

# Food for Thought

## Tax Saver Spending Accounts

Tax time being just around the corner provides a good opportunity to learn more about tax saver spending accounts that are available to you. You are able to set aside tax free dollars to pay for certain health care expenses and/or dependent day care expenses. You may establish a mount like de- from your each month, before taxes are calculated, thereby reducing your federal income and social security taxes. Your account is established and deposits made with the Tax Saver Plan. Because of the tax advantages of the plan, the Federal Tax Code places certain limitations on this type of plan: your Spending Account must be used only for eligible expenses incurred during the plan year- September 1 through August 31. In other words, you must receive the service during the plan year.

Your Tax Saver Plan Health Care Account gives you a way to pay expenses with before tax dollars that your health, dental, or vision insurance does not pay. However, you are not able to use your tax saver health care spending account to receive reimbursements for premiums you pay for health, dental, or vision insurance. You can contribute any amount from a minimum of \$20 a month to a maximum of \$4800 a year. If you have a spouse that works for the System, you may both have an account you can each contribute up to \$4800 a year. In general, you can use the Health Care Account to pay any expense that you could

otherwise deduct as a medical expense on your federal income tax return. However, you cannot use the Health Care Account and take an income tax deduction for the same expense.

You can contribute from \$40 a month up to a maximum of \$5000 a year to the Dependent Day Care Account on a before tax basis. You can use this money to pay yourself back for eligible day care expenses necessary to allow you and your spouse to work. If both you and your spouse work for the System, you can set up one or two accounts. However, if you have two accounts, the total of the accounts cannot be more than \$5000 a year.

You may submit your receipts for the expenses you incurred throughout the plan year through November 30 to get reimbursed on that tax free dollar you set aside. An administrative fee of \$2.50 is deducted if you participate in one or both of the spending accounts. You should plan carefully how much money to put in your Spending Accounts. Due to federal law, you will forfeit or lose- any unused money that is left in your accounts at the end of the plan year.

Enrollment for tax saver spending accounts occurs each year during annual enrollment or if you experience a family status change. Please contact your human resource office for additional enrollment information.

If you would like more information regarding Tax Saver Spending Accounts you may visit <http://sago.tamu.edu/shro/pagebenefits.htm> or contact your human resource office.

- Kerri Cawley

### Inside this issue:

Tax Saver Spending Accounts	1
Phone Numbers & Websites	1
The Kudos Korner	2
Prescription Drugs	2
Don't Go For the Big Refund	3
English Can be a Difficult Language to Learn	3
Money-Saving Tips Help on Trips	4
Did You Know?	4
Save Now, Retire Later	5
AGHR Learning Central	5
Credit Transfers Can Be Costly	6
Minimum Holding Period for Savings Bonds Extended	6
More....Time Flies	7
Self Confidence...	7
TRS—Did You Know?	8

### PHONE NUMBERS

- **Benefits**  
Phone: 979-845-2178  
Fax: 979-862-4885
- **Co. Programs HR**  
Phone: 979-845-3708  
Fax: 979-458-1046
- **Employment/Comp.:**  
Phone: 979-845-7986  
Fax: 979-862-4885
- **Payroll**  
Phone: 979-845-3636  
Fax: 979-845-9329
- **Training**  
Phone: 979-845-4766  
Fax: 979-862-4885

### WEBSITES

**AG Program HR:**  
[aghr.tamu.edu/default](http://aghr.tamu.edu/default)

**Co. Programs HR:**  
[taex-hr.tamu.edu](http://taex-hr.tamu.edu)

**Employment:**  
[aghr.tamu.edu/employment.htm](http://aghr.tamu.edu/employment.htm)

**Benefits:** [aghr.tamu.edu/benefits.htm](http://aghr.tamu.edu/benefits.htm)

**Ag Program Directory:**  
[agdirectory.tamu.edu/](http://agdirectory.tamu.edu/)

**Payroll:** [aghr.tamu.edu/pay.htm](http://aghr.tamu.edu/pay.htm)

**Forms (Alphabetical List):**  
[agservices.tamu.edu/forms/forms-alfa.htm](http://agservices.tamu.edu/forms/forms-alfa.htm)



# The Kudos Korner



Kudos to **Gloria Schwind** who was selected as 2002-03 SECC volunteer of the year for The Texas A&M University System. Since her involvement in The Agriculture Program's SECC campaign, contributions have increased by 48% and last year the Agriculture Program was recognized as having the highest dollar increase in contributions across The A&M System.

