Retirement Programs - Frequently Asked Questions

**How often can I change my contribution amount to my Tax-Deferred Account (TDA)?**

You may change your contribution amount once each month. Make the change in Workday using the TDA Plan Change benefit event.

**How often can I change Optional Retirement Program (ORP) or TDA vendors?**

You may change your ORP or TDA vendor whenever you choose. For TDA, make the change in Workday using the TDA Plan Change benefit event. For ORP make the change in Workday using the ORP Vendor Change benefit event. However, your new vendor must be listed on the [A&M System active vendor list](#).

**Am I permitted to transfer my account to a vendor that is not on the approved list?**

No. Both the ORP and TDA plans only permit transfers to vendors on the [A&M System Active Vendor List](#) unless you are actively contributing to a grandfathered vendor. Under this circumstance, you may transfer funds to the account at the grandfathered vendor in which you are actively contributing.

**Do I have to transfer my existing ORP or TDA account in order to change vendors?**

No. You may leave your existing ORP or TDA account with your former vendor and change your future contributions to a new vendor. You may also contribute to two different TDA vendors at the same time, if you wish.

**What is the difference between a “Roth” TDA and a traditional TDA?**

With a traditional TDA, your contribution is deducted from your pay before federal income tax is calculated, so you do not pay current income tax on your contributions. Likewise, you do not pay current income tax on the investment earnings on your TDA savings. When you make withdrawals from your TDA account upon retirement, you will pay federal income tax on the withdrawals.

With a Roth TDA, your contribution is deducted from your pay after federal income tax is calculated, so you pay current income tax on your contributions. You do not pay income tax on your investment earnings now or in the future. When you make withdrawals from your Roth TDA account upon retirement, you will not pay federal income tax on the withdrawals.

**Are loans or hardship withdrawals allowed from an ORP account?**

No, loans are not permitted at any time in the A&M System ORP plan. Texas state law prohibits distributions, including loans and hardship withdrawals, under the Optional Retirement Program (ORP) until a participant retires, dies, reaches age 70½ or terminates employment with all Texas public institutions of higher education.

**Are loans or hardship withdrawals allowed from a TDA account?**

Yes. The TDA program does allow loans and hardship withdrawals regardless of the participant's employment status. However, not all TDA vendors offer loans. For more information, employees should contact their vendor representatives.
Am I permitted to take a distribution from my ORP account while employed with the A&M System?

Texas state law prohibits distributions under the Optional Retirement Program (ORP) until a participant retires, dies, reaches age 70½ or terminates employment with all Texas public institutions of higher education.

Am I permitted to take a distribution from my TDA account while employed with the A&M System?

The TDA program allows distributions from your account once you have reached age 59 ½, retire, or terminate employment with the A&M System. The TDA program also allows hardship withdrawals. This includes major un-reimbursed medical expenses, college costs for immediate family members, purchase of your primary residence or payments to prevent eviction from or foreclosure on your primary residence.

How much am I permitted to contribute to a TDA account?

The maximum contribution limit under the TDA is $19,500 in 2021. The catch-up contribution limit for plan participants who are 50 and older will be $6,500 in 2021.

How much am I permitted to contribute to the Texa$aver 457 Deferred Compensation Plan (DCP) account?

The maximum contribution limit under the Texa$aver DCP is $19,500 in 2021. The catch-up contribution limit for plan participants who are 50 and older will be $6,500. For more information, go to www.Texasaver.com and click on 457.

Can I contribute to the TDA and the Texa$aver DCP at the same time?

Yes. The TDA and the Texa$aver DCP are two separate plans with separate contribution limits. You may contribute $19,500 ($26,000 if 50 and older) to each plan in 2021. For more information, go to www.Texasaver.com and click on 457.

Can I contribute to both a traditional TDA and a Roth TDA?

Yes. However, both the traditional TDA and the Roth TDA are subject to the same total $19,500 TDA limit ($26,000 if 50 and older). The combined total cannot be greater than this limit.

Can I contribute to both a traditional DCP and a Roth DCP through Texa$aver?

Yes. However, both the traditional DCP and the Roth DCP are subject to the same total $19,500 DCP limit ($26,000 if 50 and older). The combined total cannot be greater than this limit. For more information, go to www.Texasaver.com and click on 457.