

**BENEFIT SPOTLIGHT ON:**  
*403b Plan*

Saint Mary's University offers its employees a Tax Deferred Annuity (403b). The 403b is an optional retirement savings through payroll deduction with pre-taxed dollars. For 2005, the maximum contribution an employee can make to the plan is \$14,000. If the employee is over 50 years of age they may contribute an additional \$4,000 during the year, for a maximum allowed total contribution of \$18,000. The Saint Mary's plan is available through five carriers: American Express- IDS, Northwestern Mutual Life Insurance, Putnam Companies, TIAA-CREF, and VALIC. All tax sheltered annuity plans are contracts between the employee and the insurance company.

Most people need a retirement income of between 60% and 90% of their final salary. A tax-deferred annuity- in conjunction with your pension and Social Security- can help pay for the kind of retirement you want. Section 403b of the Internal Revenue Code provides employees of not-for-profit organizations with a powerful retirement plan. A 403b Tax Deferred Annuity offers significant tax advantages to retirement savers.

TIAA-CREF is the most popular provider of Tax Deferred Annuities here on the Saint Mary's Campus. TIAA-CREF offers fixed and variable options for your tax-deferred Supplemental Retirement Annuities (SRAs). More than half a million people use SRAs to build additional income for the future. Some of the benefits of SRAs are as follows:

1. SRAs are easy and affordable. Your contributions are automatically deducted from your salary- and can be as low as \$25 per paycheck.
2. You save on current taxes. Contributions are made before you pay taxes, which lowers your current tax bill. And since there are no sales charges, every dollar you contribute adds to your account.
3. Your money grows tax deferred. You pay no federal tax on your contributions or earnings until you receive them in retirement.
4. You decide how your money is invested. Choices range from the safety of TIAA's guaranteed Traditional Annuity, to the growth opportunities of TIAA Real Estate variable annuity and the eight CREF variable annuity accounts. With variable annuity accounts, returns will fluctuate.
5. You have full ownership of contributions and earnings from day one. If you change jobs, you can continue your SRA contributions if you are employed at one of the 8,700 participating institutions.

You can visit TIAA-CREF on the web at [www.tiaa-cref.org](http://www.tiaa-cref.org) or call 1-800-842-2776 for more detailed information. If you would like to speak with a financial advisor about any specific questions you may have about your TIAA-CREF investments you can call the National Contact Center at 1-800-842-2776.

VALIC is another provider of the Tax Deferred Annuity for employees. With an AIG VALIC 403b plan, you can choose the investment options that best suit your personal risk tolerance, investment preferences and retirement time horizon. You'll have the flexibility you need to create a retirement plan that matches your specific retirement goals and your ability to save. AIG VALIC brings you the expertise, investment options and personal services to help keep things simple:

1. Personal Service from local AIG VALIC financial advisors.
2. Specialized computer-based services for retirement planning and development of asset allocation strategies.
3. Informative retirement-investment education programs, seminars and materials.
4. Advanced and efficient administration of your retirement account, including automated access to account information and transaction services.

You can visit AIG VALIC on the web at [www.aigvalic.com](http://www.aigvalic.com) or call Jerry Biese at 1-800-892-5558 ext. 88178.

The other providers can be located on the web: American Express at [www.americanexpress.com](http://www.americanexpress.com), Northwestern Mutual Life Insurance at [www.nmfn.com](http://www.nmfn.com), and Putnam Companies at [www.putnam.com](http://www.putnam.com).

In order to begin a Tax Deferred Annuity, you will need to contact a representative from one of the providers above. After you complete a contract with the provider, you need to complete the Saint Mary's University form titled 'Authorization for Payroll Deduction- Tax Deferred Annuity' and return the form and a copy of your contract to the payroll office. Information packets and enrollment forms for both TIAA-CREF and AIG-VALIC are available in the Business Office.