Much of this can be attributed to Gloria's willingness to go the extra mile for the cause. Many of you may have been served punch and cookies by this clearly motivated campaigner, adorned in sandwich board and "wobbly" headgear, as she distributed forms and passed out literature promoting SECC.

Gloria is quick to defer credit to her co-workers by focusing on the people who have been a part of the many fundraising activities that have marked past campaigns including all who helped with the silent auction, chili cookoffs, bakeoffs, and keeping track of the commitment forms. This is in keeping with her way of everyday living which is to put the needs of others before her own.

*If there are co-workers, supervisors or others within The Agriculture Program you would like to recognize in future editions, please forward your comments to Pat Onstott at [p-onstott@tamu.edu](mailto:p-onstott@tamu.edu) or 979-845-7802.*

Clearly she has been the right person for this job and we are proud of the recognition that has been bestowed on her. Congratulations Gloria! — Steve Schulze



Kudos to **Rhonda Hall**, Payroll Services Assistant Manager, for her dedicated effort at reconciling the 20 odd TCE payroll liability accounts (all the accounts the payroll deductions and employer charges go through) on a monthly basis.

— Fred Mitchell



**Cynthia Escamilla** has been working with Paul Lukich with the Texas Wildlife Damage Management Service (TWDMS). He made a point of telling me what a great job she has been doing with their paperwork. The TWDMS employees are spread out across Texas, so it is often a challenge to get their paperwork on time and completed accurately. Paul said that he really appreciates the way Cynthia follows up on what she says she will do. Good job!!! Thanks, Cynthia.

— Jan Kyles

## Prescription Drugs

If you have purchased prescription drugs recently, you probably noticed that the retail cost of these drugs is on the rise. Fortunately, all of the prescription plans offered through the Texas A&M University System offer set co-payments for prescription drugs through a three-tiered or four-tiered program. Each plan has its own formulary, which is a list of preferred brand-name drugs that have been compared and evaluated with other brands and provide maximum quality and value. The co-payment that you pay is determined primarily by the tier level of the prescription plan.

Generally, your plan will cover drugs that are prescribed for the medically necessary treatment of an injury, illness or disease. Typically, the various plans do not cover drugs prescribed for weight loss, smoking cessation, fertility treatment or cosmetic purposes. Some plans have restrictions and/or require prior authorization for certain drugs. Check with your plan for specific formulary information.

In order to maximize your savings, you should present the formulary list from your prescription plan to your physician each time you are to receive a prescription. Remember to let your physician know all of the medications you are taking so that he/she can prescribe the appropriate medication for your particular situation. When possible, ask your physician to consider the use of generically equivalent alternatives.

You are not required to use the drugs on the formulary list, and they are not the only drugs covered by the plans. If a drug you are using is not on the list, you may still have your physician prescribe that drug for your use, but you will pay a higher co-payment.

Each prescription plan has a mail-order service for a 90-day supply of maintenance drugs. Check with your individual plan for the requirements and co-payments regarding mail-order service. Typically, this avenue will save you money, as well as a trip to your local pharmacy.

To obtain a formulary list for your plan, you can call the plan office number listed on your identification card or go to the website. Below are the web sites for the various prescription plans:

- A&M Care 350,  
1250 and 65 Plus ..... [www.ehs.com](http://www.ehs.com)
- Scott & White ..... [www.swhp.org](http://www.swhp.org)
- Cigna ..... [www.cigna.com](http://www.cigna.com)
- Humana Health Plan ..... [www.humana.com](http://www.humana.com)
- FirstCare West Texas..... [www.firstcare.com](http://www.firstcare.com)
- Mercy Health Plan ..... [www.mercyhealthplans.com](http://www.mercyhealthplans.com)

— Dana Daugherty

## Don't Go For The Big Refund

Around this time every year, W-2 statements arrive. With their arrival many think "I'm going to get money from Uncle Sam!" But in reality the government is only returning your own money to you because your employer withheld more than was necessary. If you receive a large tax refund every year, you should consider reducing the amount of your withholdings. For example, if your refund this year is \$1,000, that means you could have increased your take-home pay by more than \$83 a month without owing anything to the IRS on April 15.

In effect, by having so much money withheld from your earnings, you are establishing a savings account that earns absolutely no interest. Additionally, you are extending an interest-free loan to the federal government. So if you would rather have that \$83 a month now, file a new W-4 form with your employer's human resource department. Not sure where you fall in the "too little or too much" category? The IRS has an online withholding calculator ([www.irs.gov](http://www.irs.gov)) that will help you ensure that your allocation matches your tax liability.

Whether or not the money comes back to you in a monthly increase or a rebate check, you still have to decide what to do with it. Using it to pay off any exist-

ing debt, establishing an emergency fund and investing in a college savings program are all ways to make sure you are taking advantage of your newly found income.

