

TO: NBER Employees
FROM: Mui Cheung
DATE: December 15, 2011
RE: 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 2012 if you wish to continue to participate on the same basis as you did in 2011. However, if you want to take advantage of the new contribution limits of \$17,000 for 2012 (up from \$16,500 in 2011), you should 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/CREF 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/CREF 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 2012 is \$17,000. If you will be 50 or older at any time in 2012, you are also eligible to make additional catch-up contributions of up to \$5,500. You must make separate elections for regular salary reduction contributions and catch-up contributions.

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-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 for an enrollment package or for more information. The deadline for new enrollments for the 2012 payroll is December 28, 2011. Unless you are notified otherwise or you wish to change or revoke your agreement, the salary reduction agreement in effect for 2011 will be carried over to 2012. As noted above, if you wish to change your Salary Reduction Agreement for 2012, you must complete and file a new form (attached).

The Fiduciaries of the TDA Plan (Deborah Lucas, John Shoven and David Wise) are also instituting new investment guidelines. The Fiduciaries have selected a designated group of funds that they will monitor periodically, although all current funds will continue to be available. Please see the attached memo on this subject.

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/NBERRetirementPlanSPD.pdf>

National Bureau of Economic Research, Inc.
Tax-Deferred Annuity Plan

Funds Designated by the Trustees

Deborah Lucas, John Shoven and David Wise are the current fiduciaries of the Tax-Deferred Annuity Plan (the “Plan”). They have selected a group of investment funds available under the Plan to be the “designated investment alternatives”. As such, these investment funds will be monitored by the fiduciaries on a periodic basis. They have been selected to represent a broad diversification of investment options, but should not be considered as a recommendation by the fiduciaries. These designated funds and their respective ticker symbols are set forth below.

Information on Vanguard Funds can be accessed on the Vanguard website at www.vanguard.com or by calling 1-800-523-1188. Information on the TIAA Traditional Annuity can be found at www.tiaa-cref.org or by calling TIAA-CREF at 1-800-842-2888.

<u>Name of Fund</u>	<u>Symbol</u>	<u>Class of Securities</u>
1. Vanguard Total Stock Market Index Fund	VTSMX	Investor
2. Vanguard Total International Stock Fund	VGTSX	Investor
3. Vanguard REIT Index Fund	VGSIX	Investor
4. Vanguard Total Bond Market Index Fund	VBMFX	Investor
5. Vanguard Inflation Indexed Bond Fund	VIPSX	Investor
6. Vanguard Short Term Investment-Grade Fund	VFSTX	Investor
7. TIAA Traditional Annuity	N/A	N/A

Additional Funds Available

Additional investment funds continue to be available under the Plan. Please go to http://www.nber.org/Investment_Funds_Available.pdf for the complete list of all investment funds made available by both Vanguard and TIAA-CREF. Please note, however, that any investment funds other than the above seven are non-designated alternatives, and as such are not subject to selection and monitoring by the fiduciaries.

IMPORTANT: You alone are responsible for directing investments of the full amount credited to your account under the Plan. Under U.S. Department of Labor regulations, the Plan qualifies as a “Section 404(c)” plan. This means that none of the Bureau or the fiduciaries are responsible for the consequences of your investment decisions.

DIRECT DEPOSIT AUTHORIZATION

Name of employer/company making payment:

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

Name of employee receiving payment:

Please indicate how you would like your check deposited:

Checking Account Number: _____

ABA Number: _____

Account #: _____ Bank: _____

Amount: \$ _____ Net Amount \$ _____ Other Amount \$ _____

Savings Account: _____ ABA Number: _____

Account #: _____ Bank: _____

Amount: \$ _____ Net Amount \$ _____ Other Amount \$ _____

I hereby authorize the company named above to deposit the payment described above to my account(s) at the financial institution(s) named above. Also, the company named above is authorized to adjust any over deposit which is caused to be made to my account. I will not hold the financial institution(s) named above liable for any erroneous deposits or adjustments made by the company named above.

signature

date

Mandatory Training in Responsible Conduct of Research for NSF Supported Students

As part of the America Competes Act, the NSF introduced a new requirement for educating undergraduate, graduate and post-docs in the Responsible Conduct of Research (RCR). This policy applies to individuals supported by NSF awards made from proposals submitted after January 4, 2010. The National Bureau of Economic Research (NBER) has developed a tailored online training program for undergraduate, graduate students and post-doctoral researchers in the RCR. The program is administered by the Collaborative Institutional Training Initiative (CITI), which is a subscription service that provides research ethics education to the research community. While this training is mandatory only for those supported by NSF awards, we encourage you to implement this training broadly to cover all students and post-docs.

One requirement of the NSF policy is that grantees must be able to identify individuals supported on NSF awards and when they have completed the required training. The NBER has worked out a system whereby all training records from CITI will be transmitted to our database to be cross-referenced against submitted new hire packets.

Students and postdoctoral researchers supported on these awards must complete the training as part of their new hire paperwork. **They will not be paid until they complete the training. Please indicate the date the student completed the training course on the Personnel Action Form.** We encourage PIs to submit hiring paperwork for all RAs before they begin to work on a grant.

Detailed instructions for RAs are attached below.

INSTRUCTIONS FOR TRAINING IN THE RESPONSIBLE CONDUCT OF RESEARCH (RCR)

The National Bureau of Economic Research (NBER) has developed a tailored training program for undergraduate/graduate students and post-doctoral researchers in the Responsible Conduct of Research (RCR). Completion of this program is a requirement of participating in research at NBER and must be completed as part of your hiring paperwork. The program is administered by the Collaborative Institutional Training Initiative (CITI), which is a subscription service that provides research ethics education to members of the research community.

NBER's RCR training program comprises 10 modules that vary in length, take approximately 20-60 minutes each to complete, and are followed by a quiz – total time is about 4-6 hours. The modules are:

1. Introduction to RCR (no quiz)
2. Research Misconduct
3. Data Acquisition and Management
4. Publication Practices and Responsible Authorship
5. Peer Review
6. Mentor and Trainee Responsibilities
7. Conflicts of Interest and Commitment
8. Collaborative Research
9. Human Subjects
10. The CITI/RCR Course Completion Page (no quiz).

To access the site and take the training program, please follow these instructions:

1. Go to www.citiprogram.org/
2. See '**New Users,**' and click on 'Register Here.' If you have previously registered with CITI, skip to step 4.
3. Select 'National Bureau of Economic Research' from the first drop-down list, create your user name and password according to guidelines, select and answer a security question, and enter your name and email address. Choose 'no' on questions 6 and 7, and choose 'yes' or 'no' on your willingness to complete a course survey. Go to step 5.
4. If you have already registered with CITI, login with your username and password and from the Main Menu, select 'Affiliate with another institution,' and then select 'National Bureau of Economic Research' from the first drop-down list, and click 'Submit'.
5. You will see a page asking for member information. Fill in the three starred fields with your email address, name of supervisor (for 'Department'), and 'Research Assistant' or 'post-doctoral researcher' as your role. The remaining fields are optional.
6. Next, select the NBER RCR, and choose 'yes' or 'no' to affiliate with another institution, if asked. (NOTE: As you are working on an NBER project, the NBER affiliation is the only one needed).
7. Last, the Main Menu page appears. To start the course, see '**Status,**' and click 'Enter.'

