the following month.
3. Participants can cancel their TDA Salary Reduction Agreement at the end of any month for amounts not yet received. They must provide written notice to their Human Resources or Payroll Office in advance of the requested stop date. The stop date will be determined by the date the notice is actually received by the System Member Human Resources or Payroll Office, in conjunction with payroll processing deadlines.

E. Procedure for handling excess contributions to a TDA

1. For purposes of this section, excess contributions to a TDA are defined as any contributions in a calendar year that exceed the calculated 415(c) or 402(g) limits for the TDA participant. Participants' limits are determined using the calculations defined on the MCL worksheet. Annual limits may change multiple times during one calendar year based on salary changes, changes in work hours and other employment-related actions.
2. If excess contributions are identified earlier than December during the calendar year, System Benefits Administration will work directly with the Payroll Offices to refund the excess contributions through System Payroll as taxable income. With this process, funds will be returned to the participant through the System payroll rather than directly from the vendor to the participant. Such returns will be made in accordance with IRS guidelines.
3. In December of each year, System Benefits Administration will notify vendors of participants with excess contributions who have been identified during the annual automated MCL process. Distributions of excess contributions must be made by the vendor prior to calendar year end and sent directly to the participant, in

accordance with instructions from System Benefits Administration and IRS guidelines.

F. TDA distribution rules

1. Distributions may only be made by the Vendor upon receipt of a properly completed TDA Notification of Change in Employment Status Form (HR 18) or a letter from the appropriate Payroll Office confirming termination and vesting status. These documents must be signed by an authorized representative of the System. The Vendor may not delay distribution by requiring additional paperwork or signatures or through some other means. The distribution confirmation form and check should be sent directly to the former System employee or designated payee as instructed.
2. Eligibility for loans and financial hardship distributions is determined by the authorized Vendor (shown in Appendix A and B), in accordance with applicable IRS guidelines. The Vendor is responsible for processing financial hardship requests and loan requests. The Vendor is responsible for maintaining supporting qualification documentation for hardship distributions and loans for a principal residence. A Distribution Eligibility Certificate from the Retirement Manager System is required for the Participant to obtain a loan or hardship from the Vendor.
3. Distributions to an alternate payee pursuant to a Domestic Relations Order (DRO) are the responsibility of the participant and the Vendor. A DRO is a notice of entitlement that awards an interest in the TDA account value to an alternate payee. The vendor should determine if the DRO is “qualified” and, if so, execute the provisions of the order and provide notification of such to the System. The System component Human Resources or Payroll Office should place a copy of the notice in the employee’s payroll file.
4. Roth TDA distributions will include disclosure of whether the distribution is qualified or not, the first year of the 5-taxable-year period, and the portion of the distribution that is attributable to the designated Roth contributions. For distributions directly to the employee, a statement with this information must be supplied to the employee.
5. Distributions related to excess contributions are described in Section E.

G. Contract Exchange of existing TDA funds

Total Contract Exchanges of TDA funds, partial Contract Exchanges, and Contract Exchanges between a 403(b)(7) account (mutual fund) and a 403(b)(1) account are permitted. Contract Exchanges are only permitted to authorized TDA Vendors (listed in Appendix A). No employer authorization or ORP/TDA Transfer Verification Form will be required for a trustee to trustee transfer from a TDA Vendor to TRS or ERS to be used for service credit purchase. The following procedure applies to partial as well as total TDA Contract Exchanges:

