RETIREMENT ROADMAP

Timeline & FAQs

Index of Questions

IMPORTANT PLAN INFORMATION (for the SPDs below)	
Note: This FAQ document and the plan SPDs provide highlights of the STPNOC plans. Any discrepancies between the information here or in the SPDs and the Plan Documents, the Plan Documents will always govern. STPNOC Retiree Medical Summary Plan Document STPNOC Dental Summary Plan Document STPNOC Vision Summary Plan Document FMCP Plan 16 – Single Employer Groups Summary Plan Document Retiree Benefits Brochure (non-union benefits and retiree life insurance) • Pre-65 Medical Plan Premiums on page 5 • Pre-65 Dental Plan Premiums on page 6 • Pre-65 Vision Plan Premiums on page 6 STPNOC Life and AD&D Insurance Summary Plan Document STPNOC Retirement Plan Summary Plan Document STPNOC Savings Plan Summary Plan Document ○ Employer supplemental contribution: See percentage of compensation based on years of service on pg. 6 Pension Portal: https://eepoint.towerswatson.com/sites/stp/ess	

Timeline

1. **When can I retire?**

   Only you can determine that. But there are a few questions to ask yourself:

   - Are you 55 or older? If not, you are not eligible for retirement.

   - Is your initial hire date prior to January 1, 2007? If so, you are eligible to participate in the retirement plan (pension plan). If not, you are not eligible to participate in the retirement plan.

   - Are you a non-bargaining unit employee older than 55, hired before 1/1/2015 and who has 5 years or more of service? If so, you are eligible for STP Non-Bargaining Unit Pre-65 healthcare benefits and post-64 Retiree Health Reimbursement Plan (RHRP) benefits. *You are also eligible for retiree basic and optional retiree/dependent life insurance.

   - For bargaining unit employees and FMCP alumni older than 55, do you have 5 years of continuous service after age 50? If so, you are eligible for FMCP retirement healthcare benefits. *You are also eligible for retiree basic and optional retiree/dependent life insurance.

   * To be eligible for retiree life you must have five years of continuous service after age 55 and be enrolled in optional life immediately prior to your retirement date. To be eligible to add retiree dependent life upon meeting the above requirements, you must have this optional active coverage prior to retirement and enroll in optional retiree life upon retirement.

2. **How far in advance should I notify Total Rewards of my retirement?**
   - Six months is preferred per company policy- STP0602. This allows for knowledge transfer and other job turnover activities.
   - We also need time to receive the pension calculation and you will need to set up your retirement insurance policies. **The minimum notification timeframe required by the plan is 60 days prior to your pension start** to avoid a delay. You will receive your paperwork about 50 days prior to the start of your pension.
   - You must return all **completed paperwork and required documentation 30 days prior to the start of your pension.**

3. **How do I notify Total Rewards of my retirement date?**
   - Create a ticket in MyApps > HR Service Center or email ebenefits@stpegs.com with the following information:
     - Termination date- this is the last day you intend to be an employee of STP. Regardless of the term date, pension distributions only occur on the first of the month following your Termination date. This can be confused with the term "retirement date".
     - Date to begin your pension (AKA Benefit Commencement Date)- must be the 1st of the month
     - Qualified Domestic Relations Order (QDRO) information, if one has been filed. This is a document filed with the court and approved by the plan after a divorce. This document splits your pension or 401(k) benefits.

4. **Besides the Total Rewards Team, who else should I notify of my retirement?**
   - You should notify your HR Business Partner.   As you approach your final day of employment, HR will provide you with forms needed to return your badge and exit the plant. They will set up a time on your last day of STP employment to review your final PTO/holiday pay and terminate your employment.
   - You should also notify your supervisor and/or manager and the Emergency Response Organization so they can arrange a replacement. If you have an outage job, you should work with your team to ensure this role is covered.

5. What should I have ready/do before I receive my paperwork?

- Please provide ebenefits@stpegs.com with your best personal email address and phone number so we may communicate with you after you are retired and offsite.
- If there is a Qualified Domestic Relations Order (QDRO), please forward a copy to ebenefits@stpegs.com as soon as possible by sending an email with a pdf copy of the QDRO Document.

- You may want to pull together the documentation that will be requested when you submit your paperwork:
  - Your Driver License and Birth Certificate or Passport;
  - Your spouse's Driver License and Birth Certificate or Passport, if married; and
  - If married, your Marriage Certificate.

