



*The WSRC Team*

# Pension Plan

*Issued January 2007*





# INTRODUCTION

Your WSRC/BSRI Pension Plan (Plan) provides you with income during your retirement. If you are married at the time you retire, your spouse may continue to receive a portion of your pension if you predecease your spouse.

The benefits described in this Summary Plan Description are sponsored by Washington Savannah River Company LLC and Bechtel Savannah River, Incorporated (WSRC/BSRI), and administered by the Benefits Committee. Persons eligible to participate in the WSRC/BSRI Pension Plan include those as described herein who are connected by employment with the WSRC Team. “The WSRC Team” includes Washington Savannah River Company LLC (WSRC), Bechtel Savannah River, Incorporated (BSRI), BWXT Savannah River Company (BWXT), and BNG America Savannah River Corporation (BNG America).

Under the Pension Plan, there are a variety of ways in which you can receive a benefit. However, the eligibility requirements vary with each type. The following chart provides a brief description of each of the ways you can collect your pension benefit.

## Pension Plan at a Glance

Benefit	When Available	FSE	LSE
Normal Retirement	Age 65 with 15 years of Eligibility Service (unreduced)	X	X
Early Retirement	Age 50 with 15 years of Eligibility Service (reduced) Age 58 with 27 years of Eligibility Service (unreduced)	X	
Optional Retirement	Age 50 with 15 years or age 45 with 25 years of Eligibility Service when employment is involuntarily terminated due to lack of work (may be reduced)	X	
Incapacity Retirement	15 years of Eligibility Service when you are unable to perform the duties of your own job due to a disability (unreduced/supplemented)	X	
Deferred Vested Benefit	Based on age and with at least five years of Eligibility Service (may be reduced)	X	X
Survivor Benefits	Employee Paid – Beginning with 5 years of Eligibility Service Employer Paid – Beginning with 15 years of Eligibility Service	X	X

This book provides the details of your Pension Plan. Read it carefully and refer to it whenever you have any questions about the benefits available through the Pension Plan. If you find you still have questions about any of the benefits provided under the Pension Plan, contact Benefits Administration.

**This book is a summary of the official Plan Document for the Pension Plan, a qualified retirement plan offered by WSRC/BSRI to all eligible employees. Every attempt has been made to describe the Plan as clearly and accurately as possible. If there is a discrepancy between this book and the Plan Document, the Plan Document will govern.**



# CONTENTS

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- 1 Eligibility and Participation**
  - 1 When Participation Begins and Ends
  - 1 Your Cost for Coverage
  - 2 Pension Plan Assets
  - 2 Service
  
- 3 Applying for Pension Benefits**
  
- 4 When Benefit Payments Can Begin**
  - 4 Normal Retirement
  - 4 Early Retirement
  - 6 Optional Retirement
    - 7 *Percentage of Optional Retirement Benefits Paid (Lack of Work Only)*
  - 8 Incapability Retirement
  - 8 Deferred Vested Pension Benefit
  
- 10 How Your Pension Benefit Is Calculated**
  - 11 Calculation Formulas
  - 12 Calculation Examples
    - 12 *Normal Retirement*
    - 13 *Late Retirement*
    - 13 *Early Retirement (Unreduced Benefit)*
    - 14 *Early Retirement (Reduced Benefit)*
    - 14 *Optional Retirement*
    - 15 *Incapability Retirement*
    - 16 *Deferred Vested Pension Benefit*
  
- 17 How Your Pension Benefits Are Paid**
  - 17 Forms of Payment
    - 17 *Standard Monthly Annuity Option*
    - 17 *Monthly Annuity with Pension Income Leveling*
    - 18 *Survivor Payment Options*
    - 18 *Comparison of Standard Monthly Annuity versus Income Leveling*
    - 19 *Overview of Survivor Payment Options*

---

<b>21</b>	<b>Survivor Payment Options (Death Benefits)</b>
21	Employer-Paid Survivor Benefit
23	Pre-Payment Spouse Benefit Option Coverage
23	<i>Pre-Payment Spouse Benefit Reduction Factors</i>
24	Pre-Retirement Spouse Benefit Option Coverage
24	<i>Pre-Retirement Spouse Benefit Option Example</i>
24	<i>Pre-Retirement Spouse Benefit Option Formula</i>
25	Post-Payment Spouse Benefit Option–Deferred Vested Pension Benefit
26	Post-Retirement Spouse Benefit Option Coverage
26	<i>Post-Retirement Spouse Benefit Option Example</i>
27	Post-Retirement Joint and Survivor Option Coverage
28	<i>Joint and Survivor Option Calculation</i>
29	Spouse Benefit Options Summary Table
<b>30</b>	<b>Understanding Service</b>
30	Eligibility Service
31	Credited Service
31	<i>When Credited Service Is Not Counted</i>
31	Break in Service
32	DuPont Service
32	If You are Transferred to your Parent WSRC Team or Affiliate
<b>33</b>	<b>If You Leave the WSRC/BSRI Team and Are Later Rehired</b>
33	Before Retirement
33	After Retirement
<b>33</b>	<b>If a Claim Is Denied</b>
<b>34</b>	<b>Glossary of Helpful Terms</b>
<b>36</b>	<b>ERISA Information</b>