1. Receiving vendor's/employee's responsibilities:
 - a. The receiving vendor completes its rollover/transfer form, including the account number, address where the funds should be sent, and other information appropriate for each vendor. Employees may only do Contract Exchanges to a Vendor listed in Appendix A.
 - b. An ORP/TDA Transfer Verification Form (HR 16) must be completed. The ORP/TDA Transfer Verification Form must include the receiving vendor information, including the name of the vendor representative who is authorized by the System. The vendor representative name is not required if the employee is doing a Contract Exchange to a vendor that does not require individual vendor representatives. (ORP refers to the Optional Retirement Program.)
 - c. Both the receiving vendor's rollover/transfer form and the ORP/TDA Transfer Verification Form should be forwarded to the appropriate System Member Human Resources or Payroll Office.
2. System Member Human Resources or Payroll Office responsibilities:
 - a. Upon receipt of the ORP/TDA Transfer Verification Form and the receiving vendor's rollover/transfer form, the System Member Human Resources or Payroll Office will verify that the receiving vendor is on the list of authorized Vendors (listed in Appendix A). A Contract Exchange may only be made to a Vendor listed in Appendix A.
 - b. The completed ORP/TDA Transfer Verification Form, with the attached receiving vendor's rollover/transfer form, is forwarded by the System Member Human Resources or Payroll Office to the surrendering vendor. The forms will be returned to the employee if the receiving vendor is not an authorized TDA Vendor (listed in Appendix A) or if the representative is not registered with the System.
3. Surrendering vendor's responsibilities:
 - a. The surrendering vendor must receive a completed ORP/TDA Transfer Verification Form certified by the appropriate System Member Human Resources or Payroll Office and the receiving vendor's rollover/transfer form, prior to making any Contract Exchanges. If unauthorized Contract Exchanges are made, the System has the right to require the surrendering vendor to recover the funds or make the account whole.
 - b. Upon receipt of the completed ORP/TDA Transfer Verification Form and the receiving vendor's rollover/transfer form, the funds must be transferred directly to the receiving vendor within seven business days. The surrendering vendor may not delay Contract Exchanges by requiring additional paperwork or signatures or through some other means. However, the surrendering vendor may require a signature guarantee or

medallion guarantee. In the case of a Roth TDA Contract Exchange, the surrendering vendor must provide the first year of the 5-taxable-year period and portion of the transfer attributable to designated Roth contributions.

- c. If a total Contract Exchange is completed by the surrendering vendor (i.e., the total account value is transferred to the receiving vendor) and additional funds are subsequently received by the surrendering vendor, the surrendering vendor is responsible for automatically transferring those additional funds directly to the receiving vendor.

H. Rollovers

Rollovers into a TDA account from another retirement plan do not require A&M System review or approval. In addition, A&M System review or approval is not required when participants roll over funds from their TDA accounts to other retirement plans (the participants must be eligible to elect a distribution - see TDA Distribution Rules).

It is the responsibility of the receiving vendor to process the rollover in accordance with federal law. TDA funds may be invested in plans structured under different sections of the Internal Revenue Code, i.e. 403(b), 401(k), 457(b) (a Roth 403(b) may only be rolled over to another Roth 403(b), Roth 401(k), or Roth IRA) and there is no involvement in the rollover of funds by the employer. The employee will work directly with the surrendering vendor and receiving vendor.

1. Direct – A direct rollover occurs when funds move from one vendor to another without a taxable distribution being made to the employee. The check is made payable to the new vendor.
2. Indirect – An indirect rollover occurs when an employee requests a taxable distribution of funds from one investment vendor, and within 60 days, reinvests the funds with another investment vendor and subsequently claims a refund on the taxes previously paid. The check is made payable to the employee less the mandatory federal tax withholding.

I. Solicitation procedures

1. The System reserves the right to limit or revoke the solicitation privileges of any representative or Vendor at its discretion if it determines that any representative or Vendor is not properly serving the best interest of System employees or is disruptive to employees or System business.
2. Properly appointed representatives of authorized TDA Vendors (listed in Appendix A) are permitted to solicit eligible employees at System facilities only as invited guests of the administration. They must abide by the rules established by System Benefits Administration, the Chief Executive Officer and the individual in charge of each System location.

