

Other Important Information

This section contains important administrative information and your rights under law.

Si usted no lee o no entiende inglés, por favor póngase en contacto con la oficina de Recursos Humanos y ellos arreglarán para que alguien pueda explicarle la información de este folleto en un idioma que usted entienda.

Plan Names, Numbers and Types of Plans

Retirement (Pension)

The official plan name is the PNM Resources, Inc. Employees' Retirement Plan. The official plan number is 001. The plan is a defined benefit pension plan.

401(k)/Retirement Savings Plan

The official name is the PNM Resources, Inc. Retirement Savings Plan. The official plan number is 005. The plan is a defined contribution retirement plan.

Benefits My Way

Effective January 1, 2004, the PNM Resources, Inc. Benefits My Way Plan was divided into a number of separate plans. The Benefits My Way plan still includes a number of "component programs" providing a variety of benefits to employees. Its official plan name is "The PNM Resources, Inc. Benefits My Way Plan" and its official plan number is 602. The component programs are:

- **Premium Payment Component** – Under this component, participants may pay premiums for medical, dental and vision coverage, life insurance (other than dependent life insurance) and AD&D insurance on a pretax basis. Premiums for dependent life insurance must be paid on an after-tax basis.
- **Health Care Flexible Spending Account Component** – This component is intended to be a "self-insured medical reimbursement plan" under Internal Revenue Code Section 105. As such, medical care expenses that are reimbursed from a participant's health care flexible spending account are excluded from the participant's gross income.
- **Dependent Care Flexible Spending Account Component** – This component is intended to be a "dependent care assistance plan" under Internal Revenue Code Section 129. As such, dependent care expenses that are reimbursed from a participant's dependent care flexible spending account are excluded from the participant's gross income.
- **Life, Dependent Life and Accidental Death & Dismemberment (AD&D) Insurance** – Employee life insurance, dependent life insurance and AD&D insurance benefits are provided through a life insurance contract with Minnesota Life. These benefits are fully insured.

Comprehensive Health Plan

Effective January 1, 2004, the medical, dental and vision portions of the Benefits My Way Plan became part of a separate, stand-alone health care plan. The stand-alone plan's official plan name is the "PNM Resources, Inc. Comprehensive Health Plan" and its official plan number is 603. It includes:

- **Medical** — The plan includes two medical programs. The Blue Cross and Blue Shield of New Mexico Preferred Provider Organization program (also known as the BCBSNM PPO) offers the choice of three different levels of deductibles and benefits through BCBSNM's "Premium," "Standard" and "Value" options. It is a self-funded group health plan. The Presbyterian Health Plan, Inc. Preferred Provider Organization program (also known as the Presbyterian PPO) also is a self-funded group health plan.

- **Dental** — The plan includes a dental program, provided through Delta Dental of New Mexico. It offers the choice of three different levels of benefits through their “Advantage” and “DeltaPremier” programs, as well as coverage at non-participating dentists. The dental program is a self-funded group health plan.
- **Vision** — The plan includes a vision program, provided through Vision Service Plan’s “VSP” program. The vision program is a fully insured group health plan.

Supplemental Benefits Plan

Effective January 1, 2004, Programs 8, 9 and 10 of the Benefits My Way Plan became part of a separate, stand-alone plan. The stand-alone plan’s official plan name is the “PNM Resources, Inc. Supplemental Benefits Plan” and its official plan number is 605. It includes:

- **Business Travel Accident (BTA) Insurance Program** — The plan’s business travel accident (BTA) benefits are provided through an insurance contract with The Hartford. The BTA program is a fully insured life and AD&D insurance plan.
- **Long-term Disability (LTD) Insurance Program** — The plan’s long-term disability (LTD) benefits are provided through an insurance contract with Metropolitan Life Insurance Company (MetLife). The LTD program is a fully insured disability plan.
- **Employee Assistance Program (EAP)** — The plan includes an employee assistance program (EAP). EAP benefits are provided through Corporate Health Resources. The EAP is considered a fully insured welfare benefits plan.