- If you plan on taking a lump sum rollover, you should have an established account to rollover the funds into when you complete the pension paperwork. The needed information will include the Institution Name, Account Number, and distribution information from your account. The distribution can be in the form of a wire in which case you will need to submit the bank routing number and wire account as well as your account number when completing the pension paperwork. If your IRA or 401(k) plan institution requires the mailing of a check, you will need the mailing address in addition to the above information. Your IRA or 401(k) institution will normally provide this information to you upon account setup or request.

Payroll Questions

6. **What happens to my unused PTO, PTT, Vacation and accrued holidays?**

   Any unused PTO, PTT, vacation, and accrued holidays are paid out on the second pay date after you retire. Any unused PTP from the previous year will not be paid out. You will need to use up any remaining PTP prior to your termination date. You can review any remaining time off balances on the Ceridian Home page/balances or in EmpCenter. If you need assistance finding your balances, contact your HR Business Partner.

   - For specific details on your Accrued Holiday payable upon retirement see STP Policy 302 (Holiday) or your Bargaining Unit Agreement. If you still have questions, you can contact your HR Business Partner.

7. **When do my Savings Plan (401(k)) deductions end?**

   401(k) deductions will be taken out of your pay on the first pay date after you terminate employment. There will not be any 401(k) deductions taken on the second pay date after termination in which unused PTO, PTT, Vacation, and accrued holidays is paid out.

8. **When do my health and welfare benefit deductions end?**
   - Any pay after the end of the month in which your termination date falls will not include health and welfare plan deductions.

9. **How is my ICP payment made?**
   - The ICP pay date is same as all other employees. This is normally March following the plan year. To be eligible for an ICP for the calendar year in which you retire, you will need to work 90 days during the year you retire, to receive a pro-rated ICP for the calendar year of retirement. Any ICP payout after retirement will be mailed to your mailing address on file.

Bon Voyage (PowerPoints)

10. Do I receive PowerPoints upon Retirement and what are Bon Voyage Points?

- You will receive a form from HR to apply and receive Bon Voyage Power Points. These are PowerPoints that you receive upon retirement as a gift from STP . It is recommended that you **complete and return the form 30 days prior to your last day of work.**

11. How long do I have to use my PowerPoints upon retirement?

- All PowerPoints expire upon termination per policy 0211 5.2(E). You will need to use all PowerPoints before your last day of work.

Healthcare – Non-Bargaining Unit

12. What are the requirements to be eligible for the STP Non-Bargaining Unit pre-65 healthcare plans?

- To be eligible you must retire after reaching age 55, have been hired prior to 1/1/2015, have 5 years of service and not be covered by the Family Medical Care Plan (FMCP) sponsored by NECA/IBEW.

13. What coverages are available from the pre-65 plans?

- Medical, prescription drug, dental and vision benefits are offered under the pre-65 healthcare benefits. The medical plan is the High Deductible Healthcare Plan (HDHP) offered to active employees. The dental plan is the DAP option offered to active employees. The vision plan is the same vision coverage offered to active employees. While the plans offered are the same for active employees, the premiums may vary for retirees.
- For details on the available coverages including deductibles, out-of-pocket maximums, copayments, and costs, you can review the Retiree Benefits Brochure.

14. When does coverage under the pre-65 healthcare benefits end for me and my family?

- You will have coverage until the end of the month prior to the month in which you become Medicare eligible due to age. For example, if your birthday is 7/15/1965, you will become Medicare eligible on 7/1/2030 and lose pre-65 healthcare coverage on 6/30/2030. If your birthday is 7/1/1965, you will become Medicare eligible due to age on 6/1/2030 and will lose coverage 5/31/2030.
- Your spouse will have pre-65 coverage until they become Medicare eligible due to age. See the above example.
- Child(ren) are eligible until they are 26 or until both spouses are no longer covered under the pre-65 retiree healthcare plan.

15. Does the deductible and out-of-pocket maximum amounts I used from the active plan carry over to the Retirement Plan.

- Yes, any deductible and any out-of-pocket maximum amounts used in the active plan carry over to the retirement plan mid-year. On the following January 1, these accumulators will reset to zero on the retiree plan.

16. I am covered under the High Deductible Healthcare Plan Plus (HDHP +) and my deductible as an active employee is $2,000. How will this carry over to the retiree HDHP plan?

