



MEMORANDUM

To: UNM employees

From: Payroll Department

Date: February 5, 2009

Subject: Notice of Employees' Right to Participate
in the 403(b) Program

The University of New Mexico offers a voluntary salary reduction 403(b) program to its employees*. The 403(b) program is intended to provide an additional retirement savings opportunity to employees and we are pleased to offer that opportunity to you.

- Lower taxes today – you can contribute before taxes are calculated thus lowering your taxable income
- Tax-deferred growth and compounding interest – the difference you would have paid in taxes earns interest plus that interest earns interest, compounding even more
- You take the initiative – contributing to a 403b retirement plan can help you take control of your future

Remember, 403b plans are meant to encourage long-term retirement saving so income taxes are paid at withdrawal when you may be in a lower tax bracket and if withdrawn before age 59½ might be subject to federal restrictions and a 10% tax penalty.

We invite you to contact the UNM Payroll Department at 277-2353 for information about how you can start a 403b program and to receive a list of the university's approved vendors. You may also go to the UNM Payroll's web page at <http://www.unm.edu/~payroll> for the list of vendors and you can go to the UNM Lobo web to enroll in the 403b program.

*Exception: Student employees are excluded from participation in the 403(b) program.