Each module follows in succession by viewing the objectives, reading through the text with sub-topic headings, clicking on optional pictures/videos/additional text as desired, and taking the quiz. The page does not time out. Note that almost all of the audio and video clips are '.ram' files, for which you will need Real Player installed on your computer. There is a free download available at <http://www.real.com/>.

The system tracks your progress, so you do not have to complete the program in one session – just exit and re-enter by logging back in.

You need a minimum cumulative score of 80 out of 100 to pass the program. You may go back to any module and re-take the quiz, but note that the questions change. The system will only keep the most recent score on any quiz.

There are links for technical help on the CITI website; for other questions please contact your NBER supervisor.

When you finish the program:

1. Tell your supervisor or indicate on the personnel form in the hiring paperwork the date that you passed the course. Your supervisor can then sign and submit the hiring paperwork.
2. The last module produces the test results, and you can print out the completion report for your records. You do not need to submit this report to the NBER as the system automatically alerts the NBER that you finished the course.
3. Your course completion is valid for four years, or until you change status (undergraduate to graduate, or graduate to post-doctoral researcher).
4. Make a note of your username and password for future reference. You can log in to update your profile, see a list of CITI training modules, see your completed training for NBER, and/or remove your affiliation with NBER.

INSTRUCTIONS FOR NON-RESIDENT ALIENS
ON HOW TO FILL OUT FORM W-4

Because of the restrictions on a nonresident alien's filing status, the limited number of personal exemptions a nonresident alien is allowed, and the fact that a nonresident alien cannot claim the standard deduction, you should fill out Form W-4 following these instructions:

- 1) Do not claim "Exempt" withholding status.
- 2) Check only "Single" marital status (regardless of your actual marital status)
- 3) Claim only one allowance (if the nonresident alien is a resident of Canada, Mexico, or Korea, he or she may claim more than one allowance), and
- 4) Write "Nonresident Alien" or "NRA" above the dotted line on line 6 of the Form W-4.

This information is copied from the IRS Publication 15 (Circular E), "Employer's Tax Guide".



NBER NEW HIRE CHECKLIST

✓ Personnel Action form:

Is your hourly rate of pay listed?

Is your project number listed?

Have you indicated if your checks should be mailed to your current address or if you will pick them up at NBER?

Did you include your telephone number (or email address)?

Did your supervisor sign the form?

✓ W-4 Form:

Did you fill the form out completely?

(Including the number of allowances you are claiming)

✓ I-9 Form:

Did you complete the top portion?

Have you shown proper documentation to your supervisor?

Did your supervisor complete & sign the second portion of the form?

Did you make copies of your documentation and attach them to the I-9?

✓ State Income Tax Form

Did you fill the form out completely?

✓ F-1 and J-1 Visa holders

Did you complete the certification form or attach a work authorization letter?

Your paperwork must be complete before you can be added to the NBER payroll. Please check the paperwork carefully. Incomplete paperwork can cause delays in payment.

AGREEMENT FOR SALARY REDUCTION UNDER SECTION 403(b)

BY THE AGREEMENT, made between _____ (the "Employee") and The National Bureau of Economic Research, Inc. (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 compensation will be reduced by the amount indicated below and through the date on which the Employee's employment with the Bureau ends or, if earlier, the date this Agreement is terminated or superseded, the Employee's compensation from the Bureau will be reduced as a pre-tax contribution and/or an after-tax Roth contribution by the amounts indicated below.

The Bureau will then deposit this amount to the Employee's pre-tax or after-tax Roth TIAA-CREF and/or Vanguard Account(s), which the Employee will allocate among the funding vehicles made available by TIAA/CREF and/or Vanguard. 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 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 2012 is limited to \$17,000. In the event that your contributions to the TDA Plan reach \$17,000 prior to the end of the year, no further contributions will be deducted from your compensation for 2012. 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 over by December 31, 2012 you are eligible to make Catch-Up Contributions. You must designate your Catch-Up Contributions as either Pre-Tax Catch-Up Contributions or After-Tax Roth Catch-Up Contributions.

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 2012 is limited to \$5,500 (unchanged from 2011). In the event that your Catch-Up Contributions to the TDA Plan reach \$5,500 prior to the end of the year, no further contributions will be deducted from your compensation for 2012. 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: _____

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

1050 Massachusetts Avenue

Cambridge, MA 02138

Tel (617)868-3900

Fax (617)349-3955

TIME REPORT FOR HOURLY EMPLOYEES

Employee Name: _____

Date	Hours Worked		Project # (xx-xxxx-xx-x-xx-xxx)	enter time to nearest quarter (.00; .25; .50; .75)
	Started	Ended		Total Hours

Total Hours: _____

I certify that this report represents the actual effort expended during the period reported.

(Signature of Employee)

Date

(Signature of Supervisor of Department Head)

Date

OFFICE USE	
Paid Date: _____	Check # : _____

National Bureau of Economic Research

Personnel Action Form (Casual Hourly Research Assistant Version)

Please use <http://www.nber.org/sendthisfile> to electronically send payroll forms securely to the NBER.

Personal Information :

Last name, first name, middle initial : _____

Current Address: _____

Home Telephone Number : _____

Email Address (if available) : _____

Permanent Address and phone #:

(if different from your current address) _____

Status: Graduate Student Undergraduate Student Other

Position Information :

Job Title : _____

Supervisor's Name : _____

Expected Hours of Work per Week: _____

Work Location : _____

Work Telephone Number: _____

Effective Date : _____

Hourly Rate of Pay: _____

Grant Allocation :

NBER Account Number(s)	Project Name(s)	% of Effort	Project Termination Date

NSF Grants:

Date Completed Responsible Conduct of Research Training: _____

(See attached memo for additional information.)

Statistical Data:

This information is requested to enable compliance with Federal and State regulations and will be held in strict confidence.

Date of Birth: _____ Gender: _____ Citizenship: _____

Are you a US Veteran? Yes No

If yes, did you serve during the Vietnam Era? Yes No

Ethnicity: American Indian/Alaskan Native
White Black (not of Hispanic Origin)
Hispanic Asian/Pacific Islander

I would like my paychecks:

deposited directly into my bank account sent to my current address

held at the NBER

I would like my paystubs:

held at NBER sent to my current address

Research Assistant's Signature:

I understand that I am an employee at will and that my employment may be terminated at any time by either myself or the NBER. Under no circumstance will my employment continue beyond the termination date of the grant listed in the Grant Allocation Section of this form. I understand that it is my responsibility to update the NBER with any address changes so that I will receive my W-2 in a timely fashion.

Research Assistant's Signature

Date

Approval Signatures :

Project Director(s) : _____ Date : _____

Office of the President : _____ Date : _____

**If you would prefer to return the materials electronically,
please send them through this secure website:**

<http://www.nber.org/sendthisfile/>

Please do not return the forms via regular email.

**NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.
TAX DEFERRED ANNUITY PLAN**

Summary Plan Description

January, 2012)

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**NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.
TAX DEFERRED ANNUITY PLAN**

Summary Plan Description

SAVING FOR YOUR FUTURE

To prepare for a secure financial future, employees need a sound way of saving and investing. The National Bureau of Economic Research, Inc. Tax-Deferred Annuity Plan (the "Plan") offers an opportunity for all Bureau employees to save money for retirement. The Plan is available to all employees of the Bureau, including employees who are ineligible for other Bureau benefits. This Summary Plan Description summarizes the terms of the Plan effective on and after January 1, 2012.

The Plan makes it easy for all employees to save.

- Savings come out of the participant's pay *before* his/her paycheck is received, so saving is automatic.
- The participant may choose to make contributions on a pre-tax basis. If a participant chooses to make pre-tax contributions, the participant pays no income taxes on the portion of his/her pay that is contributed to the Plan until a withdrawal is made. Tax savings mean it costs the participant less to contribute to the Plan than if the participant were to contribute an equal amount to a regular savings account.
- If a participant chooses to make after-tax (so-called "Roth") contributions, the participant's taxable compensation is not reduced. However, subject to meeting certain requirements imposed by the tax laws, distributions from a participant's after-tax Roth account will not be subject to federal income tax.
- The participant decides how much to contribute to the Plan (subject to the legal maximum) and can stop contributions at any time.

Because of the tax benefits, the Plan is a very effective way to save for retirement. However, in order to discourage withdrawal of these funds prior to retirement, the government places restrictions on withdrawal of these funds. These restrictions, which are described later in this document, include:

- In-service withdrawals only after attainment of age 59½.
- If a participant terminates employment and withdraws funds before age 59½, a 10% penalty will be imposed in addition to ordinary income taxes, unless the distribution is rolled-over into another retirement plan or certain exceptions apply. (See Tax Consequence of Withdrawals, page 9 below.)

HOW THE PLAN WORKS

The Plan is a savings and investment program, which allows the participant to make contributions directly from the participant's pay check. Upon participation, the Bureau will take the contribution from the participant's pay and invest it on the participant's behalf into the investment option or options which the participant chooses from among the available alternatives.

Participants do not pay current federal or, in most cases, state income taxes on their investment earnings until they take the money out of the Plan. This means participant accounts grows on a tax-deferred basis, so savings grow more quickly than they would in a taxable account. In addition, in the case of qualifying distribution of an after-tax Roth account, the investment earnings are not taxed upon distribution (see below).

It is important to remember that taxes on pre-tax contributions are only deferred; participants will still owe taxes when they take pre-tax contributions out of the Plan. In contrast, after-tax Roth contributions are taxable when paid to the Plan. However, provided certain conditions are met, the distribution of a participant's after-tax Roth account – including any investment earnings – will be exempt from tax when paid to the Participant (or to the Participant's beneficiary).

The decision as to whether to make contributions on a pre-tax basis or an after-tax Roth basis depends on your individual situation. Please contact a financial planner or tax advisor if you have any questions. In addition, both Vanguard (www.vanguard.com) and TIAA-CREF (www.tiaa-cref.org) offer educational materials and tools that may help you decide.

ELIGIBILITY

All employees of the Bureau are eligible to participate in the Plan.

PARTICIPATION

Participation in the Plan is voluntary and eligible employees must initiate the process to enroll in the Plan. All eligible employees may participate in the Plan upon date of hire provided they agree to contribute at least \$200 per year.

DEFINITIONS

For purposes of the Plan, the following definitions apply:

Bureau – National Bureau of Economic Research, Inc.

Designation of Beneficiary – Each participant should file a Designation of Beneficiary form with each investment company that holds any part of his/her accumulation (TIAA-CREF and/or Vanguard). Participants should review their beneficiary designations from time to time and contact the investment company holding their accumulation if they wish to make a change. Participants should contact

the investment company holding their accounts for the appropriate Change of Beneficiary Form. Please note: If you are married your spouse must be designated as a beneficiary and the allocation to your spouse must be at least 50% unless you obtain written spousal consent to a different beneficiary designation. (This consent must acknowledge the effect of such consent and must be notarized.) If you are single and you designate a beneficiary, and you subsequently marry, your spouse automatically becomes your sole beneficiary and you must get your spouse's consent before you may designate another beneficiary.

Enrollment Application – The investment company that the participant chooses to make deposits with requires that an Enrollment Application Form be completed upon initial enrollment in one of their investment options. The enrollment forms are available from the Bureau's Payroll Department. These applications must be completed at the same time the Salary Reduction Agreement is initiated and given to the Bureau's Payroll Department.

IRC – Sections of the Internal Revenue Code that apply to retirement plans.

Plan – The National Bureau of Economic Research, Inc. Tax-Deferred Annuity Plan.

Salary Reduction Agreement – In order to participate in the Plan, a participant must complete a Salary Reduction Agreement. This form authorizes the Bureau to reduce a participant's pay by the amount designated on the form and to remit those contributions to the investment company indicated on the form. You must elect whether to make your contributions on a pre-tax basis or on an after-tax (Roth) basis

PLAN CONTRIBUTIONS

Individual Limits

Participants determine the amount they wish to contribute. However, the maximum that a participant may contribute is limited by IRS regulations. (The limit for 2012 is \$17,000.) This limit will be adjusted for inflation in future years. IRS maximums are published each year in the November/December time frame for the next year. If you contribute to any other 403(b) plan or any 401(k) plan in the same year you are making contributions to the Plan, all of those contributions must be taken into account in applying this \$17,000 limit.

Age 50+ Catch-up Provision

Employees who are age 50 or older can make additional elective deferrals. The additional amount is \$5,500 and will be adjusted for inflation in future years. The catch-up contributions are not subject to any other contribution limits, but all catch-up contributions under all 403(b) and 401(k) plans to which you contribute are aggregated.

If you determine that you have exceeded your IRS combined individual limits described above for a calendar year, you may notify the Bureau by March 1 of the following year that you would like to withdraw the excess from the TDA Plan. (Another plan to which

you contribute may also permit you to designate your excess deferrals as relating to such plan.) Based on IRS rules, if you do not notify the Bureau (or the other plan) by March 1 (or such later date as is permitted by the Bureau, which date may not be later than April 15) following the end of the year in which you have made excess contributions, you will be subject to adverse tax consequences.

Additional Limits

In addition to the above individual and plan limits, if you contribute to the TDA Plan and also receive an allocation of contributions to a defined contribution plan maintained by you as a self-employed individual or by a business that you control, the contributions to the Bureau's Tax Deferred Annuity Plan may be aggregated with such allocations when the annual limits of Section 415 of the Internal Revenue Code are applied. (For 2012, the Section 415 of the Internal Revenue Code limits the allocation that can be made to an individual's account to a total of \$50,000 (as adjusted in the future for cost-of-living changes). The limit does not apply to eligible catch-up contributions.)

Please contact your personal tax advisor or a representative or a representative at Vanguard (tel # 800-523-1188), or TIAA-CREF (tel # 800-842-2888) if you have any questions regarding any of the above limits.

