

**Texas Woman's University (TWU)
OPTIONAL RETIREMENT PROGRAM (ORP)
AND TAX DEFERRED ACCOUNTS (TDA)
403(b) PLAN DOCUMENT**

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Plan Sponsor: Texas Woman's University, Denton/Dallas/Houston
Plan Administrator: TWU Office of Human Resources or Designee



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403(b) PLAN DOCUMENT
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PLAN SUMMARY

This plan document covers the Internal Revenue Code (IRS) Section 403(b) plan available to eligible institutions of higher education, as offered by Texas Woman's University (TWU) to eligible employees of TWU. This plan does not include the IRS Section 457 plan, as administered by the Employees Retirement System for State of Texas employees, as made available to TWU employees, or any other plan type.

DESCRIPTION OF PLAN DOCUMENT

The enclosed documents, together with applicable Internal Revenue Service (IRS) federal rules and regulations and State of Texas rules and regulations governing the Texas Optional Retirement Program (ORP), comprise the ORP/TDA Programs Plan Document for TWU. This includes, but is not limited to, Internal Revenue Code Sections 403(b), ORP statute (Chapter 830, Texas Government Code) and the Texas Higher Education Coordinating Board (THECB) ORP Rules and Regulations (Chapter 25). These references are available online at www.irs.gov and www.theccb.state.tx.us.

DEFINITIONS

The following words and terms, when used in the Plan, have the meaning set forth below:

Account - The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

Account Balance - The amount of a Participant's Account(s) as of any relevant date derived from Plan contributions and from Earnings. In the case of an Annuity Contract that provides additional benefits, to the extent required under the Code, such term also will include the actuarial value of the Participant's vested interest in such other benefits as determined by the Provider.

Active Participation--Period of employment during which an ORP participant makes regular ORP contributions through payroll deduction based on the statutory percentage of the employee's salary earned during that period, which along with the matching employer contributions, are sent by the ORP employer to an authorized ORP Provider. A faculty member who is not employed by a Texas public institution of higher education during the three summer months but who was participating in ORP at the end of the spring semester immediately preceding the summer and who resumes ORP participation with the same or another Texas public institution of higher education in the fall semester immediately following that summer shall be considered an active participant during the three summer months.

Administrator - TWU or any other person or organization appointed or approved by the Employer to administer the Plan.

Age 50 Catch-Up Elective Deferral Contribution - An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,000 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under the Code.

Annuity Contract - Nontransferable Annuity contract issued by an insurance Provider qualified to issue annuities in a State and that includes the right to receive payment in the form of an annuity as described under Treas. Reg 1.401(f)-1(d)(2) and (e).

Beneficiary - The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

Code - The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

Compensation - All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code.

Currently Authorized ORP/TDA Provider - Providers that are currently authorized by TWU to provide ORP and TDA products and services to participants in the program.

Custodial Account - The group or individual custodial account or accounts, as defined in section 403(b) (7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

Disabled - The definition of disability within the meaning of Code section 72(m) (7), as amended from time to time.

Elective Deferral - The Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation.

(A) **Pre-Tax Deferral** - Pre-Tax Deferral means an Elective Deferral (including a Catch-Up Deferral or an Automatic Deferral) which is not a Roth Deferral.

(B) **Roth Deferral** - An Elective Deferral (including a Catch-Up Deferral or an Automatic Deferral) which a Participant irrevocably designates as a Roth Deferral under Code 402A at the time of deferral and which is subject to income tax when made to the Plan.

Employee - Each individual, whether appointed or elected, who is a common law employee of the Employer performing services for a public school as an employee of the Employer. This definition is not applicable unless the employee's compensation for performing services for a public school is paid by the Employer. Further, a person occupying an elective or appointive public office is not an employee performing services for a public school unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government.

Employer - Texas Woman's University (TWU).

Full-time - For purposes of determining initial ORP eligibility, the term "full-time" shall mean employment for the standard full-time workload established by TWU ("100 percent effort") at a rate comparable to the rate of compensation for other persons in similar positions for a definite period of four and one-half months or a full semester of more than four calendar months.