# PARTICIPATING IN THE PENSION PLAN

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## Eligibility and Participation

You are eligible to participate in the Plan if you are included in one of the employee groups described below:

- **Full Service Employee (FSE):** any employee, designated by the WSRC Team as a full-time employee, including any employee of the WSRC Team as of April 1, 1989, who continues to work at least 20 hours per week on a regular basis and not specifically excluded from participation.
- **Limited Service Employee (LSE):** any employee designated by the WSRC Team as a temporary or part-time employee and who is employed either on a temporary basis for less than one year or on a part-time basis for less than 1,000 hours in any computation period, and not specifically excluded from participation. An LSE who is also a WSRC Team pensioner, and who works more than 63 hours in a given month, will have their pension payment suspended for that month.

## *When Participation Begins and Ends*

When you become a participant in the Plan depends on your employee classification.

Participation begins on your first day of work if you are an FSE.

If you are an LSE, participation begins if you work at least 1,000 hours during the applicable 12-month computation period.

If you stop working for the WSRC Team, your active participation in this Plan stops. If you are not vested at the time of your termination, your participation in the Plan stops. If you transfer to an Affiliated Entity, eligibility service will continue to be recognized.

## *Your Cost for Coverage*

The WSRC Team pays the full cost of the WSRC/BSRI Pension Plan with the exception of pension benefit reductions to provide the following survivor benefits:

- Pre-Payment Spouse Benefit Option
- Pre-Retirement Spouse Benefit Option
- Post-Payment Spouse Benefit Option - Deferred Vested Pension Benefit
- Post-Retirement Spouse Benefit Option
- Post-Retirement Joint and Survivor Benefit Option

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### ***Pension Plan Assets***

Assets of the WSRC/BSRI Pension Plan are held in a trust. The trustee is selected by the Benefits Committee. The Plan Administrator administers approved payouts from the Plan's assets. Approved payments from this Plan generally are in the form of a monthly annuity (payment).

### ***Service***

As you read this summary, you'll see references to two categories of service: Eligibility Service and Credited Service.

Eligibility Service is used to determine **when** you become **eligible** for a pension benefit and includes service with the companies – WSRC, BSRI, BWXT, BNG America - and that service which has been recognized by their respective Affiliated Entities and includes service with the WSRC Team and specific rollover service from the DuPont Pension Plan.

Eligibility Service is also used to determine when a limited service employee (LSE) is eligible to participate in the Plan.

Credited Service is used to **calculate** your pension benefits from the WSRC/BSRI Pension Plan and only includes service with the WSRC Team and specific rollover service from the DuPont Pension Plan.

To learn more about these two categories of service, refer to Pages 30 and 31, and the Glossary on Page 34.

## **APPLYING FOR PENSION BENEFITS**

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Retirement takes a considerable amount of advance planning. Two to three months before you are planning to retire, you will need to contact your manager/supervisor, your Human Resources Representative and Retirement Services.

You should submit your written retirement notice two to three months before your retirement date, which must be the last day of a month. A preliminary pension estimate may be obtained from the pension calculator available through SHRINE and the People Soft eApplications. A detailed estimated will be provided to you, from the actuary, once you have provided your planned retirement date.

You may notify Retirement Services of your decision to retire at the “Retirement Services” e-mail account. You may also refer to the Human Resources Web page on SHRINE.

## WHEN BENEFIT PAYMENTS CAN BEGIN

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Unreduced benefits are sometimes available earlier than age 65. If you retire on or after age 58, and you have at least 27 years of Eligibility Service, your early retirement pension can begin with no reduction.

Generally, you can receive a benefit from the Plan when you are eligible for:

- Normal Retirement,
- Early Retirement,
- Optional Retirement,
- Incapability Retirement,
- Deferred Vested Pension Benefit.

### Normal Retirement

A Normal Retirement benefit is payable after you reach age 65 and complete at least 15 years of Eligibility Service. The benefit is unreduced and is based on your average monthly pay and Credited Service with the WSRC Team.

### Early Retirement

If you're an FSE, you may retire at any time after you reach age 50 and have at least 15 years of Eligibility Service. Early Retirement options are not available to LSEs. WSRC Team employees, who transfer to an Affiliated Entity of their parent company, can not retire while actively at work for the Affiliated Entity but may retire under these provisions when they terminate from the Affiliated Entity.

Your Early Retirement benefit is calculated based on your Average Monthly Pay and Credited Service with the WSRC Team as of your early retirement date and can be paid as follows:

- Beginning on your early retirement date. However, your benefit will be reduced based on your age and Eligibility Service as shown in the table on Page 5. For example, if your benefit payments begin when you retire at age 53 with 22 years of Eligibility Service, you'll receive 50% of the full pension benefit.
- On an unreduced basis, if you are age 58 or older with at least 27 years of Eligibility Service.