PERSONAL LEAVE OF ABSENCE

Participants who have been granted an unpaid personal leave cannot make contributions to the Plan during the period of unpaid leave.

FMLA

Participants who have been granted paid FMLA leave may continue to make contributions to the Plan based on the amount of pay they receive.

LONG TERM DISABILITY

Participants who are on Long Term Disability receive insurance benefits but not pay from the Bureau. Therefore, no deferrals can be made to the Plan by such Participants.

MILITARY SERVICE

If you are absent from employment by reason of service in the United States military, once you return to work, you will be allowed to make-up retirement contributions missed during active service. You must make-up the contributions within a period not exceeding three times the period of military service, but, in no case, may the period exceed five years.

SALARY REDUCTION AGREEMENT

In order to participate in the Plan, you must complete a Salary Reduction Agreement. This agreement authorizes the Bureau to reduce your pay by the amount indicated and

remit those contributions to the investment company(ies) indicated on the form. You must designate on your Salary Reduction Agreement whether your contribution will be made on a pre-tax basis or on an after-tax (Roth) basis. This designation is irrevocable and may not be changed for a contribution once the contribution is deducted from your pay.

HOW TO CHANGE THE RATE OF CONTRIBUTION OR STOP CONTRIBUTIONS TO THE PLAN

You may make a change in the amount to be deducted from your pay at any time. Also, you may choose to suspend contributions at any time. In both cases, a new Salary Reduction Agreement must be completed. Your changes will be effective as soon as practicable and will apply to payroll dates after the effective date of the change.

VESTING

All monies contributed to the Plan on your behalf are immediately vested. Vesting means that you have an irrevocable right to the monies contributed to the Plan (including any gains or losses) even if you leave the Bureau before retirement. Vested rights under this Plan cannot be assigned or be used as collateral. They are not subject to garnishment or attachment. However, the Plan is required to comply with a Qualified Domestic Relations Order from a court requiring payment for the purpose of child support, alimony or other marital payments.

INVESTMENT OF CONTRIBUTIONS

Investment Options

The Bureau has selected Vanguard and TIAA-CREF as the providers of the investment options to be available under the Plan. (Each of Vanguard and TIAA-CREF are referred to in this Summary Plan Description as an “investment company,” and they are collectively referred to as “investment companies.”)

The investment options available under the Plan offer participants a variety of options with varying degrees of risk and expected return. Please refer to Appendix A to this Summary Plan Description to find out where to get information on the investment options currently made available by Vanguard and TIAA-CREF and the list of investment options that the Plan Fiduciaries monitor.

To obtain prospectuses and further information about the investment products offered by Vanguard, call Vanguard at 1-800-523-1188, or log on to www.vanguard.com. To obtain information about the TIAA-CREF investment options (including a CREF prospectus), call TIAA-CREF at 1-800-842-2273, or log on to www.tiaa-cref.org. The participant pays a cost for asset management to the investment companies through the expense ratio charged to the investment products. The prospectus or offering materials for each option includes a description of fees and expenses applicable to that option. It is important to read the prospectuses or offering materials before investing in any investment option.

IMPORTANT: You are responsible for directing investments of the full amount credited to your account under the Plan. Under U.S. Department of Labor regulations, the Plan qualifies as a “Section 404(c) plan.” This means that neither of the Bureau nor the Fiduciaries are responsible for the consequences of your investment decisions.

Changing Your Investments

Changes to the allocation of your contributions can be made in accordance with procedures established by the Bureau and the investment companies. *If you are changing allocations to an investment company in which you have not been previously participating, you must also complete an Enrollment Application form for the new investment company.* The effective date of a change will generally be the first day of the month following the date the application is received by the investment company, or as soon thereafter as is practicable. Changes must be received by the first of the month prior to the effective date.

You may allocate your contributions among the investment options offered by the chosen investment company. Upon initial enrollment, you indicate the investment options you wish to invest in on the Application Form. The Bureau does not keep a record of the investment options participants choose. After initial enrollment, you may change investment allocations by contacting the investment company directly.

Transferability

Monies in the Plan are transferable among the investment options made available under the Plan; however, all transfers are subject to restrictions or limitations imposed by the investment companies providing these investment options on the timing and frequency of transfers.

Within the Same Investment Company

You may transfer investments from one investment option to another within the same investment company by contacting the investment company, subject to the rules of that investment company.

For instance, transfers out of the TIAA Real Estate Account may be limited to one per calendar quarter. Participants who sell shares of some Vanguard funds within 90 days of their purchase may have a redemption fee deducted from their account by Vanguard.

Contact the relevant investment company for information regarding any applicable transfer restrictions and redemption fees.

From One Investment Company to Another

You may transfer funds from one permitted investment company to another by completing a Transfer Form which is available from the investment company to which the participant is moving the funds. If you have not previously opened a contract with the investment company to which the funds will be moved, an

enrollment application must be completed. The effective date of a change will be the first day of the month following the date the application is received by the investment company, provided there are no restrictions on time of transfer imposed by the investment company. Changes must be received by the first of the month prior to the effective date. Again, contact the relevant investment company for information regarding any applicable transfer restrictions or fees.

LOANS

Loans are not available under the Plan.

HARDSHIP WITHDRAWALS

Hardship Withdrawals are not available under the Plan.

WITHDRAWALS

Withdrawals may be made when you:

- Reach age 59½
- Terminate employment at the Bureau
- Become permanently disabled
- Die

When you are ready to make withdrawals, there are many different options that may be available including:

- 100% withdrawal (lump sum)
- A series of partial withdrawals
- An annuity payout of equal monthly payments for a designated period
- An annuity payout for the lives of the employee and beneficiary
- An annuity payout of monthly payments for life with a guaranteed minimum number of years for the employee and his/her beneficiary
- A combination of partial withdrawals and annuities

Certain investment options may limit forms of distribution that are available and the timing of your distributions. Contact the relevant investment company for more information on distribution options. In particular, annuities may only be available from investment options sponsored by TIAA-CREF. If you wish to receive an annuity form of distribution, you may need to transfer your accounts to a TIAA-CREF investment option prior to taking a distribution.

You may take distributions after age 59 ½ or termination of employment by applying to the investment company(ies) in which you invested retirement funds while at the Bureau. The investment company (ies) may require the Bureau to confirm your entitlement to a distribution.

The occurrence of a termination of employment is determined in accordance with the applicable policy of the Bureau. For a Bureau research affiliate, such as a research associate or a faculty research fellow, who receives grant-based salary support from the Bureau, the Bureau's policy is that the employment relationship with the Bureau's considered to voluntarily terminate twelve months after the expiration of the research grant that provided salary support, unless there is an expectation of a continuing employment relationship, as indicated for example by a pending grant application.

Upon your termination of employment, you may:

- *roll all or a portion of your account balance directly to an Individual Retirement Account or Annuity (IRA).* You may request a direct rollover of your distribution by the investment company to an IRA, or you may request that the distribution be made to you. If you take a distribution (rather than specify a direct rollover) then any taxable distribution will be subject to mandatory federal withholding of 20%, as well as applicable state withholding. (See Tax Consequences of Withdrawals on the following page for more information.)
- *leave the balance in your accounts in the Plan.* You will continue to enjoy the investment options currently available, and may transfer from one investment option to another in accordance with the rules of the Plan and the Internal Revenue Code.