- Your deductible under the HDHP retiree medical plan will be $4,000. On the HDHP+ it was $2,000. Only up to the $2,000 of the HDHP+ plan deductible will carry over. This means that for the rest of the year, you will have an additional deductible of $2,000 or more. If you have used up your HDHP+ deductible, you will want to use up as much care as possible before your retire and transfer to the retiree HDHP plan.

17. When does coverage under the pre-65 healthcare benefits end for me and my family?

- You will have coverage until the end of the month prior to the month in which you become Medicare eligible due to age. For example, if your birthday is 7/15/1965, you will become Medicare eligible on 7/1/2030 and lose pre-65 healthcare coverage on 6/30/2030. If your birthday is 7/1/1965, you will become Medicare eligible due to age on 6/1/2030 and will lose coverage 5/31/2030.
- Your spouse will have pre-65 coverage until they become Medicare eligible due to age. See the above example.
- Child(ren) are eligible until they are 26 or until both spouses are no longer covered under the pre-65 retiree healthcare plan.

18. What happens when my spouse and/or I lose coverage because we become Medicare eligible due to age?

- If you were eligible for the pre-65 healthcare plan, you and/or your spouse will become eligible for coverage under the Retiree Health Reimbursement Plan (RHRP).

19. How does the Retiree Health Reimbursement Program (RHRP) program work?

- **Retirees (age 55 or older with 5 years of service hired prior to 1/1/2015) and their eligible spouses become eligible for this plan when they become eligible for Medicare which is normally the first day of the month of your 65th birthday**. This plan provides a monthly reimbursement of $230 per individual per month for eligible Medicare expenses. Retirees and their spouses who are Medicare eligible due to age will transition from the company Pre-65 Retiree Healthcare program to this program.

- To receive this benefit you must enroll in Medicare Part A and Part B**. It is recommended that you enroll in these coverages either online or at your local Social Security office at least 90 – 120 days prior to becoming eligible for the RHRP program** to ensure these coverages are available when you lose the pre-65 retiree healthcare coverage.

- You will also **need to enroll in a Medicare medical plan using VIA Benefits**, the plan's administrator. Their counselors will help you enroll in a Medicare medical plan that is a best fit for your needs. To best take advantage of your time during this session, you should have your doctor's names, prescriptions you take, and a list of medical conditions available before you have this discussion.

20. How do I receive my $230 reimbursement?

After you are enrolled in a Medicare medical plan through VIA you can request a claims reimbursement. The approved funding will be deposited into your bank account or a check can be mailed to your home.

21. What if I am already over 65 upon retirement and my spouse is under 65?

- You will receive benefits from the RHRP program and your spouse will have their pre-65 healthcare coverages until they become Medicare eligible due to age. About 90 – 120 days prior to your spouse becoming Medicare eligible, they will need to enroll in Medicare Parts A and B and then enroll in a supplemental plan through VIA Benefits. Your spouse will then be added to your account with VIA upon transition to the RHRP.

22. What if my spouse is over 65 and I am under 65 upon retirement?

- Your spouse will become a participant in the RHRP program and you will be covered under the pre-65 healthcare plans. Your spouse will have their own account with VIA benefits until you become Medicare eligible due to age and transition to the RHRP. Upon your transition to the RHRP, your spouse's account will be closed (terminated) and they will file claims and receive reimbursements through your account.

23. What happens to our child(ren)'s coverage when we both lose coverage under the pre-65 healthcare plan?

- Their coverage will end. The plan will send a COBRA continuation notice. They will either need to purchase COBRA coverage, go on a group plan of their own, or purchase an individual plan

24. What happens to my Flexible Spending Account Upon Retirement?

- Deductions from your pay will end and you will not be able to contribute any additional funds unless you elect COBRA. You can use your account to pay for any eligible claims incurred prior to your date last worked but not after. You can only pay for claims after you retire if you elect COBRA.

25. How are annual premium increases impacted by the fixed STPNOC Medical and Dental supplement?

- Medical and dental premiums are adjusted each year for claims experience. STPNOC provides a fixed supplement. Thus, any increases in premiums will be paid by the participants. Increases normally occur at the beginning of each year. You will be notified of the new amounts during open enrollment.

Health Savings Accounts (HSA) and Retirement (non-union employees)

26. If I am under 65 when I retire how much can I contribute to my HSA?

- If you are under 65, you will be eligible to be enrolled in the Pre-65 Retiree HDHP plan which is an HSA eligible HDHP plan. As long as you do not turn 65 during the year, you will be eligible to contribute up to the HSA contribution limits including any catch-up contributions. The funds contributed by STP count toward your annual contribution limits. If your spouse is also covered under the Pre-65 HDHP and they are older than 55, they can contribute the catch-up amount of $1,000 into their own HSA account.