3. Representatives are allowed to make presentations on System premises only at the request of the administration.
4. No unsolicited visits, mailings (including bulk mailings), telephone, or e-mail solicitations are permitted to campus offices.
5. The providing of gifts or monetary rewards in exchange for information on newly hired employees is prohibited.
6. All representatives are expected to abide by the parking regulations in effect at the various System locations. Excessive parking violations may result in the loss of solicitation privileges.
7. System employees are not allowed to provide copying or typing assistance, notary or other clerical services to representatives conducting business in System buildings.
8. Authorized TDA Vendors (listed in Appendix A) may supply literature to the System Member Human Resources or Payroll Offices. Brochures may be made available for employees at a location to be designated by the Chief Executive Officer of each System member or the individual in charge of each System component.
9. Informational reports may be purchased by contacting:

The Texas A&M University System
A&M System Building, Suite 2079
200 Technology Way
College Station, Texas 77845-3424
Phone: (979) 458-6144
e-mail: syscomm@tamu.edu

NOTE: The Texas Public Information Act restricts public access to the home addresses, home telephone numbers and social security numbers of employees who designate this information as private. Therefore, reports described above will only include employees who permit public access to their information.

J. Vendor administrative changes

1. Changes to existing information: System Benefits Administration must be notified in writing of any changes to the contact information provided in Appendix A, B, or C.
2. Adding representatives: System Benefits Administration must receive a completed Representative Acknowledgment Form (HR 13) that has been signed by the prospective representative and one of the individuals assigned as the Representative Designator or Primary Contact by the authorized Vendor (listed in Appendix A). System Benefits Administration will notify the Vendor and the various System Member Human Resources or Payroll Offices of the addition if

acceptable. New representatives may not contact System employees until after the Vendor has been notified that the addition is accepted.

3. Send a notice of change and/or requests to add or drop representatives to:

Retirement Coordinator
System Benefits Administration
The Texas A&M University System
A&M System Building, Suite 1120
200 Technology Way
College Station, Texas 77845-3424
Phone: (979) 458-6160
Fax #: (979) 458-6190

K. Recertification procedure

In order to maintain solicitation privileges, the vendor will periodically be required to certify agreement with changes to the vendor requirements or to resubmit the information contained in the application.

1. The System is responsible for initiating the request for recertification. A written notice, including instructions and a response deadline, will be sent to the Primary Contact for the vendor.
2. Failure to respond in a timely fashion may result in loss of privileges.

L. Procedure for terminating vendor participation in the TDA program

1. The System may terminate a vendor's participation in the TDA program by sending a written notice to the Primary Contact for the vendor at least 30 days in advance of the termination date.
2. A vendor may terminate participation in the TDA program by sending a written notice to each participant in the program and System Benefits Administration at least 60 days in advance of the termination date.

**AMENDMENT NO. ONE
TO
THE TEXAS A&M UNIVERSITY SYSTEM
TAX-DEFERRED ACCOUNT PROGRAM**

Amendment made this 11th day of August, 2011 to The Texas A&M University System Tax-Deferred Account (TDA) Program plan document.

W I T N E S S E T H

WHEREAS, the Employer desires to amend The Texas A&M University System TDA plan document to provide that the Participant is permitted to change the investment of his or her Account Balance pursuant to Section 6.4 of the plan document to a Vendor in Appendix B when the Participant is actively contributing to the Vendor in Appendix B.

WHEREAS, pursuant to Section 8.2 of the Plan, The Employer has the authority to amend the Plan.

NOW, THEREFORE, the Plan is amended as follows:

1. Section 6.4 is amended to read as follows:

“6.4 **Contract and Custodial Account Exchanges**. A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan indentified in Appendix A as an authorized vendor or identified in Appendix B when the Participant is actively contributing to such vendor, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not identified in Appendix A as an authorized vendor or identified in Appendix B as a vendor actively receiving contributions from the Participant is not permitted.”

2. Appendix B is amended to read as follows:

“Vendors authorized to receive ongoing contributions. Exchanges and Transfers to these Vendors are not permitted under the Plan unless the Participant is actively contributing to the vendor:”

IN WITNESS WHEREOF, this Amendment has been executed on the date written above, by the Employer.

**EMPLOYER:
THE TEXAS A&M UNIVERSITY SYSTEM**

By: 
Title: Director