Grandfathered ORP/TDA Vendors - Providers who are not currently authorized by TWU to provide 403(b) products and services to new participants in the programs. These Providers have certification documents and Information Sharing Agreement documents in place.

Individual Agreement - Agreements between a Provider and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

Initial ORP Eligibility Date - The first day of employment in an ORP-eligible position.

Initial ORP Eligibility Period - The period of time beginning with the first date of employment in an ORP-eligible position that is expected to be 100 percent effort for a period of at least one full semester or four and one-half months.

ORP - The Optional Retirement Program as administered by TWU for and on behalf of its participating employees in accordance with Chapter 830 of the Texas Government Code and Texas Administrative Code Chapter 25.

ORP Election Period - The period of time during which ORP-eligible employees have a once-per-lifetime, irrevocable opportunity to elect to participate in ORP in lieu of participation in the Teacher Retirement System of Texas. The ORP election period shall begin on an employee's initial ORP eligibility date and shall end on the earlier of:

(A) The date the employee makes an ORP election; or

(B) The 90th calendar day after the employee's initial ORP eligibility date, not including the initial ORP eligibility date and including the 90th calendar day. If the 90th calendar day after the initial ORP eligibility date falls on a weekend or holiday, the deadline shall be extended until the first working day after the 90th calendar day.

ORP Retiree - An individual who participated in ORP while employed with TWU or another Texas public institution of higher education and who established retiree status by meeting the applicable retiree insurance requirements and enrolling in retiree group insurance provided by TWU or another public insurance provider, regardless of whether currently enrolled.

Participant - An individual for whom Elective Deferrals are currently being made, or for whom Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.

Plan - Texas Woman's University (TWU) Optional Retirement Program (ORP), Tax Deferred Accounts (TDA) and Roth Accounts.

Plan year - The calendar year.

Provider - The Provider of an Annuity Contract of Custodial Account.

Regulation or Regulations - The Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

Retirement Manager - The common remitter system currently authorized by Texas Woman's University.

Roth 403(b) Contributions - see Elective Deferral.

Salary Reduction Agreement - A participant's written or electronic election provided in the format approved by the Plan to make Elective Deferrals to the Plan.

Severance from Employment - Severance from employment with the Employer.

A. 403(B) SUMMARY OF PROGRAMS

PURPOSE

The purpose of these Rules and Regulations is to provide for greater uniformity of procedures for the administration of the Internal Revenue Code (IRC) section 403(b) Texas Optional Retirement Program (ORP) and 403(b) Tax Deferred Accounts (TDA) available to eligible employees of Texas Woman's University (TWU).

POLICY

The TWU Office of Human Resources (OHR) is responsible for establishing the Rules and Regulations for the administration of TWU's retirement programs within the terms, conditions, and requirements of the appropriate federal and state laws, regulations, and acts, and the rules and regulations of the TWU Board of Regents. Administration of these programs shall be interpreted in a manner that is consistent with the Internal Revenue Code of 1986, as amended, and other applicable federal and state laws.

ORP GENERAL PLAN DESCRIPTION

The ORP Program is offered as an alternative retirement plan to the Teacher Retirement System of Texas (TRS) for certain employees who are ORP eligible. The Texas ORP is a 403(b) plan that involves employee and employer tax-sheltered contributions.

Under the ORP Program, an employee enters into an agreement with TWU to reduce current earnings, up to specified limits, and to apply the proceeds of such reduction to the purchase of qualified 403(b) products with Providers approved by TWU. Contributions made under the ORP that are within the prescribed limits are not subject to income tax until received by the employee. The employee owns and controls all rights to and the investment values of the annuity/investment plan selected at all times, and the investment values of the annuity/investment will accumulate tax-free, until retirement, death, disability, or until such other time as the employee elects to receive the benefit payments, subject to the provisions of the Internal Revenue Service Code and applicable state law.

