

**NEW YORK UNIVERSITY
457(b) DEFERRED
COMPENSATION PLAN
2009 PLAN HIGHLIGHTS**



NYU offers a deferred compensation plan for eligible faculty, professional research staff, and administrative and professional staff. This plan, known as the NYU Section 457(b) Deferred Compensation Plan, will allow you to take advantage of the additional tax-deferred savings opportunity made possible by Section 457(b) of the Internal Revenue Code.

Eligible employees may elect to defer an additional portion of their pay (up to \$16,500 for 2009) on a pre-tax basis under the NYU Section 457(b) Deferred Compensation Plan (the "Plan"). This amount is in addition to the amount that you contribute under the 403(b) Plans. This brochure describes the Plan and how you can take advantage.*

* Salary reductions from your paycheck are taken over 9 months, from April 1 through December 1.

What's Inside



<i>Eligibility</i>	3
Initial Participation.....	3
Participation	3
<i>Enrollment and Investment Selection</i>	4
How to Enroll	4
<i>Changing Your 457(B) Investment Instructions</i>	6
<i>Deferral Limits</i>	7
<i>In-Service Withdrawals</i>	8
<i>Distributions Upon Termination Of Employment</i>	9
<i>Rollovers, Designating a Beneficiary</i>	10
<i>Divorce Orders and Tax Consequences</i>	10
<i>Contact Information</i>	11

BEFORE YOU JOIN, PLEASE READ THIS IMPORTANT CONSIDERATION ABOUT THE OWNERSHIP OF PLAN ASSETS

As a participant in the NYU 403(b) Retirement Plan or the Supplemental Tax Deferred Annuity Plan, you probably know that your contributions (and the contributions that NYU makes on your behalf) are set aside for you in annuity contracts or mutual fund accounts and are not part of NYU's general assets.

However, under Section 457(b) of the Internal Revenue Code, this Plan must be considered "unfunded" which means that your deferrals of salary (including any earnings on those deferrals) must be part of NYU's general assets. This means that in the unlikely event that NYU ever became insolvent, your deferrals under the Plan and any investment earnings that have accrued would be subject to the claims of NYU's general creditors and you might lose part or all of your benefits. You should consider this in deciding whether to participate in the Plan.

Furthermore, when you leave the University there is less flexibility with a Section 457(b) Deferred Compensation Plan than there is with a 403(b) Plan in your ability to change the timing of distributions from the Plan. For more details, read the section "Distributions on Termination of Employment" in this brochure.



Eligible job categories include:

- Faculty (Code 102),
- Professional Research Staff (Code 103), *and*
- Administrative and Professional Staff (Code 100).

Initial Participation

You are eligible to participate in the Plan on April 1, 2009 if:

1. you are employed in an eligible job category, and
2. your 2008 total gross NYU earnings were at least \$171,500.

If you were not employed by NYU for the entire year in 2008, you will be eligible to participate in the Plan on April 1, 2009 if:

1. you are employed in an eligible job category, and
2. your regular monthly base salary for your primary appointment position is at least \$14,291.66.

Participation

Each year, you will be eligible to participate in the Plan for the period from April 1 to December 31 if:

1. you are employed in an eligible job category, and
2. your total gross NYU earnings for the preceding calendar year equal or exceed the applicable threshold amount in effect for the year.

The salary threshold amount used to determine continuing eligibility for years after 2009 will be \$171,500 adjusted for cost-of-living increases (as the IRS increases the amount of compensation that may be taken into account for the 403(b) Plans).



If your earnings decrease and you are not eligible as of April 1 of a particular year, NYU will continue to monitor your eligibility in subsequent years, and you will be notified if you become eligible to participate in the next year.

Please note: Your contributions to the 403(b) Plans are, under federal law, subject to less restrictive rules regarding withdrawals and distributions. Therefore, it is more advantageous for you to maximize your contributions to the 403(b) Plans before making deferrals under the 457(b) Plan. If you need to reduce the amount of money deducted from your earnings on a monthly basis at any time during the year, you should first reduce your deferrals under the 457(b) Plan before adjusting the amount of your contributions to the 403(b) Plans.

Enrollment and Investment Selection

In order to enroll in the 457(b) Plan you must first review this 2009 Plan Highlights Brochure and follow the instructions on the TIAA-CREF and/or Vanguard How to Enroll Online pages.

Because assets of the Plan are legally assets of the University, NYU will establish an account for the amount you defer. In addition, NYU will permit you to direct the investment of this account from the investment funds made under the Plan.