You could also put the money in a retirement fund and benefit twice. The first benefit is taking it out of Uncle Sam's interest-free fund and the second is that the government will give you money back just for saving your own money. The Savers Tax Credit provides a credit of up to 50 percent of the first \$2000 of an individual's contribution to a retirement plan or an IRA. The credit is fully available to married filers with an adjusted gross income (AGI) of less than \$30,000 and single filers with an AGI of less than \$15,000. A reduced credit is available if the AGI is less than \$50,000 for marrieds and \$25,000 for singles.



— *Tommye White, Director of Counseling for the Consumer Credit Counseling Service (CCCS), a division of Money Management International. Reprinted with permission of Money Management Int'l. CCCS toll-free number is 800-873-2227; Website: [www.moneymanagement.org](http://www.moneymanagement.org)*

**“Always do right. This will gratify some people and astonish the rest.”**

— *Mark Twain*

## English can be a Difficult Language to Learn

One can appreciate why many people find English a difficult language to learn:

- *We must polish the Polish furniture.*
- *He could lead if he would get the lead out.*
- *The farm was used to produce produce.*
- *The dump was so full that it had to refuse more refuse.*
- *The soldier decided to desert in the desert.*
- *The present was a good time to present the present.*
- *A bass was painted on the base of the bass drum.*
- *I did not object to the object.*
- *The insurance was invalid for the invalid.*

- *The bandage was wound around the wound.*
- *There was a row among the oarsmen about how to row.*
- *They were too close to the door to close it.*
- *The buck does funny things when the does are present.*
- *The wind was too strong to wind the sail.*
- *Upon seeing the tear in my clothes I shed a tear.*
- *I had to subject the subject to a series of tests on a specific subject.*
- *How can I intimate this to my most intimate friend?*

— *Author unknown*

# Money-saving Tips Help on Trips



Driving trips can be memorable and fun, yet when not planned properly, they can end up costing as much (if not more) than flying. Before heading off, consider these money-saving tips:

Assess your car's roadworthiness. Check the tires and windshield wipers for wear, make sure the tires are inflated properly and the fluids are full. Spending a little money on a tune-up will save big expenses should the car break down on the road. But just in case it does happen, make sure you have a roadside assistance kit with jumper cables, a toolbox, fix-a-flat, etc., to help avoid towing expenses.

Going somewhere you've never been before? For travel books and/or maps, try a used-book store or print out Internet maps and take them with you. A good Internet site for maps is <http://www.mapquest.com/>. Use the library for audio books and travel games for children.

Make a list of things that would require a stop at a convenience store along the way if forgotten—sunglasses, CDs, snacks, water, maps, film, camera, aspirin, Band-Aids, antiseptic, books, toys and

games. Double check your list before leaving home.

If your drive is long enough to require an overnight stay, make your hotel reservations in advance. Take advantage of specials, coupons, discounts and complimentary breakfasts. Choose hotel accommodations in outlying areas rather than areas of high demand. Select hotels that have kitchenettes so that you can prepare meals in vs. eating out. Some helpful Internet sites for discount hotel/motel reservations include: Hotels.com, Priceline.com, Travelocity.com, Travelworm.com, and Travelzoo.com. You can also ask for the state employees' discount in Texas hotels/motels with a copy of your employment ID card or pay stub.

— Excerpted from an article by Tommye White, Director of Counseling for the Consumer Credit Counseling Service (CCCS), a division of Money Management International. Reprinted with permission of Money Management International. CCCS toll-free number is 800-873-2227; Web site: [www.moneymanagement.org](http://www.moneymanagement.org)

## Did you know....?

Peanuts are one of the ingredients of dynamite.



Two-thirds of the world's eggplant is grown in New Jersey



Almonds are a member of the peach family.



## Save Now, Retire Later

Some of us are closer to that magic day than others, but regardless of how far away it seems, there are things we can do NOW to enable us to retire more comfortably LATER. In addition to TRS or ORP retirement income, we have additional ways to build a source of retirement income on a tax-deferred basis through a Tax-Deferred Account (TDA) and/or the TexaSaver Deferred Compensation Plan (DCP). Both plans allow convenient payroll deductions of as little as \$25 and \$20 per month (\$12.50 and \$10 for biweekly), respectively. The maximum contribution for 2003 is \$12,000, perhaps more depending on your age and years of service, for both the TDA and DCP. You can change the amount you save, so you aren't locked in forever with the amount you decide on today.