Other Benefit Plans

In addition, the plan names, numbers and types of plan for the other benefit plans sponsored by the Company are:

- **Retiree Medical** — The official plan name is the “PNM Resources, Inc. Comprehensive Retiree Health Plan” and its official plan number is 604. The plan is a group health plan, providing benefits under both a fully insured and self-funded basis.
- **Educational Assistance Plan** — Effective January 1, 2004, Program 11 of the Benefits My Way Plan became a separate, stand-alone plan. The official plan name is the “PNM Resources, Inc. Educational Assistance Plan.” The official plan number is 606. The plan is a self-funded welfare benefits plan.
- **Non-Union Severance Pay Plan** — Effective January 1, 2004, Program 12 of the Benefits My Way Plan became a separate, stand-alone plan. The official plan name is the “PNM Resources, Inc. Non-Union Severance Pay Plan.” The official plan number is 607. The plan is a self-funded severance pay plan.
- **Employee Retention Plan** — The official plan name is the “PNM Resources, Inc. Employee Retention Plan” and its official plan number is 608. The plan is a self-funded retention plan that pays severance benefits in the event of a change in control.
- **Union Severance Pay Plan** — The official plan name is the “PNM Resources, Inc. Union Severance Pay Plan” and its official plan number is 609. The plan is a self-funded severance pay plan.

Plan Sponsor and Identification Number

The plan sponsor for the plans listed on pages 1 - 2 is PNM Resources, Inc. and its employer identification number (EIN) is 85-0468296. You can contact the plan sponsor at:

PNM Resources, Inc.
PNM Resources Benefits Department
Alvarado Square, Mail Stop 3101
Albuquerque, NM 87158-3101
505-241-4919

The Company reserves the right to employ the services of third parties to interpret, construe and/or administer its various benefit plans and programs (e.g., claims administrators, insurance companies, recordkeeper).

Plan Year

The plan year is a calendar year that begins each January 1 and ends the following December 31. The plans' records are kept on a plan-year basis.

Plan Administrator

Each of the plans listed on pages 1 - 2 has a plan administrator that oversees the operation and records of the plans, construes and interprets plan provisions and authorizes benefit payments. Duties and responsibilities of the plan administrator for each plan are handled by the PNM Resources Benefits Department, the Company's "Benefits Governance Committee" and the Company's "Corporate Investment Committee." In the case of the 401(k)/Retirement Savings Plan, the plan administrator may have some of its duties handled by a "Recordkeeper" — discussed later in this section. In the case of certain other benefits, the plan administrator may have some of its duties handled by the "Claims Administrators/Insurance Companies" — discussed later in this section. You can contact the applicable plan administrator at:

Plan Administrator of the *[Insert Name of Plan]* Plan
c/o PNM Resources Benefits Department
Alvarado Square, Mail Stop 3101
Albuquerque, NM 87158-3101
505-241-4919

Electronic Administration

The plan administrator may distribute and collect information and conduct transactions by electronic media, including, but not limited to, electronic mail systems, Internet, Intranet, telephone and voice response systems telephone, except when prohibited by law. Electronic media may provide the means by which you submit elections, directions and forms required for participation in the plans and, if used by the plan administrator, will satisfy the plans' requirement that such elections, directions and forms be in writing.

Claims Administrators, Insurance Companies and Insurance Contracts

For the Educational Assistance Plan, Non-Union Severance Pay Plan, Employee Retention Plan and Union Severance Pay Plan, the PNM Resources Benefits Department handles claims. For other benefit programs and options claims are handled either by a claims administrator or an insurance company, as described on pages 4 - 5:

Claims Administrators

For the medical and dental options and other benefits, the plan administrator uses the services of claims administrators to keep individual and plan records, process claims and produce claim payments, explanations of benefits and plan reports. For the following benefit options and programs, the claims administrators listed below act as third-party claims administrators only and, as such, do not guarantee benefits under any contract or policy of insurance:

BCBSNM PPO:

Blue Cross and Blue Shield of New Mexico
P.O. Box 27630
Albuquerque, NM 87125-7630
1-888-PNM-BCBS (766-2227)
www.bcbsnm.com

Presbyterian PPO:

Presbyterian Health Plan, Inc.
P.O. Box 27489
Albuquerque, NM 87125-7489
505-923-5678
1-800-356-2219 (toll free)
www.phs.org

Delta Dental:

Delta Dental Plan of New Mexico
2500 Louisiana Boulevard N.E.
Suite 300
Albuquerque, NM 87110
505-855-7111
1-877-395-9420 (toll free)
www.deltadentalnm.com
E-mail: Go to www.deltadentalnm.com and navigate to the subscriber page for the current e-mail address.

