

**TO:** NBER Employees

**FROM:** Mui Cheung

**DATE:** December 3, 2025

**RE:** IMPORTANT Tax-Deferred Annuity Plan – Election Procedures

It is time for annual enrollment under the NBER's Tax-Deferred Annuity Plan (TDA Plan). All NBER employees are eligible to participate in this plan, which provides a tax efficient way to save for retirement.

To participate in the TDA Plan, an employee enters into a salary reduction agreement with the NBER.

**IMPORTANT NOTE: You are not required to file a new Salary Reduction Agreement for 2026 if you wish to continue to participate on the same basis as you did in 2025. However, if you want to take advantage of the new contribution limit of \$24,500.00 (up from \$23,500.00 in 2025), you must file a new Agreement.**

If an employee elects to make pre-tax contributions, the employee's taxable income is reduced by the amount elected, which the NBER then deposits into a TIAA annuity contract and/or a custodial retirement account with Vanguard, as directed by the employee. Pre-tax contribution amounts are taxed when distributed; earnings in TDA accounts are tax-deferred and are also taxed on distribution.

If an employee elects to make after-tax Roth contributions, the employee's taxable income is not reduced. The amount elected is withheld and deposited into a TIAA annuity contract and/or a custodial retirement account with Vanguard, as directed by the employee. Amounts contributed as after-tax Roth contributions, as well as the earnings on such amounts, are not taxed when distributed, provided that the distribution meets the rules for qualifying Roth distributions.

The designation of your contribution as a pre-tax contribution or after-tax Roth contribution is irrevocable for amounts contributed to the TDA Plan; your election may only be changed for contributions made after the change. The Summary Plan Description describes in more detail the operation and features of the TDA Plan.

The IRS contribution limit for TDA plans for 2026 is \$24,500.00. If you will be 50 or older at any time in 2026, you are also eligible to make additional catch-up contributions of up to \$8,000. You must make separate elections for regular salary reduction contributions and catch-up contributions. If your 2025 earnings were \$145,000 or more you must make your

2026 catch-up contributions on the after-tax Roth basis; otherwise you can elect either method for the contributions. If you are unsure what your 2025 earnings will be, please contact me.

These IRS limits are combined limits that apply to all your elective pre-tax and after-tax Roth deferral amounts. If you make contributions to more than one employer's plan during the year (e.g., another 403(b) or a 401(k) plan) your contributions to these plans are aggregated with your elective contributions to the Bureau's TDA Plan for purposes of these limits. I strongly advise you speak to a representative at either Vanguard (tel # 800-523-1188), or TIAA (tel #800-842-2888) before you decide how much you would like to contribute to the TDA plan.

If you would like to participate in the TDA Plan, please contact me at (617) 588-1412 or email me at [mcheung@nber.org](mailto:mcheung@nber.org) for an enrollment package or for more information. The deadline for new enrollments for the first 2026 payroll is December 15, 2025. Unless you are notified otherwise or you wish to change or revoke your agreement, the salary reduction agreement in effect for 2025 will be carried over to 2026. As noted above, if you wish to change your Salary Reduction Agreement for 2026, you must complete and file a new form (attached).

You may also enroll or make changes at a later date, as described in more detail in the Summary Plan Description at:

<http://www.nber.org/retirementplan/NBERRetirementSPD.pdf>

## **AGREEMENT FOR SALARY REDUCTION UNDER SECTION 403(b)**

BY THE AGREEMENT, made between \_\_\_\_\_ (the "Employee") and The National Bureau of Economic Research, Inc. (the "NBER"), the parties hereto agree as follows:

Effective with respect to amounts paid on or after \_\_\_\_\_, which date is at least fourteen days subsequent to the execution of this Agreement, the Employee's compensation will be reduced by the amount indicated below and through the date on which the Employee's employment with the NBER ends or, if earlier, the date this Agreement is terminated or superseded, the Employee's compensation from the NBER will be reduced as a pre-tax contribution and/or an after-tax Roth contribution by the amounts indicated below.

The NBER will then deposit this amount to the Employee's pre-tax or after-tax Roth TIAA and/or Vanguard Account(s), which the Employee will allocate among the funding vehicles made available by TIAA and/or Vanguard. If the Employee has not previously participated, he/she must also complete application forms with TIAA and/or Vanguard and provide a copy of the enrollment form to the NBER before pay deductions can begin.

This Agreement is legally binding and irrevocable for both the NBER and the Employee with respect to the amounts earned while employment continues. However, either party may terminate or otherwise modify this Agreement at any time by giving written notice so that this Agreement will not apply to compensation subsequently paid. Your changes will be effective as soon as administratively practicable.

### SALARY REDUCTION CONTRIBUTION

#### PRE-TAX SALARY REDUCTION CONTRIBUTION

\$\_\_\_\_\_ per pay period

#### AFTER-TAX ROTH CONTRIBUTION

\$\_\_\_\_\_ per pay period

Total of annual Pre-Tax Salary Reduction Contributions and After-Tax Roth Contributions for 2026 is limited to \$24,500. In the event that your contributions to the TDA Plan reach \$24,500 prior to the end of the year, no further contributions will be deducted from your compensation for 2026. Unless you are otherwise notified, your Salary Reduction Contribution will be based on the above election, unless you file a new Agreement.

## CATCH-UP CONTRIBUTIONS

If you will be age 50 or older by December 31, 2026, you are eligible to make Catch-Up Contributions. If your 2025 earnings were \$145,000 or more you must make your 2026 Catch-Up contributions on the After-Tax Roth basis; otherwise you can elect either the Pre-Tax or After-Tax Roth method for the contributions, or a mix of the two.

### PRE-TAX CATCH-UP CONTRIBUTION

\$\_\_\_\_\_ per pay period

### AFTER-TAX ROTH CATCH-UP CONTRIBUTION

\$\_\_\_\_\_ per pay period

Total of annual Pre-Tax Catch-Up Contributions and After-Tax Catch-Up Contributions for 2026 is limited to \$8,000. In the event that your Catch-Up Contributions to the TDA Plan reach \$8,000 prior to the end of the year, no further contributions will be deducted from your compensation for 2026. Unless you are notified otherwise, your Catch-Up Contribution will be based on the above election, unless you file a new Agreement.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

This amount will be reviewed by the Accounting Department before the execution of this Agreement.

Approved by: \_\_\_\_\_