You don't have to risk your money in the stock market – there are fixed accounts that offer good returns with no risk. As with all investments, it is wise to revisit the amount you contribute and the type of fund(s) in which you invest on a regular basis. You are responsible for choosing an investment vendor and/or investment

products and for any gains or losses on your account. You may change your vendor or investment at any time. You pay no current federal income tax on your contributions, but pay regular income tax on withdrawals from your account. A 10% penalty is applied if you withdraw your money from a TDA before age 59 ½ unless you withdraw because:

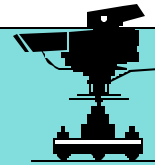
- You become disabled and unable to work,
- You die,
- You leave A&M system employment after age 55 and elect an annuity payout.

This tax penalty does not apply to a DCP.

Work with your payroll office and vendor to complete the forms necessary for enrolling in a Tax-Deferred Account. You can enroll in the TexaSaver Deferred Compensation Plan on-line or by phone. The TAMUS Retirement Programs website, [sago.tamu.edu/shro/pageretire.htm](http://sago.tamu.edu/shro/pageretire.htm), has several publications on TDAs and the TexaSaver DCP. Check them out – you'll be glad you did!

- Jennifer Humphries

## AGHR Learning Central



### TTVN Training Sessions

Our TTVN Training programs this past year was so successful that we are continuing the training programs. In addition, in the years of economic “belt tightening” these TTVN sessions allow us to provide you with valuable, current training without travel costs. The schedule for the Spring/Summer 2003 TTVN training is as follows:

**March 25 - Retirement Planning - Nancy Granovsky**

**April 29 - Employee Assistance Programs**

**May 27 - Disciplining Employees**

**June 24 - Benefits - Jan Kyles**

**July 29 - Leave Policies - Gloria Schwind**

**August 26 - Travel - Claire Luther**

**Sept. 30 - Drug & Alcohol Abuse & Rehabilitation**

We look forward to seeing you at AGHR Learning Central's TTVN Training sessions.

Note: Be sure to contact your unit training liaison prior to the training for any possible changes.

### On-Line Training

There are many training opportunities listed on the Ag Training web site at <http://agtraining.tamu.edu/>. In addition to the training listed on the main page, there are quite a few listings in the Human Resources area which is accessed by clicking on “Human Resources” in the left menu bar. Among the various training opportunities are those for employee development, such as video training programs plus listings of other training including computer training, and administrative training, such as Leavetraq, Workers' Compensation and others. Some of these training opportunities are streaming media presentations of our TTVN sessions. We also have the handouts from the TTVN sessions linked through the main Ag Training page. Many of these are training in themselves, so browse through and find your opportunity to learn more!

- Bob Hensz

## Credit Transfers Can be Costly



The average American household holds six bank credit cards, which explains why the competition between credit card issues is running at an all-time high. If you are like most Americans, you probably receive three to four new credit card solicitations a week. They all tempt with a slew of no interest or amazingly low teaser rates offers; but if you are not careful that zero percent can end up costing you thousands of dollars.

On face value, transferring a high credit card balance to a zero interest account will definitely save you money. However, there could be fees, penalties and other hidden costs that might possibly cost you more than you saved by transferring the balance in the first place. The key is to read the fine print on the application. Before making the switch, determine the following:

- Is there a charge for transferring the balance? Often this charge runs two to three percent of the transfer amount. For example, a balance of \$8000 will cost you \$240 just to make the switch.
- What is the introductory rate and how long does it last? If the promotional rate lasts less than six months and your balance is sizable, can you realistically pay off the remaining balance during the no interest period? If not, then search for a card with a longer introductory rate or a card with a low fixed interest amount.
- Does the new credit issuer limit the amount of times you can transfer a balance? Is there a limit on the amount you can transfer? Only transfer-

ring partial amounts will most likely result in additional cards with open credit lines, which can result in further debt accumulation.

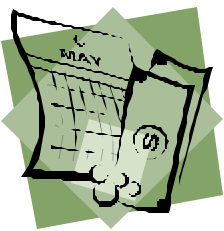
- Under what conditions can the credit issuer change the promotional interest rate? If your payment is late, does that automatically bump you to the higher interest rate?

Be sure that if you decide to make the switch, you determine how long it will take for the transfer to be complete and continue to make payments on the original card in the meantime. Additionally, close any old accounts after the transfer is complete to keep your credit history uncluttered.

For those with smaller balances and the discipline to pay off any remaining balances before the promotional rate ends, switching to a lower interest rate card can actually save them a substantial amount. As with all "great" offers, be sure to read the fine print and make sure you know what you are getting into before you make the leap.

