

Local / State

A&M prof supports new retirement plan

With the recent changes in the income tax laws, a Texas A&M University accounting professor suggests that now is the time for Americans to consider taking advantage of deferred tax retirement investments.

"It's important that people invest their money for retirement during inflationary times," Dr. Karl Putnam says. "Assuming a 7 percent inflation rate, a dollar 30 years from now will buy what about 13 cents does today."

Starting January 1982, employees can deposit up to \$2,000 per year in an Individual Retirement Account (IRA), regardless of whether they are already in an employer-sponsored pension plan. Putnam said practically everybody should be able to deposit money into deferred compensa-

tion under a new law adopted by the Reagan Administration that expands eligibility.

"The beauty of this plan is that in addition to a person's income tax dollars that would otherwise be deducted from his paycheck also can be invested," he said. "And compounding interest rates will make the returns on investment bigger each year."

The plan stipulates that money put into IRA's can't be withdrawn without financial penalties until six months after an individual's 59th birthday, Putnam said.

The new laws are meant to encourage people to save by permitting them to earn more by paying lower taxes on invested money, Putnam explained.

"When you invest larger amounts, and as the money stays in the account for longer periods of

time, profits will be much greater," he said. "It's like letting your money make money so when you retire you'll have more of it."

Several types of investments are available, Putnam said, and if one proves unsatisfactory, funds may generally be "rolled over" into another investment without being taxed. Commercial banks, savings and loans, mutual funds and insurance companies all receive deferred compensation deposits, he said.

"No matter which investment vehicle is chosen, funds may generally be withdrawn at retirement in a lump sum, and a lifetime annuity can be purchased," he said, "or funds may continue earning money while paid out over a set period of time."

Errors rising in Blue Cross

United Press International
DALLAS — Blue Cross and Blue Shield of Texas made more than \$14 million in overpayments and mistakenly withheld \$10 million in benefits from elderly clients in 1980, according to a federal government report.

The Health Care Financing Administration said Tuesday that although the largest health insurance company in Texas had made progress in reducing the time it takes to pay a claim, its error rate, which rose from 2.7 percent in 1980 to 3.6 percent in early 1981, had become a major problem.

Of the nation's 50 Medicare contractors, Blue Cross was near the bottom in accuracy — ranking 41st in 1981.

The vice president of the

Blue Cross Medicare division, Bill West, refused to comment.

The federal health agency's manager of quality control, Joe Christenberry, said it is common for payment accuracy to falter as the backlog of claims grows.

"In a situation like that, it comes to the point where you have to move those claims," Christenberry said.

In June, the company's backlog of claims rose to 1.3 million — contrasting with what Blue Cross officials have claimed is an average backlog of 400,000.

The federal health agency's officials said they think the firm's new computerized payments system will continue to send payments to the wrong people.

Council to dine with Vandiver

Texas A&M President and Mrs. Frank E. Vandiver today will meet with members of the University's Academic Council and their spouses at a dinner hosted by Texas A&M System Chancellor and Mrs. Frank W.R. Hubert.

The 7 p.m. dinner in the Memorial Student Center will give Vandiver his first opportunity to meet heads of the University's academic departments, as well as a cross-section of faculty members who serve on the Academic Council.

The 150-member Academic Council is the University's foremost faculty group and has a key

policy role in many of the institution's activities.

In addition to the faculty members and department heads, the council includes deans and presidents.

Vandiver met with the council the first time last week and already conducted a series of meetings with vice presidents and other staff members. He and his wife, Renee, were introduced to new faculty members at a reception prior to the start of the new school year.

Vandiver's term of office is Sept. 1.

Toy deer talk set

A wildlife professor today will present a program on the toy deer of the Florida Keys at a meeting of the Rio Brazos Audubon Society.

The meeting is scheduled for 7 p.m. in the Brazos Valley Museum at the Brazos Center in Bryan.

Dr. Nova Silvy, associate professor of wildlife and fisheries science at Texas A&M University,

will discuss the toy deer and endangered species.

Steven Carlson, society president, said the group sends speakers at several of their monthly meetings. Meetings are held September through May.

Carlson said the society has about 40 members. All interested people are invited to attend meetings, he said.

GET SHOT! AGGIELAND CLASS PHOTOS TO BE TAKEN..

HOURS:

8 a.m. to 12 noon

1 p.m. to 5 p.m.

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FRESHMEN N-Z

Sept. 23-Sept. 30

SOPH A-M

Oct. 1-Oct. 9

ALL FRESHMEN

SOPH N-Z

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September 19

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Sign up by Sept. 18

in Rm. 100 Harrington Tower

COST: \$5⁰⁰