

MAXIMUM CONTRIBUTION LIMITS FOR VOLUNTARY RETIREMENT PLANS

Limit on Elective Deferrals to the 403(b) Tax-Deferred Account (TDA) Program

YEAR	CONTRIBUTION LIMITS UNDER 402(g)*	OVER AGE 50 CATCH-UP CONTRIBUTION LIMITS*
2007	\$15,500	\$5,000
2008	\$15,500	\$5,000
2009	\$16,500	\$5,500
2010	\$16,500	\$5,500
2011	\$16,500	\$5,500
2012	\$17,000	\$5,500

*Each limit may be indexed for inflation in increments of \$500 after 2006. Optional Retirement Program (ORP) contributions offset the TDA contribution limit, and may decrease the maximum contribution limit.

Tax-Deferred Account participants who have completed 15 years of service with the A&M System by the end of the calendar year may be eligible to contribute up to an additional \$3,000 beyond the regular IRC 402(g) deferral limit. (In 2012 the 402(g) limit is \$17,000, so an employee with 15+ years of A&M System service could contribute up to \$20,000 – or \$25,500 if over age 50.) The Internal Revenue Service restricts these “additional” TDA contributions to a total lifetime maximum of \$15,000.

Limit on Elective Deferrals to the 457(b) TexaSaver Deferred Compensation Plan (DCP)

YEAR	CONTRIBUTION LIMITS*	OVER AGE 50 CATCH-UP CONTRIBUTION LIMITS*
2007	\$15,500	\$5,000
2008	\$15,500	\$5,000
2009	\$16,500	\$5,500
2010	\$16,500	\$5,500
2011	\$16,500	\$5,500
2012	\$17,000	\$5,500

*Each limit may be indexed for inflation in increments of \$500 after 2006.

In addition to the over age 50 catch-up, a 3-year catch-up provision is available under the TexaSaver DCP. However, the 3-year catch-up may not be used in the same year as the over age 50 catch-up provision. The 3-year catch-up provision is available to employees who, in previous years, have not deferred or have deferred less than the maximum allowed. The earliest an employee can start the catch-up provision is three years before the year in which an employee attains normal retirement age. The A&M System defines normal retirement age as either the Rule of 80 (employee’s age plus years of TRS, ORP and/or ERS service credit equals 80), or age 65 with 5 years of TRS, ORP and/or ERS service credit.

The A&M System is not responsible for notifying employees of their eligibility to use “catch-up” provisions described above under the TDA and TexaSaver DCP.