

## New Mexico Institute of Mining & Technology (New Mexico Tech's) 403(b) Procedure October 5, 2010

New Mexico Institute of Mining & Technology's (New Mexico Tech's) supplemental retirement plan frequently referred to as a Tax-Deferred Annuity (TDA) or a Tax Sheltered Annuity (TSA) plan is a defined contribution retirement plan that operates under Section 403(b) of the Internal Revenue Code. The Internal Revenue Service (IRS) on July 26, 2007 issued new 403(b) regulations. The new regulations amend the original regulations that were issued in 1964. The new regulations generally became effective on January 1, 2009.

A TDA or a TSA are available to regular full-time employees and regular part-time employees of Code Section 501(C)(3) tax-exempt organizations such as public colleges, universities, and school systems. Subject to various limitations and restrictions, IRC §403(b) allows tax-deferred contributions to be made for the regular full-time employee and the regular part-time employee through a salary reduction contribution.

New Mexico Institute of Mining & Technology (New Mexico Tech's) 403(b) Plan provides a unique savings opportunity to New Mexico Institute of Mining & Technology (New Mexico Tech's) regular full-time employees and regular part-time employees. Your contributions to the plan are made through payroll reduction, making regular savings easy for you. There is no contribution from New Mexico Institute of Mining & Technology (New Mexico Tech). Payroll reduces your pay by the amount of your contribution before it applies Federal and State income taxes to your pay check.

Your contribution is sent directly to the plan carrier (also referred to as "plan provider"), which you select from among the New Mexico Institute of Mining & Technology's (New Mexico Tech's) approved providers, where it will be invested according to your instructions. Your plan carrier will maintain an account that you own.

The three approved providers for New Mexico Institute of Mining & Technology (New Mexico Tech's) 403(b) Plan are as follows:

- Fidelity Investment Retirement Services – (52336) [www.fidelity.com/](http://www.fidelity.com/)
- TIAA CREF – (101265) [www.tiaa-cref.org](http://www.tiaa-cref.org)
- VALIC (GWN) – (2501-0033) [www.valic.com](http://www.valic.com)

Under the arrangement, a portion of the regular full-time employee's or the regular part-time employee's compensation (determined by the regular full-time employee or the regular part-time employee within the limits imposed by the Internal Revenue Code) is applied on a before-tax basis to an annuity contract or mutual fund shares owned by the regular full-time employee or the regular part-time employee. These amounts together with any investment earnings are not subject to federal income tax until they are paid to the regular full-time employee (or beneficiary) or the regular part-time employee (or beneficiary) in the form of benefits, normally during retirement.

New Mexico Institute of Mining & Technology's (New Mexico Tech's) 403(b) Plan is voluntary.