Percentage of Pension Benefits Paid for an Early/Normal Retirement

Age at Retirement	Years of Eligibility Service							
	15-20	21	22	23	24	25	26	27+
65	100%	100%	100%	100%	100%	100%	100%	100%
64	95	100	100	100	100	100	100	100
63	90	95	100	100	100	100	100	100
62	85	90	95	100	100	100	100	100
61	80	85	90	95	100	100	100	100
60	75	80	85	90	95	100	100	100
59	70	75	80	85	90	95	100	100
58	65	70	75	80	85	90	95	100
57	60	65	70	75	80	85	90	95
56	55	60	65	70	75	80	85	90
55	50	55	60	65	70	75	80	85
54	50	50	55	60	65	70	75	80
53	50	50	50	55	60	65	70	75
52	50	50	50	50	55	60	65	70
51	50	50	50	50	50	55	60	65
50	50	50	50	50	50	50	55	60

The exact percentage of pension benefits received is based on your exact age (years and fraction of a year) and exact Eligibility Service (years and fraction of a year) at the time of your retirement. The minimum age for an unreduced pension benefit is age 58 with 27 or more years of Eligibility Service.

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## Optional Retirement

An Optional Retirement benefit is available only if you're an FSE:

- At age 50, with at least 15 years of Eligibility Service, and your employment is involuntarily terminated for lack of work or
- Between ages 45 and 49, with Eligibility Service of 25 to 17 years respectively, and your employment is involuntarily terminated due to lack of work.
- You are not eligible for Optional Retirement if you are offered employment by a successor contractor or transfer to a parent company or Affiliated Entity.

The 25-year Eligibility Service requirement is reduced by two months for each month (24 months per year) after your 45th birthday. For example:

<b>If your employment ends involuntarily due to lack of work at age:</b>	<b>You will be eligible for Optional Retirement if you have this many years of service:</b>
45	25
46	23
47	21
48	19
49	17
50 or more	15



The Optional Retirement table below shows the percentage of your pension benefit you will receive (based on your age and Eligibility Service) if you elect to have payments begin before you reach age 65.

**Percentage of Optional Pension Benefits Paid (Lack of Work Only)**

Age at Retirement	Years of Eligibility Service												
	15	16	17	18	19	20	21	22	23	24	25	26	27+
65	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
64	95	95	95	95	95	97.5	100	100	100	100	100	100	100
63	90	90	90	90	92.5	95	97.5	100	100	100	100	100	100
62	85	85	85	87.5	90	92.5	95	97.5	100	100	100	100	100
61	80	80	82.5	85	87.5	90	92.5	95	97.5	100	100	100	100
60	75	77.5	80	82.5	85	87.5	90	92.5	95	97.5	100	100	100
59	72.5	75	77.5	80	82.5	85	87.5	90	92.5	95	97.5	100	100
58	70	72.5	75	77.5	80	82.5	85	87.5	90	92.5	95	97.5	100
57	67.5	70	72.5	75	77.5	80	82.5	85	87.5	90	92.5	95	95
56	65	67.5	70	72.5	75	77.5	80	82.5	85	87.5	90	90	90
55	62.5	65	67.5	70	72.5	75	77.5	80	82.5	85	85	85	85
54	60	62.5	65	67.5	70	72.5	75	77.5	80	80	80	80	80
53	57.5	60	62.5	65	67.5	70	72.5	75	75	75	75	75	75
52	55	57.5	60	62.5	65	67.5	70	70	70	70	70	70	70
51	52.5	55	57.5	60	62.5	65	65	65	65	65	65	65	65
50	50	52.5	55	57.5	60	60	60	60	60	60	60	60	60
49			52.5	55	55	55	55	55	55	55	55	55	55
48					50	50	50	50	50	50	50	50	50
47							45	45	45	45	45	45	45
46									40	40	40	40	40
45											35	35	35



## **Incapability Retirement**

If you are permanently incapable of performing the normal duties of your own job due to a permanent disability, you may qualify for an Incapability Retirement benefit. To be eligible, you must be an FSE with at least 15 years of Eligibility Service and your disability must be approved by the Benefits Committee. The Incapability Retirement benefit is an unreduced pension equal to the pension benefit earned as of your date of retirement. You will be required to submit satisfactory proof of your disability and this benefit will only be payable while your disability continues. Proof of your continuing disability may be required in order for the benefit to be ongoing.

In addition, you may receive an Incapability Supplemental payment from the WSRC/BSRI Pension Plan until the effective date of a Social Security Disability Award benefit or until you are old enough to be eligible to receive a Social Security Retirement (age 62) payment, whichever occurs first. You are required to apply for Social Security Disability and appeal once if you are denied the benefit. You are required to notify WSRC Retirement Services when you receive any Social Security award or denial notice. If there are any overpayments of the Incapability Supplemental payment, you are required to repay them or they will be deducted from future pension payments.

## **Deferred Vested Pension Benefit**

Vesting is a non-forfeitable right to a pension benefit. An employee is vested after the completion of five years of Eligibility Service. If you terminate from the WSRC Team after you are vested but before you are eligible to retire, you are entitled to a Deferred Vested Pension Benefit.

The Deferred Vested Pension Benefit is a lifetime pension based on your Average Monthly Pay and Credited Service at the time you terminate from the WSRC Team. However, your pension benefit is **postponed** until you attain the age (see table on Page 9) to be eligible to receive benefits.

