

**NBER**

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**MEMORANDUM**

**TO:** NBER Employees  
**FROM:** Mui Cheung  
**DATE:** December 15, 2009  
**RE:** Tax-Deferred Annuity Plan

The Bureau has Tax-Deferred Annuity Plan (TDA Plan). All Bureau employees are eligible to participate in this plan, which provides a tax efficient way to save for retirement.

To participate in this plan, an employee enters into a salary reduction agreement with the Bureau. The employee's taxable income is reduced by the amount selected, which the Bureau then deposits into a TIAA/CREF annuity contract, and/or into a custodial retirement account in a Vanguard mutual fund. Earnings in TDA accounts are tax-deferred. The Summary Plan Description describes in more detail the operation and features of the plan.

The IRS contribution limit for TDA plans for 2010 is \$16,500. If you are 50 or older in 2010, you are also eligible to make additional catch-up contributions of up to \$5,500.00. These IRS limits are combined limits that apply to all your elective 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-CREF (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. If you are already participating in the Plan and would like to change your contribution amount, please complete a new salary reduction agreement which is attached. The deadline for new enrollments and changes for the January 15 payroll is Wednesday, January 6, 2010. 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/NBERRetirement>

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

BY THE AGREEMENT, made between \_\_\_\_\_ (the "Employee") and The National Bureau of Economic Research (the "Bureau"), 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 salary will be reduced by the amount indicated below. The Bureau will then deposit this amount to the Employee's TIAA-CREF or Vanguard Account(s), which the Employee will allocate among the funding vehicles approved by the Bureau. If the Employee has not previously participated, he/she must also complete application forms with TIAA/CREF and/or Vanguard and provide a copy of the enrollment form to the Bureau before pay deductions can begin.

This Agreement is legally binding and irrevocable for both the Bureau 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 salary subsequently paid. Your changes will be effective as soon as administratively practicable.

The amount of salary reduction' shall be \$\_\_\_\_\_ per pay period (26 for year 2010), which will produce a total Institution contribution that does not exceed the Employee's statutory contribution limits under IRC Section 403(b).

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

\_\_\_\_\_  
Date

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

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