Flexible Spending Accounts:

Aon Consulting
7325 Beaufont Springs Drive
Suite 300
Richmond, VA 23225
1-800-481-5224 (toll free)

Insurance Companies and Insurance Contracts

Certain of the benefit plans and programs are provided under the terms of insurance contracts. For the fully insured plans and programs listed below and on page 5, the insurance company shown is also the claims administrator and, as such, keeps individual and plan records, processes claims and produces claim payments, explanations of benefits and plan reports:

Vision Service Plan (VSP):

(For Claims)
Vision Service Plan
P.O. Box 997105
Sacramento, CA 95899-7105
1-800-877-7195 (toll free)

(For All Else)
Vision Service Plan
3333 Quality Drive
Rancho Cordova, CA 95670
1-800-877-7195 (toll free)

Life, AD&D and Dependent Life Insurance:

Minnesota Life
400 Robert Street North
St. Paul, MN 55101-2098
1-800-843-8358 (toll free)
www.mnmutualgroup.com

Age 65 and Over Retiree Medical:

AARP Health Care Options
United Healthcare Claim Division
PO Box 740819
Atlanta, GA 30374-0819
1-800-523-5800 (toll-free)
Fax: 1-215-653-8333
www.aarphealthcare.com

Business Travel Accident (BTA) Insurance:

The Hartford
4643 S. Ulster Street
Denver, CO 80237
1-888-563-1124
Fax: 1-860-843-8567

Long Term Disability (LTD) Insurance:

Metropolitan Life Insurance Company (MetLife)
Group LTD Claims Department
P.O. Box 94221
Palatine, IL 60094
1-800-275-4638 (toll free)

Employee Assistance Program (EAP):

Corporate Health Resources
1325 Wyoming NE
Albuquerque, NM 87112
505-816-6790 or 505-797-6781
1-800-348-3232 (toll free)

In addition, for the preceding fully insured benefit plans and programs, if there is a conflict between the insurance contract and PNM Resources' SPD and/or plan documents and/or any other document of the Company, the provisions of the insurance contract govern. The benefits provided by any of PNM Resources' fully insured benefit plans and programs are paid by the insurance company under the terms of the contract insuring those benefits. The liability of PNM Resources, Inc. is limited to the payment of premiums to the insurance company. No person entitled to benefits under any of PNM Resources' fully insured benefit plans and programs has any claim against, right to or security interest or other interest in any fund, account or asset of the Company.

Recordkeeper

For the 401(k)/Retirement Savings Plan, the plan administrator uses the services of a recordkeeper to keep individual and plan records, to process payments for withdrawals and distributions and to produce individual and plan reports. You can contact the recordkeeper at:

401(k)/Retirement Savings Plan:

(By Regular Mail)

The Vanguard Group, Inc.
The Vanguard Financial Center
Attn: Plan #090701
P.O. Box 1101
Valley Forge, PA 19482

(By Express Mail)

The Vanguard Group, Inc.
The Vanguard Financial Center
Attn: Plan #090701
100 Vanguard Blvd.
Malvern, PA 19355-2331

1-800-523-1188 (toll free)

Plan Funding and Trustees

Retirement (Pension) Plan

The retirement (pension) plan is funded by Company contributions that go into the plan's trust fund. The amount of Company contributions to the trust fund is determined by the plan's actuary each year. Money in the trust fund only can be used to pay retirement benefits, other plan benefits and eligible administrative expenses. The trust fund is managed by the plan's trustee who oversees receipt of all plan contributions, produces certain plan reports and, when instructed by the plan administrator, makes retirement and other plan benefit payments to plan participants. You can contact the trustee at:

Mellon Bank, N.A.
One Embarcadero Center
Suite 2340
San Francisco, CA 94111-9123

The Company's "Corporate Investment Committee" is responsible for investment oversight for the retirement (pension) plan.