27. If I am retiring mid-year, how do I have the annual limit deducted from my pay before I leave?

- Send a note to ebenefits@stpegs.com asking to increase the amount that is deducted your pay each pay period. We are only able to take these deductions from regular pay. We are unable to take them from your ICP.

28. How does electing social security impact my ability to contribute?

- Employees enrolled in Medicare including Part A and Part B are not eligible to contribute to an HSA. If you are beyond your full retirement age when you sign up for Social Security, you will automatically be enrolled in Medicare Part A retro-actively effective as much as six months prior to your social security start. If you made contributions during that period, you must include them in your taxable income and they may be subject to tax penalties.

29. I am over 65 when I retire, how much can I contribute to my HSA?

- As an active employee over 65 on one of the HDHP plans and not covered by Medicare, you can contribute to the HSA on a pro-rated basis until you retire. Then, since you are no longer covered by an HSA eligible plan, you will no longer be eligible to contribute to the HSA. Keep in mind that the STP contribution counts towards the pro-rated amount. Also, keep in mind that social security will back date your Medicare Part A by six months. You may want to consider stopping your HSA contributions six months prior to retirement.

30. What are some additional HSA considerations if I continue to work after 65?

- Once an individual enrolls in Medicare Parts A and B, that individual can no longer contribute pre-tax dollars to a Health Savings Account (HSA). This is because to contribute pre-tax dollars to an HSA, an individual cannot have health insurance other than a high-deductible health plan (HDHP). The month Medicare begins, individuals should change their contribution to their HSA to zero dollars per month. However, they may continue to withdraw money from their HSA after they enroll in Medicare to help pay for qualified medical expenses, such as deductibles, copayments, coinsurances, and certain premiums. If they use the account for qualified medical expenses, its funds will continue to be tax-free.

- If individuals choose to delay Medicare enrollment because they are still working and want to continue contributing to their HSA, they must also wait to collect Social Security retirement benefits. This is because most individuals collecting Social Security benefits when they become eligible for Medicare are automatically enrolled in Medicare Part A. To continue contributing funds to an HSA, individuals must delay Social Security benefits and decline Part A.

- Individuals should know that if they decide to delay enrolling in Medicare, they should stop contributing to their HSA at least six months before they enroll. That's because when they enroll in Medicare Part A, they receive up to six months of retroactive coverage, not going back further than their initial month of eligibility. They may incur a tax penalty if they do not stop HSA contributions at least six months before Medicare enrollment.

31. How can I find additional information?

- If you want to learn how Medicare and your HSA work, you can use the following link for the Medicare and Your HSA flyer from BenefitWallet: Medicare and your HSA (mybenefitwallet.com)

- For a Health Savings Account Calculator: Health Savings Account (HSA) Savings Calculator (mybenefitwallet.com)

- For additional resources: BenefitWallet (mybenefitwalletsite.com)

How Does Bargaining Unit / FMCP Retiree Healthcare Coverage Work

32. Who is eligible for FMCP Retiree Coverage?

- Employees covered under the IBEW collective bargaining agreement dated 8/1/2017, the Memorandum of Agreement (Professional Group Employees), and FMCP Alumni who have 5 years of STP service and retire after reaching age 55.

33. What healthcare benefits are offered under the FMCP Retiree benefits?

- The healthcare plan offered to union retirees is the FMCP Plan 16. This is the same plan that is offered to active employees. This plan includes medical, dental, and vision benefits.

34. What happens to my FMCP coverage upon retirement?

- Your coverage under the FMCP (Plan 16) benefits (same plan as active employees) will continue for you and your family. The STP Benefits team will notify FMCP of your retirement. There is no action required by you to continue coverage.

35. What happens to my FMCP coverage when I or my spouse turn 65?

- **You must enroll in Medicare Parts A and B 90-120 days prior to the first day of the month in which you turn 65.** You and your spouse will have the option to continue coverage under the FMCP Plan 16 benefits or enroll in a Supplemental Medicare option through United Healthcare (UHC). FMCP will provide details on the UHC plan.

36. Is Medicare primary or secondary after I retiree and turn 65?

- Medicare will be primary. Medicare will pay about 80% and the FMCP plan will pay about 20%. You may still be responsible for deductibles, copayments and other out of pocket costs on the FMCP plan.