IF A PARTICIPANT DIES BEFORE RECEIVING PLAN BENEFITS

If you die before beginning to receive benefits under the Plan, the full current value of your accumulation is payable as a death benefit to your named beneficiary(ies). (See Designation of Beneficiaries, pages 2-3 above.) The limitations on where and how death benefits are received are explained to beneficiaries at the time a death benefit application is filed. Distributions of death benefits are not subject to the IRS 10% early withdrawal penalty tax.

If you die after electing an annuity, death benefits, if any, will depend on the terms of the annuity you chose.

IF A PARTICIPANT BECOMES DISABLED WHILE STILL EMPLOYED

If you become totally disabled while still employed, you may begin a partial or full annuity, or take a cash withdrawal.

MINIMUM DISTRIBUTION REQUIREMENT FOR PARTICIPANTS WHO REACH AGE 70½

IRS regulations require that a retired participant begin distribution of his/her accounts under the Plan by April 1 of the year following the year in which the participant turns age 70½. If you are still working for the Bureau, you may delay the minimum distribution to the April 1 of the year following your termination of employment. If you do not comply with this IRS regulation, you will incur a tax penalty equal to 50% of the required

distribution that was not made. Your investment company will help you determine the amount of the required minimum distribution.

TAX CONSEQUENCES OF WITHDRAWALS

Pre-Tax Contribution Account

Payments from pre-tax contribution accounts under all of the distribution and withdrawal options are subject to federal (and generally state) ordinary income taxes. However, for Massachusetts tax purposes, contributions which were made prior to January 1, 1998, are considered after tax contributions. In Massachusetts, all contributions subsequent to January 1, 1998 are pretax and subject to tax upon withdrawal.

If you elect to receive your distribution in the form of a lump sum payment or installments over a period of less than ten years, the distribution generally will be considered an "Eligible Rollover Distribution." If an Eligible Rollover Distribution is made to you directly, it will be subject to mandatory Federal income tax withholding at the rate of 20%.

If you choose to receive an Eligible Rollover Distribution before age 59½, such payments may be subject to a 10% penalty in addition to regular income tax. No 10% penalty applies if the payment is made before age 59½ because of death or disability, or upon termination of employment at age 55 or later. In addition, payments to a non-participant under a qualified domestic relations order are not subject to the 10% penalty and are taxable to the recipient, rather than the participant.

You can avoid the 20% withholding and the 10% penalty for distributions prior to age 59½ by arranging with the investment company to have the distribution directly rolled over to another qualified retirement plan or to an individual retirement account. You will receive more detailed information regarding these requirements prior to the time any distribution is made to you. Distributions other than Eligible Rollover Distributions are subject to Federal income tax withholding unless you elect not to have taxes withheld. State tax withholding may vary.

After-Tax Roth Contribution Accounts

Your Roth 401(k) salary reduction contributions are made on an after-tax basis. Accordingly, the portion of a distribution from your after-tax Roth account that is attributable to your own Roth salary reduction contributions will not be subject to federal income tax. In addition, investment earnings distributed from your after-tax Roth account will not be subject to federal income tax provided the distribution constitutes a "qualified distribution." In order to be a qualified distribution, the distribution must occur after one of the following: (1) your attainment of age 59½, (2) your disability or (3) your death. In addition, the distribution must occur after the expiration of a five-year participation period. The five-year participation period is the five-year period beginning in the calendar year in which you first make an after-tax Roth contribution to the Plan (or to another plan if such amount was rolled over into the Plan) and ending on the last day of the calendar year that is five years later. For example, if you made your first after-tax

Roth contribution on February 1, 2011, your participation period will end on December 31, 2015. It is not necessary that you make an after-tax Roth contribution in each of the five years.

If a distribution from your after-tax Roth account is not a qualified distribution, the investment earnings distributed with the after-tax Roth contributions will be taxable to you at the time of distribution (unless you rollover the distribution to a Roth IRA or other plan that will accept the rollover). In addition, if you are under age 59½ at the time you receive a distribution from the Plan, there will be a 10% penalty on the investment earnings that are distributed.

Withdrawals upon termination of employment or retirement may be rolled over directly to an IRA account on a tax-deferred basis if you choose to do so. If you choose to receive a withdrawal or distribution of a taxable distribution in cash rather than have it rolled over directly into an IRA, ordinary income tax may be withheld from the payment at the rate of 20% plus any applicable state tax.

This brief summary describes some of the most important current federal rules under which accounts are taxed. This summary should not be regarded as tax advice. Because tax laws and regulations are complicated and change frequently, you should obtain further information specific to your situation before making a withdrawal from your accounts. Also, state tax laws may vary from the rules described in this summary..

SPOUSAL RIGHTS TO THE PLAN BENEFITS

Participants who are married when retirement benefit payments begin and who choose an annuity form of distribution are required by federal law to use the 50% Joint and Survivor Annuity Option. Federal law requires that continuing payments to a surviving spouse (this does not apply to spousal equivalents) must be at least 50% of the monthly payment made to the participant during his/her retirement.

Married participants and their spouses may waive the spousal entitlement to the 50% joint annuity only if a written waiver is filed with the investment company holding their retirement income. This waiver can only be signed if the participant is age 35 or older and must be signed by the participant and the spouse and the spouse's signature must be witnessed by a Notary Public or a plan representative. The waiver may be made only during the 180-day period before benefits begin. The waiver may also be revoked during this same period; however, it may **not** be revoked after annuity income begins.

See Designation of Beneficiary, page 2-3 above for an explanation of spousal rights on the death of a married Participant before benefits have commenced.

QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

A domestic relations order is an order made under a state's domestic relations law related to child support, alimony payments, or marital property rights for a spouse, former spouse, child, or the dependent of a participant.

To be considered a qualified domestic relations order it must:

- Create or recognize the existence of an alternate payee's right to receive all or a portion of a participant's benefit.
- Include the following information: participant's name, and address, the alternate payee's name and address, amount or percent of the participant's benefits to be paid to the alternate payee or how the amount or percentage must be determined, number of payments or period to which the order applies, plan(s) to which the order relates.

The domestic relations order cannot require the plan to provide any benefit type, form, or option not otherwise provided under the plan, increased benefits determined on the basis of actuarial value, benefit payments to an alternate payee that are already required to be paid to another alternate payee under a prior qualified domestic relations order.

Administrative Procedures

If you should receive a QDRO forward it to the NBER's Controller. Upon receipt of the Domestic Relations Order (DRO) the Plan Administrator will send a written Notice of Receipt of Domestic Relations Order to the participant and alternate payee to indicate that they are in receipt of the DRO and are in the process of reviewing it and to permit an alternate payee to designate a representative to receive copies of all notices. The Plan Administrator will review the DRO to ensure it meets all the qualifications for a QDRO. The Plan Administrator will then send a Notice of Status of Domestic Relations Order notifying the appropriate parties, whether the DRO is a QDRO. If the DRO does not meet the criteria of a QDRO, the Plan Administrator will indicate which criteria it does not meet. A QDRO will be forwarded to the investment company(ies) for processing.

