

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

Summary Plan Description

(January, 2009)

Table of Contents

	<u>Page</u>
SAVING FOR YOUR FUTURE	1
HOW THE PLAN WORKS	1
ELIGIBILITY	2
PARTICIPATION	2
DEFINITIONS	2
PLAN CONTRIBUTIONS	3
Age 50+ Catch-up Provision	3
PERSONAL LEAVE OF ABSENCE	3
FMLA	4
LONG TERM DISABILITY	4
MILITARY SERVICE	4
SALARY REDUCTION AGREEMENT	4
HOW TO CHANGE THE RATE OF CONTRIBUTION OR STOP CONTRIBUTIONS TO THE PLAN	4
VESTING	4
ACCUMULATING BENEFITS	4
General Types of Investments	5
Allocation of Contributions	6
Transferability	7
LOANS	7
HARDSHIP WITHDRAWALS	8
WITHDRAWALS	8
IF A PARTICIPANT DIES BEFORE RECEIVING PLAN BENEFITS	9
IF A PARTICIPANT BECOMES DISABLED WHILE STILL EMPLOYED	9
MINIMUM DISTRIBUTION REQUIREMENT FOR PARTICIPANTS WHO REACH AGE 70½	9
TAX CONSEQUENCES OF WITHDRAWALS	9
SPOUSAL RIGHTS TO THE PLAN BENEFITS	10
QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)	10
EFFECTS ON OTHER BENEFITS	11
IMPLIED PROMISES	11

LEGAL RESTRICTIONS.....	11
CIRCUMSTANCES THAT COULD AFFECT YOUR BENEFITS	11
CLAIMS PROCEDURE	12
PLAN DOCUMENT CONTROLS	13
ADMINISTRATION	13
STATEMENT OF ERISA RIGHTS	14

**NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.
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Summary Plan Description

SAVING FOR YOUR FUTURE

To prepare for a secure financial future, faculty and staff 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 and reduce their current taxes at the same time. The Plan is available to all employees of the Bureau, including employees who are ineligible for other Bureau benefits.

The Plan makes it easy for all employees to save.

- Savings come out of the participant's salary *before* his/her paycheck is received, so saving is automatic.
- The participant pays no income taxes on the portion of his/her salary 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.
- 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.

HOW THE PLAN WORKS

The Plan is a savings and investment program, which allows the participant to reduce his/her current taxes and save money at the same time. Upon participation, the Bureau will take the contribution from the participant's salary and invest it on the participant's behalf into the investment option or options which the participant chooses from among the available alternatives. The contributions are made on a pre-tax basis before federal, and in most cases, state taxes are applied. Pre-tax contributions reduce a participant's current income taxes by lowering taxable income.

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 grow on a tax-deferred basis, so savings grow more quickly. However, it is important to remember that these taxes are only deferred—in most cases, participants will still owe taxes when they take money out of the Plan.

The following is a hypothetical example comparing deductions with and without participation in the Plan for a single taxpayer living in Massachusetts. The calculations use the 2009 tax code and assume that the taxpayer claims one exemption. Remember that contributions are taken from the participant's salary before federal and state income taxes are withheld.

	<i>Without Participation</i>	<i>With Participation</i>
Monthly gross pay	\$ 3,350.00	\$ 3,350.00
TDA Contribution	0.00	100.00
Gross Pay less Contribution	3,350.00	3,250.00
FICA (Social Security & Medicare Tax)	256.28	256.28
Federal Withholding Tax	416.57	391.57
Massachusetts Withholding Tax	144.53	139.23
Take-home pay	\$ 2,532.62	\$ 2,462.92

In the above example, the participant contributes \$100.00 (3%) monthly to his/her Plan but the take home pay is reduced by only \$69.70 for a tax savings of \$30.30. It costs the participant only \$69.70 to contribute \$100.00 to the Plan. A participant's current income tax savings may be greater or less depending on personal circumstances.

ELIGIBILITY

All employees 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. 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, 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 must be at least 50% unless you obtain written spousal consent.