37. What happens to my Flexible Spending Account Upon Retirement?

- Deductions from your pay will end and you will not be able to contribute any additional funds unless you elect COBRA. You can use your account to pay for any eligible claims incurred prior to your date last worked but not after. You can only pay for claims after you retire if you elect COBRA.

38. Does the FMCP prescription drug plan provide Creditable Coverage?

- Yes, the plan does provide creditable coverage to avoid Medicare part D penalties for late enrollment. You only need to enroll in Part A and Part B. The FMCP plan covers the other elements including prescriptions (Part D).

39. How much does FMCP Retiree Coverage cost?

- For retirees who are covered under the IBE labor agreement, dated 8/1/2017, FMCP Alumni employees, and Professional Union Group retirees who have more than six years of FMCP coverage, there is no charge. This includes coverage for your spouse and other dependents. The cost does not change for you or your spouse when you or your spouse become Medicare eligible due to age.

- Professional Union Group employees and Professional Union Group – FMCP Alumni employees who have less than six years of FMCP coverage the cost is $250 per month regardless of the tier (number of dependents) of coverage.

Life Insurance

40. Is life insurance available upon retirement?

- Yes, life insurance is available to for employees who retire at or after age 55, and after having completed at least 5 years of service after turning age 50.

41. How much life insurance can I get?

- Basic Group life insurance of $2,500 is paid for by STP. To receive this benefit, you will need to complete the enrollment form designating a beneficiary for this coverage.

- Optional retiree life insurance of up to $47,500 in $2,500 increments. To be eligible for optional retiree life you must have had optional active life immediately prior to your termination date.

- Optional dependent retiree life of $10,000 spouse / $5,000 child(ren) is available. To be eligible for this coverage you must elect optional retiree life and have had optional dependent life immediately prior to your termination.

- How much does the optional retiree and optional dependent retiree life cost. The optional retiree life cost is based on your age and your tobacco status. The costs are outlined in the current STP Retiree Benefits Brochure. Keep in mind that your cost will continue to increase the year after you turn the new age for a new bracket. For example, if you turn 60 October 22, 2021, your new rate will be effective 1/1/2022. The cost of dependent retiree life is the flat amount listed in the brochure regardless of the number of dependents covered. Children are only eligible up to age 26.

Paying for Healthcare and Life Insurance

42. How do I pay for my monthly premiums?

- If you are receiving a monthly pension payment, the monthly premiums will be deducted from your pension.

- If you are not receiving a monthly pension payment, you can use the ACH Authorization Form to have payments automatically charged to your account. You will receive a form with your initial retirement paperwork, or you can request one by emailing ebenefits@stpegs.com.

- Otherwise, you can mail a check payable to STPNOC and write "BENEFITS" on the memo line. Mail to: STPNOC | PO Box 270 | Attn: Accounts Receivable | Wadsworth, TX 77483

43. When are my payments due and what happens if I do not make a payment timely?

- All payments are due on the 1st of month. Failure to remit timely premium will result in cancellation of benefits. **Important Note: If benefits are cancelled/dropped for non-payment, you will not later be able to re-enroll in benefits.**

Savings Plan Questions

44. What are my options with my 401(k) money after I retire?

- There are several options available to manage your 401(k) funds after retirement:
  - You can leave the money in your Fidelity account with the STPNOC Savings Plan. You will have the same fund options as active employees.
  - You can rollover the funds to another 401(k) plan or IRA.
  - You make take a distribution and pay ordinary income taxes. Since you retired from STPNOC after reaching age 55, you may take a distribution from the STPNOC Savings Plan without incurring a penalty.
  - You may also choose a mix of the above. For example, if your account balance is $300,000, you could take a distribution of $30,000 into your bank account, leave $30,000 in your Vanguard account, and rollover the remaining $240,000 into an IRA.

  - Your Fidelity retirement status will be updated to 'retired' 2-4 weeks after your last date worked. This is to allow time for the final deferrals and STP contributions to be paid and deposited into your account. You will not be able to withdraw/rollover funds as a retiree until the status has been updated with Fidelity.

45. What are some considerations when deciding how to invest and what option to elect post-employment with my 401(k) funds?

- You will want to be aware of the expense ratios (fund costs) and the annual advisor/management fee to manage your portfolio. You should also take into consideration the availability of fund choices and the array of fund types.