401(k)/Retirement Savings Plan

The 401(k)/Retirement Savings Plan is funded by employee and Company contributions that go into the plan's trust fund. Money in the trust fund only can be used to pay plan benefits and eligible administrative expenses. The trust fund is managed by the plan's trustee who oversees receipt of all plan contributions, sends contributions to the investment funds, produces certain individual and plan reports and, when instructed by the plan administrator, makes distributions and other benefit payments to plan participants. You can contact the 401(k)/Retirement Savings Plan trustee at:

(By Regular Mail)

Vanguard Fiduciary Trust Company/The Vanguard Group, Inc.
The Vanguard Financial Center
Attn: Plan #090701
P.O. Box 1101
Valley Forge, PA 19482

(By Express Mail)
Vanguard Fiduciary Trust Company/The Vanguard Group, Inc.
The Vanguard Financial Center
Attn: Plan #090701
100 Vanguard Blvd.
Malvern, PA 19355-2331

The Company's "Corporate Investment Committee" is responsible for investment oversight for the 401(k)/Retirement Savings Plan. However, the plan is intended to constitute a "participant-directed individual account plan" described in Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA") and Title 29 of the Code of Federal Regulations Section 2550.440c-1. Under this type of arrangement, plan fiduciaries, such as the Corporate Investment Committee, may be relieved of liability for the investment decisions you make with respect to your plan accounts.

Health Care — VEBAs

Health care benefits are funded by contributions made by the Company and employees/retirees. Those contributions go into several "VEBAs." A VEBA — Voluntary Employees' Beneficiary Association — is a trust fund that is exempt from federal and state income tax under Section 501(c)(9) of the Internal Revenue Service Code. For the vision program, insurance premiums go into the VEBA and are then paid to the insurance company; actual plan benefits are paid by the insurance company, not the VEBA. For all other health care programs, actual plan benefits are paid from the VEBA.

The VEBA for active employees is called the "Employee Benefit Trust (EBT)." You can contact the trustee at:

Wells Fargo Bank
P.O. Box 63020
San Francisco, CA 94163

The VEBA for non-union retirees is called the "Retiree Medical Benefit Trust" and **the VEBA for union retirees** is called the "Retiree Medical Benefit Trust for Collective Bargaining Employees." These VEBAs are set up under the terms of PNM Resources' retirement (pension) plan. You can contact the trustee at:

Mellon Bank, N.A.
P.O. Box 185
Pittsburgh, PA 15230

Life, AD&D, Dependent Life, BTA, LTD and EAP

These plans are funded by premiums paid by the Company and/or employees to the insurance companies. Benefits are paid by the various insurance companies (see pages 4 - 5) under the terms of the policies insuring these benefits.

Other Plans and Programs

Benefits under the Health Care Flexible Spending Account and Dependent Care Flexible Spending Account components of the Benefits My Way plan, Educational Assistance, Non-Union Severance Pay, Employee Retention and Union Severance Pay programs and plans are paid from the general assets of the Company.

HIPAA Privacy

The health care benefit programs of PNM Resources, Inc. comply with the privacy rules of the Health Insurance Portability and Accountability Act (HIPAA – a federal law), the intent of which is to protect the confidentiality of your personal health information. The following provisions apply to PNM Resources' self-funded health care benefit programs to the extent each program meets the legal definition of "health plan" and is not otherwise exempt from the requirements of the privacy rules. In this section, such programs are referred to as "Covered Programs." The terms of this section and the privacy rules do not apply to fully insured health care benefit programs, the EAP or to any non-health care benefit programs sponsored by the Company.

Hybrid Entity Status — If any Covered Program is combined with a benefit program that is not considered a "health plan" under the privacy rules and the combined program is treated as a single legal entity, it will be considered a "hybrid entity," as defined by the privacy rules. As such, only the Covered Programs are considered health plans subject to terms of this section and the privacy rules.

Organized Health Care Arrangement Status — To the extent permitted by the privacy rules, the Covered Programs are part of one organized health care arrangement. As such, each Covered Program may disclose protected health information to another Covered Program maintained by the Company for purposes of facilitating treatment, payment and health care operations under the Covered Programs.