If you choose to begin pension payments before age 65 (or age 60 if you have at least 30 years of Eligibility Service), your benefit will be reduced by .004167 (5% on an annual basis) for each month prior to the month you would have been entitled to an unreduced pension benefit (age 60 or 65). The table on Page 9 shows the age at which reduced benefits can begin based on your Eligibility Service at the time you leave the WSRC Team.

Regardless of when you want your Deferred Vested Pension Benefit to begin, you must notify Benefits Administration in writing at least 3 months before the date you want your pension benefits to commence.



<b>If your years of Eligibility Service when you leave are:</b>	<b>This is the age when reduced payments can begin</b>	<b>Maximum reduction at earliest age</b>	<b>This is the age when unreduced payments can begin</b>
Fewer than 10	Not available	—	65 and over
10–14	60–64	25%	65 and over
15–29	50–64	75%	65 and over
30 or more	50–59	50%	60 and over

If the present value of your accrued pension benefit is \$1,000 or less at the time you terminate from the WSRC Team, then you will receive a lump sum cash out of your benefit which may be either taken in cash or rolled over to an IRA or other employer qualified plan.

**Note:** If your Eligibility Service date is prior to January 1, 1996, you will be vested after completing four years of Eligibility Service plus 1000 hours in the next computation period. If your Eligibility Service date is on or after January 1, 1996, you will be vested after completing five years of Eligibility Service.

### Questions and Answers:

1. **Is a cash out of my deferred vested pension benefit available if I terminate employment with the WSRC Team?**

**Answer:** *Generally, no. If the present value of your pension is \$1,000 or less, a lump sum cash out will be paid and will cancel any future liability to you under the Plan. Your monthly accrued pension benefit is converted to a Present Pension Value with a factor determined by your age at termination*

2. **Is any portion of my deferred vested pension benefit payable to my beneficiaries in event of my death?**

**Answer:** *As a terminated employee, you may designate only your spouse to receive a 50% portion of your deferred vested pension. No other beneficiary qualifies to receive this benefit. You will incur a permanent reduction in your benefit to pay the cost for this coverage.*

3. **How do I apply for Deferred Vested Pension Benefits after I terminate employment with the WSRC Team?**

**Answer:** *Three months before you wish to receive your payments, you should make your request in writing to the Plan Administrator of the WSRC/BSRI Pension Plan. You may send your request via e-mail to [retirement.services@srs.gov](mailto:retirement.services@srs.gov).*

## HOW YOUR PENSION BENEFIT IS CALCULATED

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Your retirement benefit is calculated using one of three formulas— whichever produces the greatest benefit.

Three formulas are used to calculate your monthly pension benefit under the Plan. **Your benefit will be based on the formula that produces the greatest benefit.** Note, however, that your pension benefit cannot be greater than your Average Monthly Pay minus your estimated Social Security benefit.

**Average Monthly Pay** refers to the dollar amount used in the pension formulas. This amount is determined using one of the following methods that will produce the greatest amount:

- Average of your monthly pay during your highest paid 36 consecutive months (weekly paid employees will have their pay converted into a monthly pay) ; or
- Average of your annual pay based on your monthly pay averages for the equivalent of three calendar years in which your pay was the highest divided by 12.

Monthly Pay **includes** your base pay, lump sum adjustments to base pay, overtime and overtime lump sum adjustments, shift differential, holiday pay, employee certification pay, and up to one-half of a WSRC Team Incentive Compensation Award. It may also include base pay from an Affiliated Entity to which you transfer if there is continuous service. Pay for this purpose will not be reduced for pre-tax contributions to the Savings and Investment Plan or the Welfare Benefit Plans. In addition, Average Monthly Pay and service (Credited and Eligibility) under the DuPont Pension Plan will be included for current, active employees who were members of that plan and did not retire on March 31, 1989.

Monthly Pay **does not include** Deferred Incentive Compensation Awards, awards and payments under any other special compensation or stock option plans, compensation for unused time bank hours, payments for severance or relocation, foreign service premium or other special payments, and unpaid compensation for service granted under any early retirement incentive program. In addition, annual compensation over a limit as determined by the Internal Revenue Service is not included in the calculation of Average Monthly Pay. For example, \$220,000 is the annual compensation limit for 2006.

**Credited Service** refers to all of the years you were employed by the WSRC Team and credited service rolled over from the DuPont Pension Plan. Please see Page 31 for the credited service calculation for a LSE.

**Primary Social Security Benefit (PSSB)** means the monthly primary old-age benefit to which the employee would be immediately entitled (if age 62 or over) or to which he would be entitled at age 62 (if younger than age 62), in accordance with the federal Social Security Act in effect on January 1 of the year of retirement or termination. The WSRC Team bases its computation of PSSB on your WSRC Team earnings and, when available, on your DuPont earnings before April 1, 1989. No pay received at an Affiliated Entity will be recognized, unless the related service is recognized as Credited Service. Estimated earnings may be used if your actual earnings are not available within 30 days of your separation from service. You may supply evidence from the Social Security Administration of your actual Social Security earnings history which will be used for the calculation of the Pension Income Leveling option, if chosen.