TDA GENERAL PLAN DESCRIPTION

The TDA Program is offered as a supplemental retirement program to the Teacher Retirement System (TRS), ORP, and/or the 457 Deferred Compensation Plan (DCP). Participation in a TDA is voluntary and involves employee tax-sheltered contributions only.

Under the TDA Program, an employee enters into an agreement with TWU to reduce current earnings, up to specified limits, and to apply the proceeds of such reduction to the purchase of qualified 403(b) products with Providers approved by TWU. Contributions made under the TDA Program that are within the prescribed limits are not subject to income tax until received by the employee. The employee owns and controls all rights to and the investment values of the annuity/investment plan selected at all times, and the investment values of the annuity/investment will accumulate tax-free, until retirement, death, disability, or until such other time as the employee elects to receive the benefit payments, subject to the provisions of the Internal Revenue Service Code.

ROTH GENERAL PLAN DESCRIPTION

Effective March 1, 2010 the Roth 403(b) Program is offered as a supplemental retirement program. Participation is voluntary and involves employee after-tax contributions only.

Under the Roth Program, an employee enters into an agreement with TWU to reduce current earnings, up to specified limits, and to apply the proceeds of such reduction to the purchase of qualified 403(b) products with Providers approved by TWU. Roth contributions are irrevocably designated by the Participant at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the Elective Deferrals the Participant is otherwise eligible to make under the Plan; and treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election.

B. PROVIDER APPROVAL REQUIREMENTS AND PROCEDURES

TWU will provide a selection of at least four and not more than ten ORP/TDA Providers that are qualified to do business in the State of Texas. The addition of or the deletion of Providers to the selection list requires the approval of the Office of Human Resources. An audit of the status of current authorized Providers and consideration of any new Provider's applications through TWU's certification/recertification process will be conducted periodically, at least once every three to five year period, normally during the spring.

ORP/TDA products offered by authorized Providers and provided to TWU employees must be products outlined in and governed by Section 403(b) of the Internal Revenue Code. Providers and representatives are required to comply with these Rules and Regulations and all federal and state laws. Failure to do so can result in expulsion from business with TWU of the Provider and/or a representative.

Only authorized representatives of TWU's list of selected Providers may provide ORP/TDA products to eligible TWU employees. A maximum of two representatives or agents representing each Provider is allowed per campus.

Representatives or agents are not considered or approved separate from the Provider approval. Representatives are designated by the Provider. Contributions may not be made or arranged through representatives or agents that are not designated by the approved Providers to represent them.

In accordance with Section 25.6(c)(2) of Chapter 25, the Coordinating Board's rules for the Optional Retirement Program, Providers authorized by institutions to provide ORP products to their employees must be qualified to do business in this state as determined by the appropriate oversight agency, including the Texas Department of Insurance for insurance Providers; Texas State Securities Board for investment Providers, securities brokers/dealers, and investment advisors; Texas Department of Banking for trust Providers and state-chartered banks; and the federal Office of the Comptroller of the Currency for nationally chartered banks. All authorized Providers must be registered with the appropriate oversight agency. Simply registering with the Secretary of State as a Provider doing business in Texas is not sufficient, even if the Provider is domiciled in another state and subject to that state's regulatory agencies.

PERIODIC RECERTIFICATION OF COMPANIES

Authorized Providers and Providers applying for authorized status must provide TWU with documentation indicating that the Provider is registered with the appropriate oversight agency. Providers that cannot or will not provide documentation of current valid registration with the appropriate oversight agency will not be considered in compliance with Chapter 25 and are not eligible to remain on TWU's list of authorized ORP/TDA Providers.

Providers seeking approval to provide Texas ORP/TDA 403(b) products to employees of TWU must request consideration in writing from the TWU Benefits area. Requests will be considered only if TWU is reviewing Providers at the time of the request.

Providers seeking to be authorized as ORP/TDA carrier/representatives must meet and certify compliance with specified conditions established by TWU. TWU reserves the right to limit the number of Providers eligible to provide ORP/TDA to employees paid through the TWU payroll.