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MEMORANDUM

TO: NBER Employees
FROM: Mui Cheung
DATE: December 31, 2008
RE: Tax-Deferred Annuity Plan

The Bureau has reviewed its Tax-Deferred Annuity Plan (TDA Plan) in connection with recent legislative and regulatory changes. Commencing January 1, 2009, all Bureau employees are eligible to participate in this plan. The TDA Plan offers employees a tax efficient way to save for retirement.

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

The IRS contribution limit for TDA plans for 2009 is $16,500. If you are 50 or older in 2009, you are also eligible to make additional catch-up contributions of up to $5,500. These IRS limits are combined limits that apply to all your elective deferral amounts. If you make contributions to more than one employer's plan during the year (e.g., another 403(b) or a 401(k) plan) your contributions to these plans are aggregated with your elective contributions to the Bureau's TDA Plan for purposes of these limits. I strongly advise you speak to a representative at either Vanguard (tel # 800- 523-1188), or TIAA-CREF (tel # 800-842-2888) before you decide how much you would like to contribute to the TDA Plan.

If you would like to participate in the TDA Plan, please contact me at (617) 588-1412 or email me at mcheung@nber.org for an enrollment package or for more information. If you are already participating in the Plan and would like to change your contribution amount, please complete a new salary reduction agreement. The deadline for new enrollments and changes for the January 30 payroll is Thursday, January 15, 2009. You may also enroll or make changes at a later date, as described in more detail in the Summary Plan Description. Thank you.