EFFECTS ON OTHER BENEFITS

Social Security and other benefits will continue to be based on the participant's full, unreduced pay and will not be affected by contributions made under this Plan.

IMPLIED PROMISES

Nothing in this Summary Plan Description says or implies that participation in this Plan guarantees your continued employment with the Bureau. There is also no guarantee that the designated investment options or additional investment options will not be changed in the future, or that the Plan will continue indefinitely. The Bureau, with the approval of the Executive Committee, reserves the right to change or end this Plan at any time.

If the Plan were to be terminated in whole or in part, you would continue to have complete rights with respect to your accounts.

Since Plan benefits are based on the amounts held in mutual funds or annuity contracts, there are no unfunded benefits, and thus the Pension Benefit Guaranty Corporation does not provide termination insurance for this Plan.

CIRCUMSTANCES THAT COULD AFFECT YOUR BENEFITS

The following could result in loss or delay in benefits that you expect to receive from the Plan:

- Contributions will not be made until you file a signed and completed application form with the Bureau's Payroll Department for the chosen investment company and have designated a beneficiary and investment choice(s).
- Contributions will not be deducted from your pay until you submit a completed and signed Salary Reduction Agreement.
- Payment of benefits will not begin until a claim for benefits is filed.
- Investment funds can go up or down in value, and you can therefore lose part of the money invested.

CLAIMS PROCEDURE

The following rules describe the claims procedure under the Plan:

- Filing a claim for benefits – A claim or request for plan benefits is filed when the requirements of a reasonable claim-filing procedure have been met. A claim is considered filed when a written communication is made to:

National Bureau of Economic Research, Inc.
Attention: Controller
1050 Massachusetts Avenue
Cambridge, MA 02138

- Processing the claim – The Plan Administrator must process the claim within 90 days after the claim is filed. If an extension of time for processing is required, written notice must be given to you before the end of the initial 90-day period. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render its final decision. In no event can the extension period exceed a period of 90 days from the end of the initial 90-day period.
- Denial of claim – If a claim is wholly or partially denied, the Plan Administrator must notify you within 90 days following receipt of the claim (or 180 days in the case of an extension for special circumstances). The notification must state the specific reason or reasons for the denial, specific references to pertinent plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim, and appropriate information about the steps to be taken if you wish to submit the claim for review. If notice of the denial of a claim is not furnished within the 90/180-day period, the claim is considered denied and you must be permitted to proceed to the review stage.

- Review procedure – You or your duly authorized representative has at least 60 days after receipt of a claim denial to appeal the denied claim to an appropriate named fiduciary or individual designated by the fiduciary and to receive a full and fair review of the claim. As part of the review, you must be allowed to review all plan documents and other papers that affect the claim and must be allowed to submit issues and comments and argue against the denial in writing.
- Decision on review – The Plan must conduct the review and decide the appeal within 60 days after the request for review is made. If special circumstances require an extension of time for processing (such as the need to hold a hearing if the plan procedure provides for such a hearing), you must be furnished with written notice of the extension, which can be no later than 120 days after receipt of a request for review. The decision on review must be written in clear and understandable language and must include specific reasons for the decision as well as specific references to the pertinent plan provisions on which the decision is based. If the decision on review is not made within the time limits specified above, the appeal will be considered denied. All interpretations, determinations, and decisions of the reviewing entity with respect to any claim will be its sole decision based upon the Plan documents and will be deemed final and conclusive. If appeal is denied, in whole or in part, however, you have a right to file suit in a state or federal court.

PLAN DOCUMENT CONTROLS

This Summary Plan Description is a summary of the terms of the National Bureau of Economic Research, Inc. Tax-Deferred Annuity Plan. In the event of any conflict between this Summary Plan Description and the complete plan document, the plan document will control, provided, however, that rules established by the investment companies govern the investment options that your accounts are invested in.

ADMINISTRATION

NAME OF PLAN	National Bureau of Economic Research, Inc. Tax-Deferred Annuity Plan
PLAN SPONSOR	National Bureau of Economic Research, Inc. 1050 Massachusetts Avenue Cambridge, MA 02138
PLAN ADMINISTRATOR	National Bureau of Economic Research, Inc. 1050 Massachusetts Avenue Cambridge, MA 02138

FIDUCIARIES

Deborah Lucas
John Shoven
David Wise

EMPLOYER IDENTIFICATION NO.

13-1641075

PLAN NO.

002

TYPE OF PLAN

Retirement Plan providing for annuities and custodial accounts under Section 403(b) of the Internal Revenue Code.

AGENT FOR SERVICE OF
LEGAL PROCESS

Service of legal process may be made upon the Plan Sponsor or Plan Administrator listed above.

Type of Administration

The Plan is administered by the Bureau under insurance contracts with Teachers Insurance Annuity Association and mutual fund custodial accounts with Vanguard.

Type of Benefits Provided

Retirement benefits through a Tax-Deferred Annuity or Custodial Account as defined in Section 403(b) of the Internal Revenue Code.

Plan Year

The records of the Plan are kept on a calendar year basis. The plan year starts January 1 of each year and ends on December 31.

Plan Financing

The Plan is financed by voluntary employee contributions and investment earnings thereon.

Costs to Participant

Contributions to the Plan are voluntary. Once a participant has established an account, the cost of asset management is paid by the participant through the expense ratio charged by the relevant investment company. The Bureau currently pays all administrative expenses associated with this Plan. At a future date, the Plan might be asked to share some or all of the costs of administration, including legal and record-keeping expenses as well as trustee and custodial fees.

PBGC Insurance

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation because the Plan is not a defined benefit plan.

STATEMENT OF ERISA RIGHTS

As a participant in the National Bureau of Economic Research, Inc. Tax-Deferred Annuity Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Receive Information about Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations all documents governing the Plan and a copy of the latest annual report filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your plan, called fiduciaries of the plans, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining the supplemental retirement benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits under this Plan that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration (1-866-844-3272) or via the Internet at www.dol.gov/ebsa.

This Summary Plan Description summarizes the provisions contained in the legal Plan Document. The official Plan Document will govern in the event of any conflict with the terms of this SPD. The Plan Document is available for the participant to read; contact the Benefits Office for details.

Nothing in this Summary Plan Description should be interpreted as implying a contract of employment.

APPENDIX A

National Bureau of Economic Research, Inc. Money Purchase Pension Plan and Tax-Deferred Annuity Plan

Designated Investment Alternatives

Deborah Lucas, John Shoven and David Wise are the current Fiduciaries of the Money Purchase Pension Plan and the Tax-Deferred Annuity Plan (the “Plans”). They have selected a group of investment funds available under the Plans to be the “designated investment alternatives” under the Plans. As such, these investment funds will be monitored by the Fiduciaries on a periodic basis. These funds have been selected to represent a broad diversification of investment options, but should not be considered as a recommendation by the Fiduciaries. These designated funds and their respective ticker symbols are set forth below.

