

The Texas A&M University System
ORP/TDA Vendor Fixed Account Annuity Product or Investment Option
Distribution Restriction Summary
April 2006

The following information is provided to assist Texas A&M University System employees who are interested in reviewing fixed annuity product or investment option distribution information from active vendors under the Optional Retirement Program (ORP) and Tax-Deferred Account (TDA) Program. The surrender fees stated below are reported by each vendor as part of our annual disclosure requirement. Questions regarding products and/or product fees should be directed to the vendor.

The Texas A&M University System has no fiduciary responsibility for the financial stability of the ORP/TDA vendor or the market value of the individual investments chosen by the participant. Additional information about the vendors and their products may be accessed through links to the vendors on the Systems Human Resources web site at <http://www.tamus.edu/offices/shro/orptda.htm>.

Definitions:

A&M System Maximum Fee Standards: The maximum fees that may be charged by companies that are authorized to market their product(s) under the A&M System retirement programs. These standards were implemented by The Texas A&M University System effective March 1, 2001.

Vendor Name: The name of the company that is authorized to market its products under the A&M System retirement programs.

Product Name: The name of the fixed annuity product or investment option offered by the vendor.

Retirement Program: This is the ORP and/or the TDA Program. Vendors may be authorized to market products for either or both of these programs.

100% Accessible: If yes, a participant may request a transfer or distribution of 100% of their ORP (Texas state law allows a distribution only when the participant dies, retires, terminates employment in all institutions of higher education in Texas, or obtains the age of 70 1/2 years) and/or TDA funds, although surrender charges may apply. If no, a participant may not request a transfer or distribution of 100% of their ORP and/or TDA funds and is subject to the restriction listed under the external and internal transfer columns.

External Transfers/Distributions: Restrictions applicable to transfers to another vendor or that apply to distributions (surrender and/or withdrawal of funds) from the account.

Internal Transfers: Restrictions applicable to transfers between funds or within fund families with the same vendor.

Surrender Charge: Fees or commissions incurred when a participant withdraws or transfers fund shares to another vendor. A surrender charge includes a back-end sales load, redemption charge, contingent deferred sales charge, or any other fee that is assessed when a participant accesses his/her funds.

Non-Rolling Surrender Charge: A surrender charge that begins when the first deposit is made and expires after a specified contract anniversary period.

Example:

Contract Year	1	2	3	4	5	6	7
Surrender Charge	7%	6%	5%	4%	3%	2%	1%

During the first contract year, any withdrawal or transfer would be subject to a 7% surrender charge; any withdrawal or transfer during the second contract year would be subject to a 6% surrender charge, etc. After the seventh contract year, no surrender charge would be applicable.

Rolling Surrender Charge: A surrender charge that is based on withdrawal or transfer of funds after the specified period from the date of receipt of each deposit.

Example:

Contract Year	1	2	3	4	5
Surrender Charge	5%	4%	3%	2%	1%

Rolling surrender charges are based on the length of time the deposit has been in the account. Therefore, a 5% surrender charge will apply to deposits in the account for less than 1 year, a 4% surrender charge will apply to deposits in the account for less than 2 years, etc. In this example, surrender charges will apply to any withdrawal or transfer from an account that has received deposits in the last 5 years. In order for a rolling surrender charge to no longer apply to any account deposits, a withdrawal or transfer could not be requested for 5 years after the date from the last deposit to the account.

The non-rolling or rolling surrender charge percentage and the length of the period to which the charge applies vary by vendor, but the surrender charge and length of the period the charge applies cannot exceed the A&M System surrender charge maximum.

The Texas A&M University System Maximum Fee Standards (effective 3/1/2001)				Non-rolling 7% over 7 yrs Rolling 5% over 5 yrs	
Vendor Name Product or Investment Option Retirement Program	100% Accessible	External Transfers/Distributions	Internal Transfers	Surrender Charge	Rolling or Non-rolling
ING Financial Services Fixed Plus Account ORP & TDA	No	Option 1: During each rolling 12- month period, up to 20% of the fixed plus account may be withdrawn as a partial surrender Option 2: 5 year payout: Yr 1: 20% Yr 2: 25% Yr 3: 33 1/3% Yr 4: 50% Yr 5: 100%	During each rolling 12- month period, up to 20% of the current value held in the fixed plus account may be transferred to one or more of the fund(s), the fixed account, and/or to the general accounts then current deposit period	No	N/A
ING Fixed Account TDA only	Yes	No restriction; surrender charge does apply	10% of the fixed account value may be transferred free of charge to another investment option each calendar year (this limit is not imposed at present)	5% over 6 yrs	Non-Rolling
ING Quintaflex Fixed Annuity TDA Only	No	10% partial free withdrawal; surrender charge does apply	10 % partial free transfer; surrender charge does apply	5% over 5 years	Rolling
Lincoln Financial Group Multifund® Variable Annuity Fixed Account ORP & TDA	Yes	One free withdrawal up to 15% of the surrender value in any contract year	The sum of the percentages of fixed value transferred will be limited to 25% (20% for ORP) in any 12 –month period (this limit is not imposed at present)	6% over 7 yrs	Non-rolling
Security Benefit Life Ins. Co. Variflex LS Fixed Account ORP & TDA	Yes	100% of fixed account during 1-month anniversary is available; the greatest of \$5000 OR 10% of the contract value for partial withdrawals outside the 1- month anniversary window	Available only during the calendar month window in which the transfer is effected, pursuant to dollar cost averaging, and pursuant to the asset reallocation option	No	N/A
Variflex General Account ORP & TDA	Yes	Starting in the second contract year, a 10% free withdrawal is available based on the contract value	Limited each year to the greater of \$5000 OR 1/3 of the fixed value OR 120% of the previous years' transfers	7% over 7 yrs	Non-rolling
Variflex Signature Fixed Account ORP & TDA	Yes	Starting in year 1 a free withdrawal of 10% of total purchase payments is available; in subsequent years a free withdrawal of 10% of the contract value as of the beginning of the contract year is available	Available only during the calendar month window in which the transfer is effected, pursuant to dollar cost averaging, and pursuant to the asset reallocation option	6% over 6 yrs	Non-rolling

Texas law requires that distributions from ORP accounts be allowed only when the participant dies, retires, terminates employment in all institutions of higher education in Texas, or obtains the age of 70 ½ years.

The Texas A&M University System Maximum Fee Standards (effective 3/1/2001)				Non-rolling 7% over 7 yrs Rolling 5% over 5 yrs	
<i>Vendor Name Product or Investment Option Retirement Program</i>	<i>100% Accessible</i>	<i>External Transfers/Distributions</i>	<i>Internal Transfers</i>	<i>Surrender Charge</i>	<i>Rolling or Non-rolling</i>
TIAA-CREF TIAA Traditional Annuity ORP	No	Required to take roughly equal installments over a 10-year period through the TIAA transfer payout annuity	Required to take roughly equal installments over a 10-year period through the TIAA transfer payout annuity	No	N/A
TIAA Traditional Annuity TDA	Yes	No restriction	No restriction	No	N/A
USAA Life Ins/Investment Mgmt. Flexible Retirement Annuity ORP & TDA	Yes	After the first contract year, up to 10% of the current accumulated value may be withdrawn free of charge once each contract year	No restriction; surrender charge does not apply	7% over 7 yrs	Non-rolling
Personal Pension Annuity ORP & TDA	No			Non-surrenderable	

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