- **We suggest that you contact a financial planner or your CPA when making these decisions.**

46. How much does STP contribute to my Savings plan?

- STP matches your employee deferrals, up to 8% of compensation, at a rate of 70%.
- All employees are eligible for the annual STPNOC supplemental contribution. To receive the supplemental contribution, you must be employed on the last day of the calendar year. The contribution will be made in January of the following year.

47. How does the supplemental STP contribution work?

- The supplemental contribution is calculated as a fixed percentage of compensation based on your years of service. You must be employed on the last day of the Plan Year (calendar) in order to be eligible to receive the supplemental contribution.

  - All employees who are not pension eligible and non-bargaining unit employees who are pension eligible**

Percentage of Compensation	Years of Service
2.5%	Less than 5
3.5%	At least 5 but less than 10
4.5%	At least 10 but less than 15
5.5%	At least 15 but less than 20
6.5%	20 or more

  - Bargaining Unit Employees who are pension eligible**

Percentage of Compensation	Years of Service
2.5%	Less than 5
3.5%	At least 5 but less than 10
4.5%	At least 10 but less than 15
6.5%	**At least 15 but less than 20***
7.5%	**20 or more***

*The increased percentage of compensation for 15 or more years of service is only for Bargaining Unit employees who are also pension eligible.

** Pension eligible employees became eligible to receive the supplemental contribution as of 1/1/2022. If an eligible employee is employed on 12/31/2022, they will receive a benefit equal to these percentages. The supplemental contribution for the 2022 plan year will be made in January 2023.

Retirement Plan (Pension) Questions

48. What are the pension plan eligibility requirements?

- Employees hired prior to 1/1/2007 who have at least 5 years of service can receive a pension benefit as early as age 55.

49. What is the notice requirement to start my pension?

- You must notify Benefits of your intent to retire by emailing ebenefits@stpegs.com at **least 60 days before the commencement of your benefit or the distribution of your lump sum.** For example, if you plan on retiring June 15, 2022, your pension will start July 1, 2022. You must notify Benefits before May 1, 2022, to avoid a delay in the start of your pension

50. When is my completed paperwork due?

- Your completed paperwork and required documentation (see question 36) **must be submitted to Benefits at least 30 days prior to the start of your benefit**. You may securely remit your submission by:
  - i. Scan or take pictures of the documents and email them to our attention. We strongly recommend that you password protect the documents and send them by secure email.
  - ii. You may drop them off on the second floor of the NSC with HR
  - iii. You may mail them to us at: STPNOC | Attn: Total Rewards | PO Box 289 | Wadsworth, TX 77483. Please mail them 7 – 10 days prior to the 30 day deadline so that we receive them timely.

51. What documentation is required to start my pension?

- We will need a copy of your passport or your driver license and birth certificate. We will also need a copy of your spouse's passport or driver license and birth certificate as well as your marriage license if you are married.

52. What else might I need to have prepared to start my pension?

- If you plan on taking a lump sum rollover to an IRA or other 401(k) plan, you will need to establish an account prior to completing the paperwork. If the distribution will be a wire, we will need the bank routing number, wire account and your account number. If the distribution needs to be mailed, we will need the mailing address and your account number. Your rollover institution will be able to provide you with this information.

53. What are my pension plan options?

- A single life annuity – this is a monthly annuity on your life only.
- A 50%, 66 2/3, 75% or 100% Joint and Survivor Annuity. Beneficiary will receive the percentage chosen if you pre-decease them.
- 10 Year Certain Annuity – if you die before 120 monthly payments are made, your beneficiary will receive the balance of any remaining 120 monthly payments.
- Lump Sum Distribution – a one-time payment. After you receive this payment no other benefits are due from the STPNOC Retirement Plan.
- **Refer to the SPD for more information on these options.**

54. How do I estimate the amount of my retirement benefits under the available options?

- Pension estimates can be run on the Self-Service Pension Calculator which can be found on the Retirement Roadmap intranet site under the Total Rewards page. This site provides only estimated amounts, which can be affected, for lump sums by interest rates and mortality tables. The payout of lump sums and annuities can be reduced by the presence of any Qualified Domestic Relations Order or Liens. If you anticipate retiring in the current year, formal pension estimates can be requested by creating a ticket in MyApps > HR Service Center or emailing ebenefits@stpegs.com. Please include any information about a divorce or QDRO when you make the request.