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## Calculation Formulas

The three formulas that determine your pension benefit are as follows:

Formula A	Formula B	Formula C
1.2% <i>times</i> Average Monthly Pay <i>times</i> Credited Service <i>equals</i> your monthly pension	1.5% <i>times</i> Average Monthly Pay <i>times</i> Credited Service <i>minus</i> 50% of your Primary Social Security Benefit <i>equals</i> your monthly pension <hr/> Your actual Social Security benefit may be higher than the PSSB used in Formula B because only WSRC Team earnings, DuPont earnings, when available, and base pay from Affiliated Entities when it relates to recognized credited service, are applicable in determining the PSSB used in this formula.	\$9 <i>times</i> Credited Service <i>plus</i> 10% of Average Monthly Pay <i>equals</i> your monthly pension <hr/> If you have fewer than 15 years of Credited Service, 2/3% (.0067) of Average Monthly Pay is multiplied by your Credited Service.

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## Calculation Examples

### Normal Retirement

Assume you're age 65 and have 35 years of Eligibility and Credited Service. Your Average Monthly Pay is \$2,900 and your Primary Social Security Benefit (PSSB) is \$1,014 per month. Here's how your pension benefit is calculated:

Note: All calculations are rounded up to the next whole dollar amount and do not include any spousal benefit reductions.

#### Formula A

1.2%	x	Average Monthly Pay	x	Credited Service	=	Your Monthly Pension
.012	x	\$2,900	x	35	=	\$1,218

#### Formula B

1.5%	x	Average Monthly Pay	x	Credited Service	–	50% PSSB	=	Your Monthly Pension
.015	x	\$2,900	x	35	–	(.5 x \$1,014)	=	\$1,016

#### Formula C

\$9	x	Credited Service	+	10%	X	Average Monthly Pay	=	Your Monthly Pension
\$9	x	35	+		(.10 x \$2,900)		=	\$605

Based on this example, you would receive the benefit from Formula A—\$1,218 per month before adjustment for optional forms of payments or survivor benefit reductions. Combined with your Social Security benefit of at least \$1,014 per month, your total retirement income would be \$2,232 per month or 76.9% of your Average Monthly Pay before retirement.



**Late Retirement (Retirement past the age of 65)**

If you decide to work past your Normal Retirement date, your retirement benefit will be calculated as of your late retirement date using the formulas described previously under Calculation Formulas.

**Early Retirement (Unreduced Benefit)**

Assume you decide to retire at age 62 with 30 years of Eligibility and Credited Service. Your Average Monthly Pay is \$4,000 and your PSSB is \$664 per month. Here is how your benefit is calculated:

Early retirement benefits are not reduced if you are age 58 or older, and you have at least 27 years of Eligibility Service.

**Formula A**

1.2%	x	Average Monthly Pay	x	Credited Service	=	Your Monthly Pension
.012	x	\$4,000	x	30	=	\$1,440

**Formula B**

1.5%	x	Average Monthly Pay	x	Credited Service	–	50% PSSB	=	Your Monthly Pension
.015	x	\$4,000	x	30	–	(.5 x \$664)	=	\$1,468

**Formula C**

\$9	x	Credited Service	+	10%	X	Average Monthly Pay	=	Your Monthly Pension
\$9	x	30	+			(.10 x \$4,000)	=	\$670

In this example, you would receive the benefit under **Formula B**. **Your benefit is not reduced because you are age 58 or older and have 27 or more years of Eligibility Service.**

Your unreduced benefit of \$1,468 per month, before optional forms of payment or survivor benefit reductions, could begin immediately and continue for your lifetime.

When combined with your Social Security benefits of at least \$664, your total retirement income would be \$2,132 per month or 53.3% of your Average Monthly Pay before retirement.

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### ***Early Retirement (Reduced Benefit)***

Now, assume you're age 59 with 23 years of Eligibility and Credited Service. Your pension benefit, after all the calculations are done, is \$1,000 per month. If you elect to start your pension payments immediately, your full pension benefit amount will be reduced. Using the table on Page 5, you will receive 85% of the full benefit calculated ( $\$1,000 \times .85$ ). Your reduced early retirement benefit is \$850 per month before optional forms of payment or survivor benefit reductions.

However, you may elect to defer the start of your pension payments. As your age increases, the percentage of a full pension benefit will increase up to the maximum of 100%. If you retire at age 59 with 23 years of Eligibility and Credited Service, and wait until age 60 to start your monthly payments, you will receive 90% (see table on Page 5) of the full benefit calculated ( $\$1,000 \times .90$ ). Your reduced Early Retirement benefit is \$900 per month before optional forms of payment or survivor benefit reductions.

### ***Optional Retirement***

In this example, your employment has ended due to lack of work. You are age 54 with 23 years of Eligibility and Credited Service and you elect to begin receiving your benefit immediately upon retirement. Your full pension benefit is \$1,300 per month. Using the Optional Retirement table on Page 1, you will receive 80% of your full benefit ( $\$1,300 \times .80$ ) or \$1,040 per month before optional forms of payment or survivor benefit reductions..

However, you may elect to defer the start of your pension payments. As your age increases, the percentage of a full pension benefit will increase up to the maximum of 100%. If you retire at age 54 with 23 years of Eligibility and Credited Service, and wait until age 55 to start your monthly payments, you will receive 82.5% (see table on Page 7) of the full benefit calculated ( $\$1,300 \times .825$ ). Your reduced Optional Retirement benefit is \$1,105 per month before optional forms of payment or survivor benefit reductions.

