

**MEDICAL COLLEGE OF GEORGIA**  
**TAX SHELTERED ANNUITY PLAN**

Employees of public schools and certain tax-exempt organizations are permitted, under the provisions of Sections 403(b) and 403(b)(7) of the U. S. Internal Revenue Code, to defer income tax on part of their salary during the year in which it is earned by participating in a tax sheltered annuity (TSA) program. Payment of state and federal income taxes on the money that is deferred is not required until the year it is withdrawn by the employee.

It is commonly assumed, however, that the use of this program will result in an investment that will be larger in the future, after taxation, than the investment would be at that time, if the present sum is reduced by present state and federal taxes, and the earnings of that smaller investment are taxed each year thereafter.

403(b) contributions for MCG employees in 2006 are generally limited to 95% of full gross salary not to exceed \$15,000 for employees less than age 50, or 95% of full gross salary not to exceed \$20,000 for employees who are projected to attain age 50 or more by 12/31/2007. (Age-based Catch-up under section 414(v)).

The Medical College of Georgia offers a choice of 5 TSA companies. A list of these firms and their designated agents is shown below. All employees are eligible to participate in this program. To participate, an employee signs a salary reduction agreement with MCG and designates an approved TSA company to receive the employee's monthly deductions. The company will invest the money as directed by the employee. State and federal income tax on money deposited in a TSA is deferred until the money is withdrawn from the TSA.

Additional information on the tax sheltered annuity program can be obtained from representatives of the companies approved to provide TSA's to MCG employees. Each employee should carefully weigh the advantages of such a program to him/her, and may find it advisable to seek the guidance of an Investment counselor, tax accountant or tax attorney. Participants should be familiar with IRS publication 571, "Tax-Sheltered Annuity Programs for Employees of Public Schools and certain Tax-Exempt Organizations."

**TAX SHELTERED ANNUITIES - PARTICIPATING COMPANIES**

**COMPANY**

**LOCAL REPRESENTATIVE**

Fidelity Retirement Services  
P.O. Box 770002  
Cincinnati, OH 45277-0090  
1-800-343-0860

Customer Service  
1-800-343-0860

TIAA-CREF  
730 Third Avenue  
New York, NY 10017  
1-800-842-2888

Dean Yarbrough  
TIAA-CREF  
Six Concourse Parkway/ Suite 2600  
Atlanta, GA 30328-6104  
1-800-842-2003 ext. 3527

Variable Annuity Life (VALIC)  
100 Ashford Center N/ Suite 100  
Atlanta, GA 30338  
1-800-448-2542

E. Thomas Burkhalter  
1519 Laney-Walker Blvd/ Suite A  
Augusta, GA 30904  
706- 722-4600

Northwestern Mutual Investment Services, Inc.  
American Funds Service Co.  
P.O. Box 2560  
Norfolk, VA. 23501-2560

Reid Carter, Gil Eaves, Steve Poteet  
3540 Wheeler Road, Suite 312  
Augusta, GA. 30909  
706-261-4665

Four Seasons Securities, Inc.  
Representing: "Horace Mann"  
"Lincoln National"  
"American Fidelity"

Chad Fowers  
706- 868-1688  
211D Hudson Trace  
P.O. Box 211004  
Augusta, Georgia 30917-1004

**NOTE:** Payments are mailed to the addresses listed in the first column, above, about two weeks after the last day of the month of deductions. This may result in a discrepancy between the total deferred amount indicated on the paycheck or W-2 and the amount indicated on the annual statement from the TSA Company. The deferred amount reflected on the MCG form W-2 should be used in federal and state income tax calculations.