55. How is the amount of my annuity impacted if I retire early (prior to age 65)?

- Early Retirement, If you retire after January 1, 2022,
  - i. And after you reach age 58, STP will fully subsidize your accrued benefit. There will be no reduction and it will be at 100% of your accrued benefit
  - ii. And prior to age 58 with 85 points or more you will receive an additional subsidy between the ages of 55 and 58. See Table 4 on page 6 of the SPD.
  - iii. And prior to age 58 with less than 85 points, your benefit between age 55 and age 58 will be partially subsidized but less so than if you had 85 points. See Table 2 on page 5 of the SPD.

56. How are lump sum payments impacted by the changes in the 417e interest rates and mortality tables?

- The one-time lump sum distribution option under the Plan is based on Internal Revenue Code (IRC) Section 417(e) mandated "applicable interest rates" and "applicable mortality tables" which are published by the Internal Revenue Service (IRS). This payment represents an actuarial present value of your accrued age 65 benefit.

- Under the Plan, the "applicable interest rates" used to calculate the one-time lump sum amount are updated annually and remain in effect for the entire plan year (e.g., January 1 – December 31). In addition, the IRS typically releases annual updates to the "applicable mortality table" required to be used for determining the one-time lump sum amount. Rising interest rates are reflected in the IRS mandated interest rates used under the Plan for calculations, and result in decreases to the one-time lump sum amount. Decreasing interest rates are reflected in the IRS mandated interest rates used under the Plan for calculations, and result in increases to the one-time lump sum amount

- Under the plan, the applicable Mortality Tables are updated annually on January 1 of each year. Decreasing mortality tables will cause the lump sum to decrease slightly. Increasing mortality tables will cause the lump sum to increase slightly. The mortality tables can go up and down from year to year. For example, in 2020 and 2021 the tables decreased slightly while in 2022 they have increased slightly.

- Note that changes in interest rates and mortality tables do not impact annuity values.

57. What specific "applicable interest rates" are used under the Plan for Lump Sum Calculations?

- The "applicable interest rates" as prescribed by the Secretary of the Treasury under Code Section 417(e)(3)(C) for the month of November preceding the first day of the Plan Year containing the individual's Annuity Starting Date and are generally based on Corporate Bond Yields. For example, if you retire in 2022, the November 2021 rates released by the IRS are used by the Plan to determine the one-time lump sum amount. Future changes in "applicable interest rates" may produce one-time lump sum amounts that are higher or lower than the amounts that would be produced by the previous year's November rates.

- The IRS "applicable interest rates" are three segment rates that are used to discount future payments to determine a lump sum value today of the benefit you would have received if you had elected to take an annuity beginning at age 65. These rates are posted on the IRS website: https://www.irs.gov/retirement-plans/minimum-present-value-segment-rates

58. What are important elements that impact the value of the annuity?

- Your accrued benefit is determined as of your normal retirement age which is set at age 65 under the plan. Pension service and earnings were frozen 12/31/2021. The value of your accrued benefit will not change after this date. Note that Liens and QDROs can change the amount of your annuity and can occur after the freeze.

- **If a pension plan participant retires after January 1, 2022, and after reaching age 58, they are eligible for a full unreduced single life annuity equal to their accrued benefit.** This enhanced benefit allows you to take your benefit at age 58 without a reduction in benefit amount.

- If a plan participant retires after 1/1/2022, and between the ages of 55 and 58 they are eligible for an early retirement subsidy.
  - with 85 points or more, they will receive an additional subsidy between the ages of 55 and 58. See Table 4 on page 6 of the SPD.
  - with less than 85 points, your benefit between age 55 and age 58 will be partially subsidized but less so than if you had 85 points. See Table 2 on page 5 of the SPD.

59. What factors should I consider when choosing a payment option at retirement?

- Your physical health
- Your financial situation
- Your goals
- Do you prefer guaranteed benefits (annuities)
- Do you want to actively manage your account in retirement (lump sum)
- Annuity payments are not impacted by interest rate and market fluctuations
- Lump sums do not receive the early retirement subsidies. They are reduced and discounted back to your date of commencement

When making these decisions you are encouraged to seek the help of a financial advisor.

Pension Plan Survivor Benefits

60. What happens to my pension if I die prior to retirement?

- If you have been married for a year or more, your spouse will receive a pension that will be a percentage of the pension value you have accumulated at your death. If the difference in your ages is 5 years or less or if you are younger than your spouse, they will receive 50% of your pension. For each year more than 5 years that you are older than your spouse, they will receive 1% less than 50%. For example, if the difference in your ages is more than 5 years but less than 6, they will receive 49% of your pension. If the age difference is more than 6 years but less than 7, they will receive 48% of your pension.