Enrollment Application – The investment company (TIAA-CREF, and/or Vanguard) 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 salary by the amount designated on the form and to remit those contributions to the investment company indicated on the form. The total amount that can be deferred between the Plan and by the Bureau to the retirement plan is limited by the Internal Revenue Code.

PLAN CONTRIBUTIONS

Participants determine the amount they wish to contribute. However, the maximum that a participant may contribute is limited by IRS regulations. (The limit for 2009 is \$16,500 and will be indexed in future years. IRS maximums are published each year in the November/December time frame for the next year. If you contribute to a Keogh plan or another employer's 403(b) or 401(k) plan in the same year you are making contributions to the Plan, your maximum contribution may be limited based how much you contributed to these plans.

Age 50+ Catch-up Provision

Employees who are age 50 or older can make elective deferrals that exceed the statutory IRC Section 415 or 402(g) limit but cannot exceed 100% of compensation limit under IRC Section 415. The additional amount is \$5,500 (indexed). The catch-up contributions are not subject to any other contribution limits.

PERSONAL LEAVE OF ABSENCE

Participants who have been granted an unpaid personal leave cannot make pre-tax contributions to the Plan.

FMLA

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

LONG TERM DISABILITY

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

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 on a tax-deferred basis, you must complete a Salary Reduction Agreement. This agreement authorizes the Bureau to reduce your salary by the amount indicated and remit those contributions to the investment company(ies) indicated on the form.

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

You may make a change in the amount contributed to the Plan at any time. Also, you may choose to suspend contributions at any time. In both cases, a Salary Reduction Agreement must be completed. Your changes will be effective as soon as practicable.

VESTING

All monies contributed to the Plan on your behalf and all earnings on these contributions 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 obey a Qualified Domestic Relations Order from a court requiring payment for the purpose of child support, alimony or other marital payments.

ACCUMULATING BENEFITS

The Bureau has designated investment products offered by Vanguard and TIAA-CREF as the available investment options under the Plan. (Each of Vanguard and TIAA-CREF are referred to in this Summary Plan Description as an "investment company" and collectively as "investment companies.")

The investment products available under the Plan offer participants a wide variety of options with varying degrees of risk and expected return. A list of current options is available by contacting the Controller. Investment products and/or investment companies may be added or deleted from time to time.

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, 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 firms through the expense ratio charged for the investment products. The prospectus or offering materials for each option includes descriptions of fees and expenses applicable to that option. It is important to read the prospectuses or offering materials before investing in any investment option.

Below is a brief summary of the types of investment options currently available.

General Types of Investments

- ***Money-Market Fund Investments*** – Money-market investments are very short-term loans to business or government; money-market returns are likely to keep up with inflation but are unlikely to exceed inflation by much over a long period of time. A money-market account is relatively safe but is unlikely to provide as high a return over long periods of time as the TIAA basic annuity account or stock or bond funds. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government entity. Although money market funds seek to preserve the value of investment at \$1.00 per share, it is possible to lose money by investing in such a fund.
- ***Bond Mutual Funds*** – Bonds are frequently called fixed income investments because the yield (interest rate) on an individual bond is fixed. However, an investment in a bond fund provides neither a guarantee of principal nor a fixed income. The market value of a bond fund will move up or down with changes in interest rates. For example, the market value of a bond fund will decline if interest rates rise. The total return on a bond fund for any year is a combination of changes in market value and income received by the fund and reinvested. Although there is a risk of losing money in a bond fund, over long periods of time, intermediate and long-term bonds have provided total returns in excess of fixed accounts and money-market funds. Past performance is not a guarantee of future results.
- ***Stock Funds (Equity Mutual Funds)*** – Stock represents a share of ownership in a company. Stock prices rise and fall depending on, among other things, a company's current profitability and future earnings prospects. Over long periods of time common stocks have provided the highest total returns but have also provided substantial losses over shorter periods of time. Stock funds differ from each other in their investment objectives, their degree of risk, and the type of companies in which they invest. Some emphasize dividend income ("income funds"), some emphasize growth in value ("growth funds"), and others look for a combination of

the two (“growth and income funds”). Some are widely diversified, while others concentrate on certain industries or types of stocks. Past performance is not a guarantee of future results.