How to Enroll

You must complete:

- the NYU Section 457(b) Salary Deferral Agreement and Investment Selection Form for 2009 available online at http://www.nyu.edu/hr/pdf/hrforms/457_SDA.pdf, *and /or*
- the TIAA-CREF Retirement Enrollment Form or
- the Vanguard Enrollment/Change Form.

Follow the instructions on How to Enroll Online...

- for TIAA-CREF: http://www.nyu.edu/hr/pdf/forms/457_Enroll_TIAA.pdf
- for Vanguard: http://www.nyu.edu/hr/pdf/forms/457_Enroll_Vanguard.pdf



You must complete applications with TIAA-CREF and Vanguard for your 457(b) deferrals even if you already have TIAA-CREF and Vanguard accounts for your 403(b) contributions. (You will need the TIAA-CREF and Vanguard forms to select the investment funds within TIAA-CREF and Vanguard.)

If you want your deferrals to begin with your April 1, 2009 paycheck, you must submit your completed forms to the NYU Benefits Office no later than March 25, 2009.

If you want your deferrals to begin after April 1, 2009, forms must be submitted to the NYU Benefits Office no later than the 20th day of the month prior to the month for which you want to begin deferring under the Plan.

You may change your investment instructions from time to time. To change the percentage of future deferrals to be split between TIAA-CREF and Vanguard, you must complete a new NYU Salary Deferral Agreement with the Investment Selection section completed and submit it to the NYU Benefits Office.

Your enrollment will not be processed until all necessary forms have been received and accepted by the NYU Benefits Office.

Changing Your 457(B) Investment Instructions



To change the investment directions for future deferrals under the Plan or for existing NYU deferred compensation account balances from TIAA-CREF to Vanguard, or vice versa, you must complete a transfer form available from TIAA-CREF or Vanguard and return the form to the appropriate vendor. To do this, contact:

TIAA-CREF

800-842-2776

www.tiaa-cref.org

The Vanguard Group

800-523-1188

www.vanguard.com

Deferral Limits



Generally, you may defer up to \$16,500 under the 457(b) Plan in 2009. Please note that your deferrals under the Plan may be limited if deferrals have been (or will be) made on your behalf under another employer's non-qualified deferred compensation plan during the year. *Please advise the NYU Benefits Office if you believe you are participating in another employer's non-qualified deferred compensation plan.*

If you do not defer the maximum amount under the 457(b) Plan for one or more calendar years in which you are otherwise eligible to participate in the Plan, a special "catch-up limit" will apply to you in the three calendar years prior to the year in which you attain age 65 (assuming that you are otherwise eligible to participate in the Plan during those years).

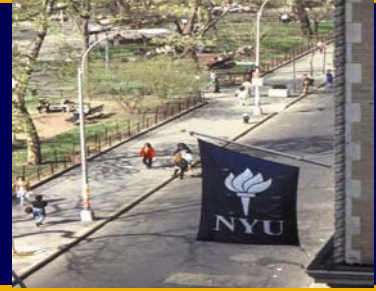
This special catch-up limit permits you to exceed the general limit for the year by deferring the lesser of:

1. twice the general limit for the year, or
2. the general limit for the year plus the amount you could have deferred in prior years but did not.

Example: Paul begins participating in the Plan on April 1, 2009 and is age 62 in May of 2009. He defers \$6,000 under the Plan in 2009. Paul's catch-up limit applies to him in 2009 (because he will be 65 in 2012). If he wishes, Paul may defer up to the 2010 general Plan limit, plus the amount Paul could have deferred in 2009 but did not (\$10,500) as long as the total does not exceed two times the 2010 general Plan limit. Each year the IRS announces the new general Plan limit for the next year.

If you are interested in utilizing the special catch-up limit, contact the NYU Benefits Office at that time.

In-Service Withdrawals



Except in the case of an unforeseeable emergency (as described below) or certain small account balances, you may receive your 457(b) Plan benefits only after your employment with NYU has terminated. Loans are not permitted under the Plan.

Under IRS rules, if you have an unforeseeable emergency, you may make a withdrawal from the Plan of an amount reasonably needed to satisfy your emergency need. For purposes of the Plan, an "unforeseeable emergency" means a severe financial hardship to you resulting from:

- (1) a sudden and unexpected illness or accident of you, your spouse or your dependent,
- (2) loss of your property due to casualty, or
- (3) other similar extraordinary and unforeseeable circumstances arising as a result of circumstances beyond your control.

You may not make a withdrawal if your severe financial hardship is or may be relieved by payment from an insurance company, liquidation of your assets (unless the liquidation itself would cause severe financial hardship), or discontinuation of your deferrals under the Plan. You must first obtain an emergency withdrawal application form from the NYU Benefits Office. You should allow at least 30 days from the date your application is submitted for receipt of funds. This is because sufficient time is needed for the review of the facts and circumstances necessitating the emergency withdrawal. You should also be prepared to provide supporting documentation as requested. Therefore, it is important that financial commitments not be made on the presumption of qualifying for an in-service withdrawal from the plan.