- If you do not have a spouse, your dependent children may be eligible to receive a total (split between eligible dependent children) pension benefit of 50% of the benefit you have accrued at your death. Children up to age 19, children up to age 24 who are full time students, or approved disabled children aged 19 or over who are unable to work are Eligible Dependent Children. When a child no longer qualifies as an eligible dependent, they will no longer receive a benefit.

Retirement Plan Contact Information

NON-BARGAININ UNIT EMPLOYEES

Plan	CARRIER	PHONE NO.	WEBSITE
Medical	BCBSTX	800.521.2227	www.bcbstx.com/ (BlueChoice PPO Network)
Prescription	RxBenefits	800.734.4196	email: CustomerCare@rxbenefits.com
Dental	MetLife	800.942.0854	www.metlife.com/mybenefits
Vision	VSP	800.877.7195	www.vsp.com
Life Insurance	Lincoln Financial	888.787.2129	www.mylincolnportal.com
401(k) Savings Plan	Fidelity	800-835-5095	www.netbenefits.com
RHRP	VIA Benefits	855-259-2359	myviabenefits.com/stp

BARGAINING UNIT EMPLOYEES

Plan	CARRIER	PHONE NO.	WEBSITE
Family Medical Care Plan	FMCP	877.937.9602	www.nifmcp.com
Medical	Anthem	844.594.0393	www.anthem.com
Pharmacy	Sav-Rx	866.233.4239	www.savrx.com
Dental	Delta Dental	855.277.4526	www1.deltadentalins.com/fmcp
Vision	VSP	800.877.7195	www.vsp.com
Life Insurance	Lincoln Financial	888.787.2129	www.mylincolnportal.com
401(k) Savings Plan	Fidelity	800.835.5095	www.netbenefits.com

PENSION PLAN AND ALL OTHER QUESTIONS

Email: ebenefits@stpegs.com

Phone: 361-972-4000

APPENDIX A -MEDICARE CONSIDERATIONS AS YOU APPROACH RETIREMENT Information

You become Medicare-eligible on the first day of the month you turn 65. To sign up, visit Sign up for Medicare | SSA or call 1-800-772-1213.

Key Medicare Facts

- Medicare and Social Security are linked—if you don't enroll in Part A, you cannot receive Social Security benefits.
- Most people don't pay a premium for Part A, but Part B has a premium.
- If you (or your spouse) are still working and have employer healthcare coverage, you may delay Part B enrollment without penalty.

For cost details, visit: Medicare Costs.

STPNOC Retiree Coverage

- **Union FMCP Retirees (including FMCP Alumni Retirees):** FMCP provides supplemental Medicare coverage.
- **Non-Union Employees (Hired Before 1/1/2015):** Can apply for supplemental coverage through VIA Benefits. Visit their website Via Benefits or call 855-259-2359

Medicare Enrollment Timing Based on Your Retirement Age:

If You Retire Before 65

- Apply for Medicare Parts A & B 90-120 days before turning 65.
- **Union FMCP Retirees :**FMCP will serve as your supplemental coverage after becoming Medicare-eligible.
- **Non-Union Employees** If covered under the STPNOC Pre-65 Medical/Prescription Drug Plan, you can enroll in VIA Benefits for supplemental coverage.

If You Retire at 65

- Apply for Medicare Parts A & B 90-120 days before retirement.

If You Retire After 65

- Apply for Medicare Parts A & B 90-120 days before retirement.

- While employed, STP medical coverage remains primary for you and your Medicare-eligible spouse.
- You do not need to sign up for Medicare while working for STP, as our coverages provide what is called Creditable Coverage. However, you may sign up for **Medicare Part A** while still working, but it is **not** required.

Health Savings Account (HSA) Considerations

- You **cannot** contribute to an HSA while enrolled in **any part of Medicare (including Part A).**
- If still working at 65+ on an STP High-Deductible Health Plan (HDHP) and not covered by Medicare:
    - You can make pro-rated HSA contributions until retirement.
    - STP's employer contributions count toward the pro-rated limit.
    - If you are over 65 upon retirement, Social Security backdates Medicare Part A by up to six months, so consider stopping HSA contributions six months before retirement to avoid tax penalties.

- Seek the advice of your financial advisor to ensure you are in compliance

Additional Details:

For further details, contact Russ Theis by phone or email. More information will be provided upon your retirement announcement.