- *Real Estate Funds* – A Real Estate account seeks a favorable long-term rate of return through rental income and capital appreciation from a diversified portfolio of commercial real estate, or in companies who invest in real estate. Real estate is a distinct asset class and can help add diversification to a retirement portfolio. It can also serve as an effective inflation hedge in many economic environments. Real estate investing has specific risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability. Past performance is not a guarantee of future results.
- *Annuity* – TIAA offers a traditional annuity that guarantees principal and interest. The guarantee is backed only by TIAA assets and is not guaranteed by the government or the Bureau. The Plan allows participants to transfer the TIAA balance to another permitted investment vehicle or withdraw the balance in a single sum, subject to restraints established by TIAA.
- *Variable Annuity* – A variable annuity fluctuates based on the market performance of the underlying securities in the portfolio. Unlike fixed annuities, there is no guarantee of principal repayment or rate of return. Currently, only TIAA-CREF offers variable annuities.
- *Life Cycle Funds* – The Plan makes available “life cycle funds” sponsored by Vanguard. The life cycle funds are asset allocation mutual funds that adjust the mix of investments over time as the participant approaches retirement age. Participants choose a fund that matches their planned retirement date. The funds are designed to provide a single retirement portfolio that automatically grows more conservative as the expected retirement date nears. The market value of a life cycle fund moves up or down based on the performance of the underlying investments, as well as income received on the investments. These funds do not guarantee either principal or income. Past performance is not a guarantee of future results.

As a participant, you are responsible for evaluating and selecting investment options from those offered under the Plan. You should, therefore, familiarize yourself with the investment policies, goals, and historical performance of the various investment options. A prospectus or offering materials for each investment option can be obtained by calling the investment company directly or by going to the investment company’s web site listed above. Where you invest your money will affect the size of your accumulations and eventually the amount of retirement income you can receive from your account.

Allocation of Contributions

You may contribute to investment options available under the Plan at both TIAA-CREF and Vanguard.

Changes to the allocation of your contributions can be made in accordance with procedures established by the Bureau. *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 amongst the investment options made available within 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 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 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 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

Contact your investment company for more information on distribution options.

You may take full or partial distribution at any time after 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.

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 your distribution will be subject to mandatory federal withholding of 20%, as well as applicable state withholding. To avoid tax consequences, the rollover must occur within 60 days of the date of withdrawal.
- *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), subject to the spousal rights discussed below. 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 last day of work. If you do not comply with this IRS regulation, you will suffer a tax penalty equal to 50% of the required distribution. Your investment company will help you determine the amount of the required minimum distribution.

TAX CONSEQUENCES OF WITHDRAWALS

Payments under all of the distribution and withdrawal options are subject to federal and state ordinary income taxes. However, for Massachusetts tax purposes, contributions, which were made prior to January 1, 1998, are considered after tax contributions. All contributions subsequent to January 1, 1998 are pretax and subject to taxes upon withdrawal.

If you choose to receive payments 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 may elect to have the investment company withhold income taxes from most payments and mandatory tax withholding will apply in some circumstances. Of course, the actual tax owed by the participant will depend on his/her individual tax situation.

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 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 federal rules under which accounts are taxed. 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. If you are a resident of a state other than Massachusetts, the state tax treatment could differ 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. The waiver may be made only during the 90-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.

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 Controller of the Bureau. 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 salary 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 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 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.

LEGAL RESTRICTIONS

Participant contributions are subject to IRC Section 415, as well as IRC Sections 403(b) and 402(g). Contributions may be adjusted in order to comply with these legal restrictions.

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).

- Tax deferred savings 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.
- The value of investment options 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
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.

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
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 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 employee contributions and investment earnings.

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 provider of investment options. 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 (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 you 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 required 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 you 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.