Health Information the Covered Programs May Disclose to the Company — The Covered Programs may disclose the following information to the Company as the information is not protected health information under the privacy rules:

- **De-Identified Health Information** — Certain medical information, called "de-identified information" as defined in the privacy rules, may be disclosed by the Covered Programs to the Company.
- **Summary Health Information** — Certain medical information, called "summary health information" as defined in the privacy rules, may be disclosed by the Covered Programs to the Company if requested for purposes of getting premium bids for health insurance or modifying, amending or terminating the Covered Programs.
- **Enrollment and Disenrollment Information** — The Covered Programs may disclose to the Company information as to whether an individual is enrolled or has disenrolled from the Covered Programs.
- **Protected Health Information pursuant to an Authorization** — Protected health information may be disclosed by the Covered Programs to the Company if a participant has provided written authorization. For example, protected health information may be provided to the Company if a participant has authorized it for purposes of applying for disability benefits.
- **Protected Health Information for Plan Administration Purposes** — Subject to the conditions of disclosure described below and on page 9, protected health information may be disclosed by the Covered Programs to Company personnel who are involved in administration of the Covered Programs if needed for purposes of treatment, payment and health care operations, or as otherwise required by law, consistent with the privacy rules.

Conditions of Disclosure for Plan Administration Purposes — The Covered Programs will disclose protected health information to the Company for plan administration purposes only if the Company has provided and certified that the plan documents have been properly amended to incorporate the requirements of the Section 504(f)(2)(ii) and (iii) of the privacy rules and that the Company has agreed to abide by the following:

- The Company will not use or further disclose protected health information other than as permitted or required by the Covered Programs or as required by law.

- The Company ensures that any agents, including subcontractors, to whom it provides protected health information received from the Covered Programs agree to the same restrictions and conditions that apply to the Company with regard to the information.
- The Company will not use or disclose protected health information in connection with any other benefit or employee benefit plan, unless authorized by the individual or if the plan is part of the organized health care arrangement.
- The Company will not use or disclose protected health information for employment-related actions and decisions, unless authorized by the individual.
- The Company, when it becomes aware, will report to the Covered Programs any use or disclosure of protected health information that is inconsistent with the uses or disclosures provided for by the privacy rules.
- The Company will make protected health information available to an individual in accordance with the individual's right to inspect and get a copy of his/her protected health information under the privacy rules, Section 164.524.
- The Company will make available protected health information for amendment and will incorporate any amendments to protected health information in accordance with the privacy rules, Section 164.526.
- The Company will make available protected health information required to provide an accounting of disclosures in accordance with an individual's right to such accounting under the privacy rules, Section 164.528.
- The Company will make available its internal practices, books and records related to the use and disclosure of protected health information received from the Covered Programs available to the Secretary of the Department of Health and Human Services for purposes of determining compliance by the Covered Programs with the privacy rules.
- If feasible, the Company will return or destroy all protected health information received from the Covered Programs which the Company still maintains (in any form) when it is no longer needed for the purpose the disclosure was made. In addition, the Company will not retain copies of such information. However, if such return or destruction is not feasible, further uses and disclosures will be limited to only those purposes that make the return or destruction of the information unfeasible.
- The Company ensures that adequate separation exists between the Covered Programs and the Company (as plan sponsor). This requires that:
 - Only the following employees/classes of employees will be given access to protected health information to the extent necessary to perform plan administration functions or as required by law. No other persons shall have access to protected health information. Use of such protected health information by such individuals is restricted to the minimum amount necessary to perform plan administrative functions:
 - Benefits Manager, Benefits Senior Analyst, Benefits Analyst, Director of Compensation and Benefits, Senior Vice-President of People Services and Development, Attorneys, Legal Assistant, IT/IS, Internal Audit, Business Partner, Loss Control/Industrial Hygiene, HR Specialist, Information Security, Records Analyst, Records, Specialist and Document Control.
 - Noncompliance with the terms of this section and the privacy rules will result in disciplinary action, including, but not limited to, termination of employment.

More information about how the health care benefit programs use or disclose your personal health information can be found in the privacy notices for the programs – contact the PNM Resources Benefits Department.

