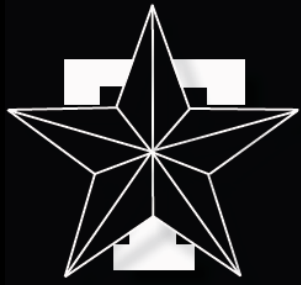




THE TEXAS A&M
UNIVERSITY SYSTEM

The
Pre-Tax
Premium
Plan

Updated September 2016



INTRODUCTION

Through The Texas A&M University System's Pre-tax Premiums plan, your health, dental, vision and/or Accidental Death and Dismemberment (AD&D) monthly premiums are deducted from your paycheck before taxes are calculated on your pay. This reduces the amount of your pay that is considered taxable income and increases your take-home pay.

Who's Eligible for This Plan?

You are **eligible** for the plan if you are enrolled in any of the covered benefit plans and:

- are eligible to participate in the teacher Retirement System of Texas (TRS) or Optional Retirement Program (ORP), and
- work at least 50% time for at least 4½ months.

You are also eligible for the Pre-tax Premiums plan if you are:

- a graduate student employee who works at least 50% time for at least 4½ months, or
- a working retiree who has chosen to have health, dental, vision and AD&D premiums deducted from your paycheck.

How This Plan Affects Your Taxable Income.

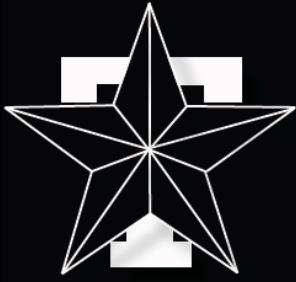
As a participant in Pre-tax Premiums, your share of the cost of your health, dental, vision and AD&D premiums is automatically deducted from your paycheck before taxes are calculated.

This means you never pay federal income tax or Social Security tax on the money you contribute toward these coverages. Since your contributions are made on a before tax basis, your taxable income is reduced. This may mean that your eventual Social Security benefit could be reduced. However, the reduction is quite small. Your base pay, for purposes of pay increases and benefits based on pay, is not reduced. Because you are paying your premiums on a pre-tax basis, you cannot take the health credit portion of the earned income credit on your federal tax return.

During Your initial 60-day benefit enrollment period if you are a new employee.

When you enroll in your benefits, your premiums will automatically be deducted after taxes are calculated on your pay.

During Annual Enrollment. Each year during the Annual Enrollment period, you will not have to re-enroll for pre-taxed premiums, effective the following September 1.



ADMINISTRATIVE AND PRIVACY INFORMATION

Here are some other facts about the plan you might want to keep handy.

PLAN NAME

The official name of this plan is The Texas A&M University System Pre- Tax Premiums Program.

Benefits under Pre-tax Premiums are governed by a legal plan document maintained by the plan sponsor. To obtain a copy of the plan document, contact the plan sponsor.

PLAN SPONSOR

Director of Risk Management and Benefits Administration
The Texas A&M University System
Moore/Connally Building
301 Tarrow Dr., 5th Floor
College Station, TX 77840
Mail Stop: 1117 TAMU
(979) 458-6330

<http://www.tamus.edu/business/benefits-administration/>

PLAN ADMINISTRATOR AND AGENT FOR SERVICE OF LEGAL PROCESS

The plan administrator and agent for service of legal process is the Director of Risk Management and Benefits Administration, who can be reached at the plan sponsor address shown above.

TYPE OF PLAN

The Pre-tax Premiums plan is a flexible benefit plan under Section 125 of the IRS tax code.

PLAN YEAR

Plan records are kept on a plan-year basis, beginning each September 1 and ending each August 31

EMPLOYER IDENTIFICATION NUMBER

74-2648747

FUTURE OF THE PLAN

The Texas A&M University System intends to continue the Pre-tax Premiums plan indefinitely; however, it may change, suspend, or end the plan, in whole or in part, at any time for any reason. The System's decision to end or change the plan may be due to changes in federal and state laws governing flexible benefit plans or the requirements of the Internal Revenue Service.

A FINAL NOTE

In case of discrepancies between this information sheet and the legal plan document, the plan document will prevail. This description of the plan is not a guarantee of current or future employment or benefits.

System Benefits Administration
Moore/Connally Building
The Texas A&M University
System 301 Tarrow Dr., 5th Floor
College Station, TX 77840