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### ***Incapability Retirement***

If you qualify for an Incapability Retirement benefit, your benefit will be based on your Credited Service and Average Monthly Pay as defined on Page 8. You'll receive your full pension benefit without any reduction due to age. In addition, you may receive an Incapability Supplemental payment equal to the greater of either 50% of your PSSB, or \$90 per month.

For example, assume you are age 48 with 18 years of Eligibility and Credited Service, your Average Monthly Pay is \$3,576, your PSSB is \$560 per month and your Social Security Disability benefit is \$820 per month. This example shows how your pension benefit is calculated:

#### **Formula A**

1.2%	x	Average Monthly Pay	x	Credited Service	=	Your Monthly Pension
.012	x	\$3,576	x	18	=	\$773

#### **Formula B**

1.5%	x	Average Monthly Pay	x	Credited Service	–	50% PSSB	=	Your Monthly Pension
.015	x	\$3,576	x	18	–	(.5 x \$560)	=	\$686

#### **Formula C**

\$9	x	Credited Service	+	10%	X	Average Monthly Pay	=	Your Monthly Pension
\$9	x	18	+	(.10 x \$3,576)	=	\$520		

Your Incapability Retirement benefit would be the amount from Formula A. Because the benefit is unreduced, you could begin to receive \$773 per month immediately. Combined with a Social Security Disability benefit of \$820 per month, your total retirement income would be \$1,593 per month, prior to any survivor benefit reductions, or 44.5% of your Average Monthly Pay before retirement.

You may receive an Incapability Supplemental payment from the WSRC/BSRI Pension Plan until the effective date of a Social Security Disability Award benefit or until you are old enough to be eligible to receive a Social Security Retirement (age 62) payment, whichever occurs first.

If your Social Security Disability benefit is delayed, you receive the Incapability Retirement Benefit of \$773 plus an Incapability Supplemental payment (described on Page 8) of 50% of your PSSB (\$560) or \$280. The total benefit from the Plan would come to \$1,053 (\$773 + \$280). You would receive this benefit until your Social Security Disability benefit becomes effective or until you reach age 62, whichever occurs first.

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### ***Deferred Vested Pension Benefit***

This benefit is calculated based on your Average Monthly Pay and Credited Service as of the date your employment ends, provided you have five years of Eligibility Service. Suppose the greatest of the three formulas is \$500, and you had 12 years of Eligibility Service. You could elect to receive \$500 per month beginning at age 65. Or you may elect a reduced amount if you choose to start your pension payments before age 65. The reduction would be .004167 per month for each month prior to your 65th birthday. For example, your monthly payments beginning at age 62 would be \$425 (36 months early times .004167 equals a 15% reduction, or \$75).

If the lump sum value of your Deferred Vested Pension Benefit is \$1,000 or less at the time of your termination, you will receive a lump sum cash out of your benefit which may be rolled over to an IRA or other employer qualified plan.

## HOW YOUR PENSION BENEFITS ARE PAID

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When you become eligible and apply for benefits from the WSRC/BSRI Pension Plan, your payments, as well as payments to your eligible designated survivor(s), are in the form of a monthly annuity (payment) unless the present value of the benefit is \$1,000 or less and then it will be paid in a lump sum.

### Forms of Payment

Your pension payment will be paid as a monthly annuity. If you are not married on your annuity starting date, your annuity will be paid over your lifetime. If you are married on your annuity starting date, your annuity will be paid over your lifetime and your spouse will receive monthly annuity payments for his or her lifetime. (See Overview of Survivor Payment Options on Page 19.) You may select either the standard monthly annuity or the monthly annuity with the Pension Income Leveling option.

If you are married, or were ever married, your monthly annuity is subject to permanent reductions allowable under federal law to provide a percentage of your benefit to your spouse. Please see the Survivor Payment Options (Death Benefits) section on Page 21. If you were never married, your monthly annuity will not be reduced for available spouse payment options.

If you are married at retirement and do not elect another pension benefit option, you will receive a monthly annuity based on the standard monthly annuity for your lifetime. Your spouse will receive a WSRC Team paid monthly annuity payable for his or her lifetime equal to at least 40% of your benefit. In addition, unless waived, your surviving spouse will receive a monthly benefit equal to 10% of the benefit paid to you.

### *Standard Monthly Annuity Option*

The standard monthly annuity is your monthly base pension benefit paid to you at the end of each month. This monthly amount may be reduced by any available survivor payment options which were not waived. The examples on Page 11 show the calculation of this standard monthly annuity.

### *Monthly Annuity with Income Leveling Option*

You can choose this option to supplement your base pension only if you take Early or Optional retirement before age 62. Your election must be made before you retire. Income Leveling permits you to receive a larger monthly pension benefit from the Plan until you are eligible for Social Security retirement benefits at age 62. When you are first eligible for Social Security benefits at age 62, your pension payments are reduced. However, when combined with your Social Security benefits, the goal of Income Leveling is to maintain a level retirement income. **Thus, Income Leveling provides a steady retirement income** from the Plan along with Social Security throughout your retirement.