Legal Process

You should send or deliver all papers concerning a lawsuit against any of the plans listed on pages 1 - 2 to the following agent for service of legal process:

PNM Resources, Inc.
General Counsel
Alvarado Square, Mail Stop 2822
Albuquerque, NM 87158-2822
505-241-2700

Legal process also may be served on the plan administrator or the applicable trustee – see page 3 and pages 6 – 7.

Financial Records

The retirement (pension) plan, the 401(k) plan, the active health care plan and the retiree health care plan are required to have their financial records audited annually by independent accountants who provide an opinion as to each plan's financial status.

Benefit Rights

No one can take away your vested retirement (pension) benefit or your vested 401(k)/Retirement Savings Plan benefit. Generally, you cannot give or sell them to someone else or use either as collateral for a non-plan loan. Your creditors cannot claim your vested benefit to pay debts you owe. An exception is a Qualified Domestic Relations Order, a QDRO — see the “Retirement” and “401(k)/Retirement Savings Plan” sections for details.

No Employment Guarantee

PNM Resources' benefit plans are not employment contracts. Your participation in any of the plans does not guarantee your continued employment with the Company or otherwise affect your employment rights or the right of the Company to discharge you. The employment relationship between you and the Company is “at will,” unless otherwise provided in writing.

Workers' Compensation

PNM Resources health care benefits are not in lieu of and do not affect any requirement for coverage by the New Mexico Workers' Compensation Act.

Amendment and Termination

The Company expects to continue the plans listed on pages 1 and 2 indefinitely. However, subject to its collective bargaining obligations and applicable law, the Company reserves the right to amend, modify or terminate the plans or any component program, in whole or in part – or to transfer the plan to its successor(s) — at any time, for any or no reason and without prior notice. The Company also may modify or amend a plan as needed to comply with legislative or regulatory changes.

In the event of a plan change, merger or consolidation, a plan's assets or debts may be transferred to another plan. If a plan is changed or terminated, the Company may or may not decide to establish a different plan providing similar benefits. For health care benefits, the Company may change the amounts you or the Company contributes to a plan. In addition, benefits for services received after the effective date of any plan modification or termination are payable in accordance with the revised provision.

In the case of a merger, consolidation or transfer of the 401(k)/Retirement Savings Plan's assets or liabilities to another plan, you will be entitled to a benefit immediately after the merger, consolidation or transfer that is at least equal to the benefit to which you would have been entitled immediately before the merger, consolidation or transfer if the plan had terminated instead at that time.

If the 401(k)/Retirement Savings Plan is terminated, you will be considered fully vested and entitled to receive a distribution of any amounts credited to your account (after payment of a proportionate share of all plan expenses and your share of fund losses and profits and reallocations as of the termination date). Payment may be made in cash, trust assets or other forms chosen by the plan administrator. This also applies to a partial termination.

If the retirement plan is terminated or partially terminated, you will be fully vested in a retirement benefit, to the extent the plan is then funded, even if you do not meet the plan's vesting rules at the time. If the retirement plan is terminated and there are not enough plan assets to provide full retirement benefits to all participants, the assets will be paid out according to federal law. If there are still assets after providing for retirement benefits and other plan benefits, those remaining assets will be returned to the Company.

Pension Benefit Guaranty Corporation (PBGC)

Your pension benefits under the retirement (pension) plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. No other benefit plan or program sponsored by the Company is insured by the PBGC. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers normal and early retirement benefits, disability benefits if you become disabled before the plan terminates and certain benefits for your survivors.

The PBGC guarantee generally *does not* cover:

- Benefits greater than the maximum guaranteed amount set by law of the year in which the plan terminates;
- Some or all benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates;
- Benefits that are not vested because you have not worked long enough for the company;
- Benefits for which you have not met all of the requirements at the time the plan terminates;
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement benefit greater than your monthly benefit at the plan's normal retirement age; and
- Non-pension benefits, such as 401(k) benefits, health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your pension benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TTD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at www.pbgc.gov.

Benefits under the 401(k)/Retirement Savings Plan are not insured by the PBGC or any other government program. PBGC insurance protection does not apply to defined contribution plans (such as the Retirement Savings Plan) under which benefits are based on a participant's account balance which can fluctuate in value, up or down.

