

Benefit Briefs



Brought to you by System Benefits Administration

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On-line W-2 Notification

If you are receiving a paper copy of your W-2 or are a new employee, keep reading. In December, when you sign on to HR Connect, an On-Line W-2 Notification window will be displayed. If you elect to receive your W-2 electronically, it will be available earlier than the paper copy. If you elect to continue to receive a paper copy you must verify your home mailing address. In this case, your W-2 will not be available until late January.

2007-2008 Spending Account Claims Deadline

To avoid forfeiting any remaining balance in your 2007-2008 spending account, you must file claims by December 31, 2008. According to IRS rules, money not claimed in 2007-2008 spending accounts by the deadline is forfeited.

For more information on submitting claims or to check your balance, go to the PayFlex website at: www.payflex.com.

ORP and TDA Participants

The Internal Revenue Service has passed new regulations requiring increased employer responsibility for 403(b) plans, including the ORP and TDA programs. You should have already been notified if your ORP and/or TDA vendor has indicated that they will be unable to comply with these new regulations. You must move future contributions to a vendor on the approved list by **December 12, 2008**. Your vendor's status can be verified at <http://www.tamus.edu/benefits/retirement/Inactive%20Vendor%20Compliance%20List.pdf>. A list of approved vendors is located at <http://www.tamus.edu/benefits/retirement/orptda.html>. Contact your Human Resources Office or Payroll department with any questions.

Fuel Your Retirement

With mortgages, health care, tuition, and other day-to-day expenses eating away at your paycheck, it's easy to put off saving for the future. Since retirement won't always be a few years away, it's important to begin saving now.

- The Employee Benefits Research Institute reports that more than half of all workers aged 25 and older have less than \$25,000 saved for retirement. Even more startling is the fact that 41 percent of workers aged 45 to 54 also report less than \$25,000 in total savings.*
- A healthy couple, both age 65, stand a 50% chance that one of them will live to age 92.*

With longer life expectancies and rising costs, having personal retirement savings is important. The good news: it's never too late to start.

- Pay yourself first. Take advantage of the A&M System retirement plans, such as the Tax-Deferred Account (TDA) voluntary 403(b) or the TexaSaver 457 Deferred Compensation Plan. One advantage of saving through these plans is that the money goes to savings before you have a chance to spend it. An added benefit is that you are saving pre-tax, which means you get the full benefit of the money you save and reduce your taxable income at the same time.
- Play catch up – literally. Catch-up provisions make it possible for workers who are age 50 and older to “catch up” on their savings by allowing them to put away additional. The “Age 50” catch-up provision allows workers to make an additional contribution of \$5,000 (\$5,500 in 2009) to the standard \$15,500 (\$16,500 in 2009) amount allowed in employer-sponsored plans, for a total maximum contribution of \$22,000. Employees age 50 and older can also

invest a catch-up amount of \$1,000 to the \$4,000 already allowed for an IRA, for a maximum contribution of \$5,000.**

- Consider working longer. If you're a typical 50-year-old with a household income of \$62,500 and savings of \$60,000, you would have to put away \$12,500 every year in today's dollars to retire comfortably at age 62. That would drop to between \$3,750 and \$7,500 if you work fulltime until 64 and then part-time until 75.***
- Save a little every day. Stashing the equivalent of an extra \$60 a month in your retirement plan will boost your savings by more than \$150,000 over 40 years if your investments earn 7% a year.

Don't delay— talk to your benefits specialist and visit the A&M System retirement website at <http://tamus.edu/benefits/retirement/>.

** Statistics compiled from the 2004-2006 Retirement Confidence Surveys, Employee Benefit Research Institute*

***Annual normal contribution limits is the lesser of 100 percent of compensation or \$15,500. The limit for a 457(b) plan participant within three years of normal retirement age may be up to twice the "normal" limit (i.e. \$31,000 for 2008).*

****2005 Merrill Lynch New Retirement Survey*

Medicare Premiums for 2009

Adjustments are made to Medicare plans nearly every year. Below are the upcoming changes for 2009.

Part A (Hospital)

Inpatient deductible From \$1,024 to \$1,068

Part B (Doctor & preventive services)

Premium No change - \$96.40 monthly

Deductible No change - \$135/annual

Part D (Prescription drug)

Premium Average of \$28 from \$25

Deductible From \$275 to \$295

Out-of-pocket maximum From \$4,050 to \$4,350

In 2009, the social security retirement age will be 66 for people born January 2, 1943, through January 1, 1944.

For more information call 1-800-MEDICARE or visit their website at www.medicare.gov.

Upcoming Survey

You will be receiving an email asking for your participation in a survey conducted by the Wellness Committee, a subcommittee of the System Employee Benefits Advisory Committee (SEBAC).

The goal of this survey is to gather information on the habits and opinions of employees and their spouses as they relate to preventive healthcare. The results of this survey will be used to develop future Health and Wellness Initiatives for A&M System employees.

Please take a few minutes to answer the questions honestly and offer suggestions, if you have any, as indicated in the survey. The survey takes less than 10 minutes to complete and is anonymous and confidential.

Employees at the Texas Transportation Institute were asked to participate in a pilot survey earlier this year. Results from both surveys will be published in a spring issue of Benefits Briefs.

Prescription Drug Change for A&M Care Members

Two medications will be changing from formulary to non-formulary as of January 1, 2009. This means that you will pay a higher copayment for these medications. Vytorin and Activella (.5 mg - .1 mg) are the two that will be changing and listed below are potential alternatives.

You will need to get a new prescription in order to change medications. CVS/Caremark has already sent a letter to members using these drugs.

Potential Alternatives

Vytorin

Formulary - Crestor, Lipitor

Generic - Pravastatin, simvastatin

Activella 0.5 mg - 0.1 mg

Formulary - Premphase, Prempro

Generic - Estradiol-norethindrone acetate