If your total account balance does not exceed \$5,000 and you have not made any deferrals under the Plan for at least a two-year period, NYU may distribute your account balance without your consent. You may receive a distribution under this rule only once during your NYU employment.



Distributions Upon Termination Of Employment

When your employment with NYU terminates, you will receive your Plan benefits in a lump sum payment on or about March 1 following the calendar year of your termination unless you elect otherwise by the January 31 following the calendar year of your termination. If you elect to defer your distribution and have funds in both Vanguard and TIAA-CREF accounts, you must transfer the monies from Vanguard to TIAA-CREF or vice versa upon termination of employment. This transfer will be irrevocable.

If you do not want a lump sum payment on the March 1 following the calendar year of your termination, you may elect to receive your Plan benefits in a different form and/or with a later commencement date. Distribution election forms and information about the available forms of payment are available from the NYU Benefits Office. If you have elected to defer your commencement date, you may elect your payment form any time prior to 60 days before your commencement date. Subject to applicable IRS regulations and your vendor's rules, forms of payment under the Plan generally include lump sum payments, installment payments, and various annuities. If you elect an installment payout or an annuity, NYU remains the owner of the account or annuity contracts until you and/or your beneficiary have received all benefits.

In any event, you must receive (or begin to receive) payment of your Plan benefits no later than April 1 following the calendar year in which you turn age 70½ or your employment terminates, whichever is later.

If you elect to defer the payment of your Plan benefits until after the March 1 following your calendar year of termination, you may make a one-time election to defer the commencement date again, as long as you make the election after the March 1 following your calendar year of termination and at least thirty days prior to the date on which your benefits are to commence pursuant to your first election. You may not change your payment form after the 60th day before your commencement date is scheduled to begin pursuant to your first election.

Rollovers, Designating a Beneficiary, Divorce Orders, and Tax Consequences



Rollovers

Distributions under the Plan are not eligible for rollover to IRAs or other employer plans, and the Plan cannot accept rollover contributions from IRAs or other employer plans. In certain circumstances, you may be able to transfer your Plan account to another tax exempt private employer's Section 457(b) plan.

Designating A Beneficiary

You may designate a beneficiary for your Plan benefits on the form provided to you for this purpose. Your beneficiary may be your spouse or another individual. If you die before you have received a full distribution of your Plan benefits, your beneficiary will receive the balance of your Plan benefits as soon as administratively possible after your death. This distribution will be taxable to your beneficiary.

Divorce Orders

Under a "Qualified Domestic Relations Order," a court may direct the Plan to pay all or a portion of your Plan benefits to your spouse, former spouse, or other dependent. The court order must be reviewed and approved by NYU before it is implemented. Hence, it is suggested that you contact the NYU Benefits Office prior to the drafting of a "Qualified Domestic Relations Order" by your attorney.

Tax Consequences of Plan Participation

Salary deferrals under the 457(b) Plan are made on a pre-tax basis for federal, New York State, and New York City income tax purposes, and the earnings (if any) on such deferrals are not taxable while you are employed by NYU. Salary deferrals under the Plan are, however, currently subject to FICA tax withholding. If you are not a New York resident, you are encouraged to consult your personal tax advisor about the state tax consequences of your participation in the Plan. You will be taxed when your Plan benefits become available for distribution, either on the March 1 following your calendar year of termination of NYU employment or such other date as may apply. Payments will be subject to tax withholding. If you select an installment or annuity form of payment, you will be taxed on the receipt of each payment.

Contact Information

If you have any questions about the Plan, please contact:

NYU Benefits Office

Address: Fairchild Building
7 East 12th St., 2nd Floor
New York, NY 10003-4475

Telephone: 212-998-1270

Fax: 212-995-4050

Email: benefits@nyu.edu

Website: www.nyu.edu/hr

NYU Benefits Resource Center: <https://home.nyu.edu>

This Plan Highlights brochure has been prepared to explain the major provisions of the Plan in effect as of April 1, 2009. Although all possible care has been taken in the preparation of this brochure, it is not the official text of the Plan. In the event of any inconsistency between the information in this brochure and the Plan, the Plan will prevail. A copy of the Plan document is available for inspection in the NYU Benefits Office during regular business hours. Although NYU hopes to offer the Plan to eligible employees for the foreseeable future, NYU reserves the right to amend or terminate the Plan at any time in its sole discretion. Issue Date: March 2009