You will receive your pension benefit as a monthly annuity for the rest of your life—or if you are married when you retire, your spouse will receive a portion of your pension benefit as a monthly annuity for the rest of his/her life if you die before him/her. (If the present value of a deferred vested pension benefit or a survivor benefit is \$1,000 or less, it will be paid as a lump sum.)

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### Survivor Payment Options

The Plan can provide valuable benefits to your survivor(s) after you die. These death benefits are all paid for, by you, in the form of smaller pension payments while you are living. There is one exception, the Employer-Paid Survivor Benefit which is paid for by the WSRC/BSRI Pension Plan. All coverage is automatic unless waived by the spouse with one exception, the Post-Retirement Joint and Survivor Option. Throughout your employment with the WSRC Team and at retirement, you will need to be aware of these coverage's and how they effect your pension payment. Please see the Survivor Payment Options (Death Benefits) section on Page 21.

It is important to note that with Pension Income Leveling, even if you choose not to apply for Social Security at age 62, your Pension Monthly Annuity amount will still decrease by the amount of the Social Security benefit.

### Comparison of Standard Monthly Annuity Option versus Income Leveling

Assume you retire at age 60 with 30 years of Eligibility and Credited Service and you're eligible for an unreduced Early Retirement Pension Benefit. Your pension benefit at age 60 is \$1,080 per month, and your Social Security benefit payable at age 62 is \$740 per month.

Your Benefit	Before Age 62	After Age 62
With Income Leveling	\$1,690 from the Plan	\$950 from the Plan* + 740 from Social Security <u>\$1,690</u>
Without Income Leveling	\$1,080 from the Plan	\$1,080 from the Plan + 740 from Social Security <u>\$1,820</u>

\*Note: Your monthly pension benefit of \$1,080 is actuarially reduced to reflect the increased level of pension benefit payments (\$1,690) prior to age 62.

With Income Leveling, you receive approximately the same level of total income both before and after age 62. Without Income Leveling, you receive less total income before age 62 than afterward when Social Security benefits begin.

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## Questions and Answers:

1. **If I elect the Income Leveling option, do I actually receive payments from Social Security prior to age 62?**

*Answer: No, the Income Leveling benefit you receive prior to age 62 is paid from the Pension Plan.*

2. **If I elect the Income Leveling option, do I need to start my Social Security benefit at age 62?**

*Answer: No, however, since your pension benefit is going to adjust downward at age 62, you may want to start your Social Security benefit at age 62 if you expect to retain the same level of income that you received prior to age 62. If you do start your Social Security retirement benefit at age 62, it will be a reduced benefit from the normal Social Security retirement benefit.*

3. **If I elect the Income Leveling option and there are future cost of living increases to my Social Security benefit, is my WSRC/BSRI pension benefit reduced by the increase in my Social Security benefit?**

*Answer: No, your WSRC/BSRI pension benefit will remain the same.*

## Overview of Survivor Payment Options

- **Employer-Paid Survivor Benefit** is paid if you die after earning 15 years of Eligibility Service. It is paid if you die **while working or after your retirement**. It provides approximately 40% of your pension benefit to your spouse for life, your children until age 21, or a parent or step-parent for life.
- **Pre-Payment Spouse Benefit Option** is paid if you are vested in the WSRC/BSRI Pension Plan and you die as an active FSE with at least 5 but less than 15 years of Eligibility Service, or as a terminated, vested employee who left the WSRC Team with a Deferred Vested Pension Benefit (not eligible for retirement). The amount paid to your spouse equals 50% of your reduced pension benefit and is payable only when you would have qualified for a pension payment based on your years of Eligibility Service. This coverage is in effect while you are an active employee or as a terminated vested employee who left the WSRC Team with a Deferred Vested Pension Benefit, unless waived. Your pension payment is reduced by the Pre-Payment Spouse Benefit Reduction amount at the time you, or your survivor, begin receiving a pension payment. See the Pre-Payment Spouse Benefit section for the factors used in determining the amount.



- **Pre-Retirement Spouse Benefit Option** is paid if you die **before** retirement. In order for your spouse to qualify for this coverage, you must be an active FSE age 55 or older with 15 or more years of Eligibility Service. This coverage is in effect while you are an active employee (pre-retirement). This coverage is automatic unless waived. The amount paid to your spouse is an additional 10% of your reduced pension benefit. Unless waived, there is an actuarial reduction to your pension payment for this coverage. When you retire, or when your survivor begins receiving your pension payment, the pension payment is reduced by the Pre-Retirement Spouse Benefit Reduction amount as explained in the Pre-Retirement Spouse Benefit Option section. Your spouse is also eligible for the Employer-Paid Survivor Benefit, which is approximately 40% of your pension benefit.
- **Post-Payment Spouse Benefit Option (Deferred Vested Pension Benefit)** is paid if you die after you begin receiving Deferred Vested Pension Benefits. The amount paid to your spouse equals 50% of your reduced pension benefit. Unless waived, there is an actuarial reduction to your pension payment for this coverage.
- **Post-Retirement Spouse Benefit Option** provides the same 10% benefit as the Pre-Retirement Spouse Benefit Option, except it is paid if you die **after** retirement. Unless waived, there is an actuarial reduction to your pension payment for this coverage.
- **Post-Retirement Joint and Survivor Benefit Option** (if eligible for this option) can provide a percentage (10%, 20%, 30% or 40%) of your pension to any designated beneficiary upon your death. You must be age 50 with at least 25 years of Eligibility Service, or be eligible for an unreduced benefit when you retire to be eligible for this coverage.