Information on Vanguard Funds can be accessed on the Vanguard website at www.vanguard.com or by calling 1-800-523-1188. Information on the TIAA Traditional Annuity can be found at www.tiaa-cref.org or by calling TIAA-CREF at 1-800-842-2888.

<u>Name of Fund</u>	<u>Symbol</u>	<u>Class of Securities</u>
1. Vanguard Total Stock Market Index Fund	VTSMX	Investor
2. Vanguard Total International Stock Fund	VGTSX	Investor
3. Vanguard REIT Index Fund	VGSIX	Investor
4. Vanguard Total Bond Market Index Fund	VBMFX	Investor
5. Vanguard Inflation Indexed Bond Fund	VIPSX	Investor
6. Vanguard Short Term Investment-Grade Fund	VFSTX	Investor
7. TIAA Traditional Annuity	N/A	N/A

Additional Funds Available

Additional investment funds continue to be available to Plan Participants. Please go to http://www.nber.org/Investment_Funds_Available.pdf for the complete list of all investment funds made available by both Vanguard and TIAA-CREF. Please note, however, that any investment funds other than the above seven are non-designated alternatives, and as such are not subject to selection and monitoring by the Fiduciaries.

IMPORTANT: You are responsible for directing investments of the full amount credited to your account under the Plans. Under U.S. Department of Labor regulations, the Plan qualifies as a “Section 404(c)” plan. This means that neither the Bureau nor the Fiduciaries are responsible for the consequences of your investment decisions.

January 1, 2012

NATIONAL BUREAU OF ECONOMIC RESEARCH

Time Sheet Instructions for Research Assistants

The National Bureau of Economic Research has strict regulations imposed on us by our funding sources regarding payments to hourly research assistants. Please use the following guidelines when completing your time sheets:

1. NBER's work week begins on Sunday and ends on Saturday. You may work a maximum of 40 hours per week. Research Assistants in California are additionally limited to a maximum of 8 hours per day. It is absolutely essential that you follow NBER's full-time work policy. Overtime must be paid for hours exceeding these limits and would be an inappropriate use of grant dollars.
2. If you are authorized to work by INS, you must adhere to the terms of your particular visa. In most cases, research assistants on student visas are only authorized to work 20 hours per week.
3. Time sheets must be filled out completely, including individual dates worked, starting and ending times, and project number. The time sheets must be signed and dated by the research assistant and the project director, supervisor or designee who can assure that the hours worked are reasonable and should be paid.
4. Time sheets **MUST BE** submitted to the NBER on a bi-weekly basis. Time sheets are generally due on Wednesdays except for those weeks which include a holiday. The payroll schedule is available at <http://www.nber.org/forms/>. Failure to submit time sheets in a timely manner can cause serious difficulty for grants. If a research assistant does not submit a time sheet for three consecutive pay periods, he/she will be removed from the NBER's payroll.

Thank you in advance for your cooperation. If you have any questions, please stop by the payroll office or call (617) 588-1412.

Please download the appropriate
state income tax withholding form from

<http://www.nber.org/jobs/stateincometaxform.html>

and have the employee fill the form out completely. Please note
there is no state income tax in Alaska, Florida, Nevada, New
Hampshire, South Dakota, Texas, Tennessee, Washington, or
Wyoming.

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

1050 Massachusetts Avenue, Cambridge, MA 02138
(617)868-3900 (617)349-3955 FAX

PAYROLL SCHEDULE 2012

<u>TIME SHEETS DUE</u>		<u>PAYROLL DATE</u>
01/04/12 (Wednesday)		01/13/12
01/18/12 (Wednesday)		01/27/12
02/01/12 (Wednesday)		02/10/12
02/15/12 (Wednesday)		02/24/12
02/29/12 (Wednesday)		03/09/12
03/14/12 (Wednesday)		03/23/12
03/28/12 (Wednesday)		04/06/12
04/11/12 (Wednesday)		04/20/12
04/25/12 (Wednesday)		05/04/12
05/09/12 (Wednesday)		05/18/12
05/23/12 (Wednesday)		06/01/12
06/06/12 (Wednesday)		06/15/12
06/20/12 (Wednesday)		06/29/12
07/03/12 (Tuesday)	**	07/13/12
07/18/12 (Wednesday)		07/27/12
08/01/12 (Wednesday)		08/10/12
08/15/12 (Wednesday)		08/24/12
08/29/12 (Wednesday)		09/07/12
09/12/12 (Wednesday)		09/21/12
09/26/12 (Wednesday)		10/05/12
10/10/12 (Wednesday)		10/19/12
10/24/12 (Wednesday)		11/02/12
11/07/12 (Wednesday)		11/16/12
11/19/12 (Monday)	**	11/30/12
12/05/12 (Wednesday)		12/14/12
12/19/12 (Wednesday)		12/28/12

** DUE TO HOLIDAY, TIME SHEETS MUST BE SUBMITTED EARLIER

ALL TIME SHEETS MUST BE SUBMITTED TO THE PAYROLL DEPT. NO LATER THAN 5:00pm (EST)

Form W-4 (2012)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2012 expires February 18, 2013. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$950 and includes more than \$300 of unearned income (for example, interest and dividends).

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity

income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2012. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

Future developments. The IRS has created a page on www.irs.gov for information about Form W-4, at www.irs.gov/w4. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted on that page.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for yourself if no one else can claim you as a dependent	A	<u> </u>
B	Enter "1" if: { <ul style="list-style-type: none"> • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less. 	B	<u> </u>
C	Enter "1" for your spouse . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	<u> </u>
D	Enter number of dependents (other than your spouse or yourself) you will claim on your tax return	D	<u> </u>
E	Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above)	E	<u> </u>
F	Enter "1" if you have at least \$1,900 of child or dependent care expenses for which you plan to claim a credit (Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	<u> </u>
G	Child Tax Credit (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than \$61,000 (\$90,000 if married), enter "2" for each eligible child; then less "1" if you have three to seven eligible children or less "2" if you have eight or more eligible children. • If your total income will be between \$61,000 and \$84,000 (\$90,000 and \$119,000 if married), enter "1" for each eligible child	G	<u> </u>
H	Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ▶	H	<u> </u>
	For accuracy, complete all worksheets that apply. { <ul style="list-style-type: none"> • If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2. • If you are single and have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the Two-Earners/Multiple Jobs Worksheet on page 2 to avoid having too little tax withheld. • If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below. 		

