

The Texas A&M University System
ORP/TDA Vendor Fixed Account Annuity Product or Investment Option
Distribution Restriction Summary
October 2008

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 Benefits Administration web site at <http://www.tamus.edu/benefits/retirement/orpnda.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. These standards were updated on September 1, 2008.

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.

Surrender charges are not permitted on accounts established after September 1, 2008.

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.

***Non-rolling and rolling surrender charges are not permitted in the ORP or TDA programs on accounts established after September 1, 2008.**

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 (updated 9/1/08)				Non-rolling and Rolling Surrender Charges not permitted after 9/1/08	
<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

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.