— *Tommye White, Director of Counseling for the Consumer Credit Counseling Service (CCCS), a division of Money Management International. Reprinted with permission of Money Management International. CCCS toll-free number is 800-873-2227; Web site: [www.moneymanagement.org](http://www.moneymanagement.org)*

## Minimum Holding Period for Savings Bonds Extended to 12 Months



Effective February 1, 2003, the minimum holding period was extended from six months to 12 months for newly issued Series EE and I U.S. Savings Bonds. As a result, Series EE and I Savings Bonds with February 2003 and later issue dates cannot be

exchanged for Series HH Savings Bonds until they are 12 months old.

For up-to-date information, visit [www.savingsbonds.gov](http://www.savingsbonds.gov).

- Fred Mitchell

## More.....Time Flies



As promised in our September edition, we're back with more time saving ideas to help you meet your daily and long-term goals. While you can't expect to pull a few extra hours out of thin air, we hope these good, common sense suggestions will help you improve your quality of life and reduce stress. You might just try one or two a week and chances are that some will stick!

- Focus on STARTING tasks rather than finishing them. Remember the journey of a thousand miles starts with the first step and the greatest challenge is taking that first step.
- Now that you have your To Do list (right?) categorize it into A, B, and C priorities. Begin with the "A" priorities and work your way down to the "nice to do" C priorities.
- Clear your desk and prepare tomorrow's To-Do list before you go home! Planning the next day's tasks before you leave allows you to focus on your priorities as soon as you arrive the next day.
- Signal the end of the time allotted for a discussion by politely saying, "One more thing before you go." Take control.
- Limit the number of pictures and personal items on your desk to a special few. The more personal items, the more distractions and interruptions you invite.
- Do some of your minor tasks from your To Do list while holding on the phone.

- Write meeting objectives and the scheduled ending time on the board or on a flipchart before anyone arrives. This will help to keep the meeting focused. Every meeting should have a published agenda, so people are prepared before they arrive.
- Before leaving a meeting, recap so everyone knows who's responsible for what, when action should take place, and how the results will be communicated.
- Don't try to solve other people's problems. The best way to help others is to help them learn how to solve their own problems. Be empathetic, but if you continue solving other people's problems, their next problem will become yours too!
- KEEP THE PAPER MOVING! Move the paper to your out basket, your files, your "to read" folder, or to your trash. Avoid the "I'll just put it over here for now" habit. Date stamp every item that hits your desk. This will help you decide when to work on it, file it or throw it away!

— Gloria Schwind

*If you've ever dropped loose change into a piggy bank, you were probably astonished to find how quickly those coins added up to 'real money.' Think of time the same way. Each of us has small 'coins' of time we spend waiting each day: for the elevator, at the doctor's office, in the bank line. You will be amazed to learn how much free time you can buy with this 'small change' of time."*

~Stephanie Winston

## Self Confidence...

A little boy was talking to himself as he entered through his backyard, baseball cap in place and carrying a baseball and bat. "I'm the greatest hitter in the world," he said proudly.

Then he tossed the ball in the air, swung and missed. Undismayed, he picked up the ball, threw it into the air and said to himself, "I'm the greatest hitter ever."

As the ball descended, he swung at it again and missed. He paused for a moment to examine the bat and ball carefully, then once again he threw the ball into the air and said, "I'm the greatest hitter."

As the ball came down, he gave another mighty swing and missed. "Wow," he exclaimed, "what a pitcher!"

## Teacher Retirement System—Did You Know?

In addition to earning service credit while employed by a Teacher Retirement Service (TRS) covered employer, TRS members may purchase other specified types of service credit. Each year of service credit that you have at retirement increases your monthly retirement annuity by 2.3%. Types of service credit that can be purchased include:

- Unreported service
- Substitute service
- Out-of- state service
- Military service
- Service credit purchase
- Credit for state sick/and or personal leave
- Developmental leave
- Work experience credit as a career or technology teacher
- Reinstate service credit (withdrawn contributions)

To be used in calculating service retirement benefits, you must purchase special service credit by the effective date of your retirement. Fees for purchasing special service credit vary according to the type purchased. Service credit may be purchased by lump sum and, for some types of service credit, installment payment plans may be available. Purchase of these types of service credit is subject to other state and federal laws.

For more information about specific service credit options and how to purchase service credit call TRS at 800/223-8778. The TRS web site also has several calculation estimators that will assist you in determining how much some service credit options may cost. The TRS web site is <http://www/trs/state/tx/is>. You may also contact Jan Kyles in the Agriculture Program Human Resources Office at 979/845-5645 or for more information.

— Jan Kyles