----- Separate here and give Form W-4 to your employer. Keep the top part for your records. -----

Form W-4 Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p style="margin: 0;">▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</p>	OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold; text-align: center;">2012</div>
1 Your first name and middle initial	Last name	2 Your social security number
Home address (number and street or rural route)		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.
City or town, state, and ZIP code		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)	6 Additional amount, if any, you want withheld from each paycheck	5 <u> </u> 6 \$ <u> </u>
7 I claim exemption from withholding for 2012, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ▶		7 <u> </u>
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.		
Employee's signature (This form is not valid unless you sign it.) ▶		Date ▶
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	9 Office code (optional)	10 Employer identification number (EIN)

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

1	Enter an estimate of your 2012 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions	1	\$ _____
2	Enter: $\left\{ \begin{array}{l} \$11,900 \text{ if married filing jointly or qualifying widow(er)} \\ \$8,700 \text{ if head of household} \\ \$5,950 \text{ if single or married filing separately} \end{array} \right\}$	2	\$ _____
3	Subtract line 2 from line 1. If zero or less, enter “-0-”	3	\$ _____
4	Enter an estimate of your 2012 adjustments to income and any additional standard deduction (see Pub. 505)	4	\$ _____
5	Add lines 3 and 4 and enter the total. (Include any amount for credits from the <i>Converting Credits to Withholding Allowances for 2012 Form W-4</i> worksheet in Pub. 505.)	5	\$ _____
6	Enter an estimate of your 2012 nonwage income (such as dividends or interest)	6	\$ _____
7	Subtract line 6 from line 5. If zero or less, enter “-0-”	7	\$ _____
8	Divide the amount on line 7 by \$3,800 and enter the result here. Drop any fraction	8	_____
9	Enter the number from the Personal Allowances Worksheet , line H, page 1	9	_____
10	Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earners/Multiple Jobs Worksheet , also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1	10	_____

Two-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)

Note. Use this worksheet *only* if the instructions under line H on page 1 direct you here.

1	Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet)	1	_____
2	Find the number in Table 1 below that applies to the LOWEST paying job and enter it here. However , if you are married filing jointly and wages from the highest paying job are \$65,000 or less, do not enter more than “3”	2	_____
3	If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter “-0-”) and on Form W-4, line 5, page 1. Do not use the rest of this worksheet	3	_____
Note. If line 1 is less than line 2, enter “-0-” on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.			
4	Enter the number from line 2 of this worksheet	4	_____
5	Enter the number from line 1 of this worksheet	5	_____
6	Subtract line 5 from line 4	6	_____
7	Find the amount in Table 2 below that applies to the HIGHEST paying job and enter it here	7	\$ _____
8	Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed	8	\$ _____
9	Divide line 8 by the number of pay periods remaining in 2012. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2011. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck	9	\$ _____

Table 1

Table 2

Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	Enter on line 7 above	If wages from HIGHEST paying job are—	Enter on line 7 above
\$0 - \$5,000	0	\$0 - \$8,000	0	\$0 - \$70,000	\$570	\$0 - \$35,000	\$570
5,001 - 12,000	1	8,001 - 15,000	1	70,001 - 125,000	950	35,001 - 90,000	950
12,001 - 22,000	2	15,001 - 25,000	2	125,001 - 190,000	1,060	90,001 - 170,000	1,060
22,001 - 25,000	3	25,001 - 30,000	3	190,001 - 340,000	1,250	170,001 - 375,000	1,250
25,001 - 30,000	4	30,001 - 40,000	4	340,001 and over	1,330	375,001 and over	1,330
30,001 - 40,000	5	40,001 - 50,000	5				
40,001 - 48,000	6	50,001 - 65,000	6				
48,001 - 55,000	7	65,001 - 80,000	7				
55,001 - 65,000	8	80,001 - 95,000	8				
65,001 - 72,000	9	95,001 - 120,000	9				
72,001 - 85,000	10	120,001 and over	10				
85,001 - 97,000	11						
97,001 - 110,000	12						
110,001 - 120,000	13						
120,001 - 135,000	14						
135,001 and over	15						

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

CERTIFICATION OF STUDENT STATUS
(To be completed for a student working on an F-1 visa)

This is to certify that _____, a citizen of _____
(Student's Name)

is a lawfully enrolled, full-time student at _____
(College or University)

I further certify that I am a full-time faculty member of the above named institution. I am engaged in a research project which takes place on campus as part of my regular academic research activity. I propose to hire the above named student to perform on-campus research assistance for my research project. This work is an integral part of his/her educational program and will not be detrimental to his/her course of study. Employment in this capacity will not exceed twenty hours per week while the school is in session, but may be full-time when the school is not in session. Although this research project is administered by the National Bureau of Economic Research, I have been informed that employment as stated above qualifies as "on-campus" employment and conforms with Immigration and Naturalization Service regulations regarding this subject.

Faculty Signature

Date

NBER Signature

Date

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

1050 MASSACHUSETTS AVENUE, CAMBRIDGE, MASSACHUSETTS 02138-5398

Tel: (617) 868-3900 Fax: (617) 868-2742 www.nber.org

DRUG-FREE WORKPLACE POLICY

The Drug-Free Workplace Act of 1988 requires the NBER, as a federal contractor, to certify that it maintains a drug-free working environment.

POLICY

The NBER prohibits the unlawful use, manufacture, distribution, dispensation, sale, or possession of a controlled substance in the workplace. The workplace includes all NBER offices or any location where an employee is performing work for the NBER.

Federal law requires that all employees engaging in the performance of work supported by a federal grant or contract must, as a condition of employment, notify the NBER of any conviction for a violation of a criminal drug statute occurring in the workplace in writing within five calendar days of such a conviction.

The NBER, in turn, is obligated to inform the appropriate funding agency in the event of an employee's conviction of a drug violation in the workplace. Such notification will be made within ten days of the employee's conviction, or within ten days of the NBER's actual knowledge of the conviction.

The dangers of drug abuse in the workplace are well known. In recognition that drug abuse is dangerous to the health and safety of NBER personnel, the NBER has contracted with an Employee Assistance Program provider to conduct periodic educational workshops and to provide counseling as necessary. The NBER will also make an effort to display informational posters and will periodically distribute information on the dangers of drug abuse. Employees are also encouraged to make use of any services or programs provided by health insurance coverage. Any employee who wishes to participate in a drug-free awareness program should contact the Human Resources Administrator or the Employee Assistance Program.

NBER Resources

Employee Assistance Program 1(800) 828-6025 or (508) 842-2780 www.wellnessworklife.com

External Resources

Substance Abuse Treatment Locator	1-800-662-HELP	www.findtreatment.samhsa.gov
Alcoholics Anonymous	(617) 426-9444	www.aa.org/
Al-Anon/Children of Alcoholics	(508) 366-0556	www.ma-al-anon-alateen.org/
Women for Sobriety	(215) 536-8026	www.womenforsobriety.org/
Smart Recovery Self-Help Network	(781) 891-7574	www.smartrecovery.org/
Narcotics Anonymous	(866) 624-3578	www.na.org/
Cocaine Anonymous	(781) 551-6677	www.ca.org/

Violations of the NBER Drug-Free Workplace policy will result in disciplinary action up to and including termination of employment.

For further information, contact the Human Resources Administrator (617-868-3900, ext. 484).

December 2008

NBER
MEMORANDUM

To : Project Investigators

From : Mui Cheung, Payroll

Re : New Research Assistant

You have proposed to hire a foreign student as your Research Assistant. This memo is to remind you that students on F-1 Visas are only authorized by the INS to work 20 hours per week, on campus, while school is in session. The NBER work week is from Sunday to Saturday. Please help us comply with this regulation by limiting your Research Assistant's hours to 20 per week during the semester. Foreign students are authorized to work full-time during school breaks. If you have any questions please call me at (617)588-1412.

Thank you.