Your ERISA Rights

As a participant in a PNM Resources' benefit plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). Your ERISA rights are described here:

- Free of charge, you can examine copies of all plan documents. These include the official plan documents, collective bargaining agreements, annual financial reports (Form 5500 series) filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA, formerly known as the Pension and Welfare Benefits Administration), and summary plan descriptions. Copies of plan documents are available during normal working hours at the Company's principal office:

PNM Resources, Inc.
PNM Resources Benefits Department
Alvarado Square, Mail Stop 3101
Albuquerque, NM 87158-3101
505-241-4919

In addition, by writing to the Company at the above address, a copy of plan documents will be made available for your review at other Company locations.

- You can receive copies of all plan documents by sending a written request to the Company at the above address. The Company can charge you a reasonable amount for copies.
- You will receive a written summary of the plan's annual financial report. By law, the Company must provide you with a copy of this "summary annual report."
- For purposes of the retirement (pension) plan and the 401(k)/Retirement Saving Plan, you can receive a statement telling you if you have a right to a retirement benefit at normal retirement age and, if you do, what your benefit would be if you stopped working now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have to work to earn one. You must ask for this statement in writing. By law, the Company must provide the statement free of charge, but the plan administrator only has to provide it to you once a year.
- You can continue medical, dental and vision coverage for yourself, your spouse or your dependents (and your own participation in the Health Care Spending Account) in certain circumstances, if there is a loss of coverage under a PNM Resources plan as a result of a "qualifying event." You, your spouse, or dependent may have to pay for this "COBRA" coverage. See the "Eligibility, Enrollment & When Participation Ends" section for the rules governing your COBRA coverage rights.
- You, your spouse, or your dependents have the right to a reduction or elimination of any exclusionary period for coverage for pre-existing conditions under a PNM Resources health care plan if you, your spouse or dependents have "creditable coverage" from another plan.

Free of charge, you, your spouse, or your dependents should be provided with a certificate of creditable coverage from a health care plan (such as a medical, dental or vision plan) when coverage is lost, when you, your spouse or dependent becomes entitled to elect COBRA coverage, when COBRA coverage ends for you, your spouse or your dependents, or if you, your spouse or dependent requests a certificate before losing coverage or at any time up to 24 months after losing coverage. Without evidence of creditable coverage, you, your spouse or your dependents may be subject to a plan's pre-existing condition exclusion for 12 months (18 months for late enrollees) after your, your spouse's or your dependents' enrollment date in coverage.

- No one, including your employer, union or any other person, can fire you or discriminate against you to stop you from obtaining a benefit or exercising your rights under ERISA.
- If your claim for a benefit is denied, in whole or in part, the plan must give you a written explanation of the reason for the denial. You have the right to have the claim reviewed and reconsidered, all within certain time frames prescribed by regulation.

Besides creating rights for plan participants, ERISA also specifies certain duties for people who are responsible for operating the plan. These people are called “fiduciaries.” The plans’ fiduciaries must operate the plans prudently and in the sole interest of you, other plan participants and beneficiaries.

There are steps you can take to enforce your ERISA rights. For example:

- If you request a copy of plan document or the latest annual report from the plan and do not receive them within 30 days, you can file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive them, unless the materials were not sent because of reasons beyond the plan administrator’s control.
- After following the plan’s claims or appeal procedures, if your claim for benefits is ignored or denied, in whole or in part, you can file suit in a state or federal court.
- If you disagree with the plan’s decision, or no decision is made by the plan concerning the qualified status of a domestic relations order or a medical child support order, you can file suit in a federal court.
- If the plan’s fiduciaries misuse the plan’s money or if you are fired or discriminated against for claiming benefits or exercising your rights under ERISA, you can get help from the U.S. Department of Labor or you can file suit in a federal court.

If you file a suit, the court will decide who should pay court costs and legal fees. If you win the suit, the court may order the person you sued to pay those costs and fees. If you lose the suit, or if the court decides the suit was frivolous, the court may order you to pay the costs and fees.

If you have any questions about a plan, contact the plan administrator. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or:

Division of Technical Assistance and Inquiries,
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.