# SURVIVOR PAYMENT OPTIONS (DEATH BENEFITS)

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## Employer-Paid Survivor Benefit

The Employer-Paid Survivor Benefit is a unique feature of this Plan. It provides a continuing income of approximately 40% of your pension benefit to your eligible survivor(s) after you die. The WSRC Team pays the entire cost of this benefit.

For your survivor(s) to be eligible for this benefit, you must be vested with at least 15 years of Eligibility Service. **The Employer-Paid Survivor Benefit will be paid if you die while actively employed or after you retire with a Normal, Early, Optional or Incapability Pension.** This benefit is automatic once you become eligible. Your designated survivor(s) will begin to receive benefits the month following your death.

Your eligible survivors are:

- Your spouse, or
- Your spouse and all minor children (under age 21), or
- Your spouse and minor children (under age 21) as specified, or
- Your specified minor children (under age 21) as specified, or
- One of your parents or stepparents

If you designated your spouse and minor children as your survivors, payments will continue for as long as your spouse lives. Then, if there are still children under age 21 (who are designated survivors) when your spouse dies, benefits will continue to them. Payments to your children will be made in equal shares until they reach age 21. If you named a parent or stepparent as your survivor, payments will stop at their death.

You may change your survivor designations at any time up to the time of retirement. If you designate someone other than your spouse, you are required by law to receive your spouse's consent. If you do not name your survivors, the Plan trustee will pay benefits to your spouse after you die and then to all minor children after your spouse's death.

No election may be made after the date of retirement. However, if the designated beneficiary dies before the retiree, the retiree may then specify any eligible beneficiary to receive the Employer-Paid Survivor Benefit.

At retirement, if the spouse waives the coverage, the retiree may name any eligible beneficiary under the Plan.

Two separate formulas are used to calculate the Employer-Paid Survivor Benefit. The amount your survivor would receive upon your death is the greater of the two.

**Formula 1**

$$\text{Credited Service} \quad \times \quad \text{Average Monthly Pay} \quad \times \quad .5\% \quad = \quad \text{Survivor Benefit}$$

**Formula 2**

$$(\text{Credited Service} \times \$4) \quad + \quad (4\% \times \text{Average Monthly Pay}) \quad = \quad \text{Survivor Benefit}$$

If Credited Service is less than 15 years, the 4% of Average Monthly Pay is multiplied by your Credited Service and divided by 15.

**Employer-Paid Survivor Benefit Example**

Suppose you die **while actively employed** at age 60 with 25 years of Credited Service. Your Average Monthly Pay is \$3,600. Your spouse and two minor children are your designated survivors. Here's how the survivor benefit is calculated:

**Formula 1**

Credited Service	x	Average Monthly Pay	x	.5%	=	Survivor Benefit
25	x	\$3,600	x	.005%	=	\$450

**Formula 2**

(Credited Service x \$4)	+	(4% x Average Monthly Pay)	=	Survivor Benefit
(25 x \$4)	+	(.04% x \$3,600)	=	\$244

In this example, your spouse would receive the benefit under **Formula 1** (\$450 per month). If your spouse dies while your surviving children are still minors, each child would receive \$225 per month (\$450 / 2) until age 21.

Because you were still employed when you died, your spouse would also receive a Pre-Retirement Spouse Benefit Option (see Page 24), unless you chose not to provide the benefit with your spouse's consent.

If your spouse is more than five years younger than you, the Employer-Paid Survivor Benefit will be actuarially reduced to reflect the age difference.

**If you die after retirement** with a reduced Early or Optional Retirement benefit, the Employer Paid Survivor Benefit will also be reduced by the same early retirement factor.

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## Pre-Payment Spouse Benefit Option Coverage

This benefit is available if you are:

- An active vested employee with at least 5 but less than 15 years of Eligibility Service,
- A terminated vested employee who left the WSRC Team with a Deferred Vested Pension Benefit (see Page 8).

Coverage under this benefit is automatic unless waived with Spousal Consent. It can be waived (stopped) or restarted at any time beginning on the first day of the year you reach age 35 or at the time you leave the WSRC Team with a Deferred Vested Pension Benefit, whichever happens first. Coverage ends when you complete 15 years of Eligibility Service. However, you will pay for this coverage through an actuarial reduction to your monthly pension benefit regardless of when your pension payment begins. If you wish to waive this coverage, or restart the coverage once you have waived it, you must contact Retirement Services to complete the necessary forms.

To provide this benefit, your pension is reduced by the percentages in the following table for the number of months that coverage is in effect for the age periods shown:

### Pre-Payment Spouse Benefit Reduction Factors

Your age when coverage is in effect	Vested Active Employee	Terminated Vested Employee
Less than 35	.0002%	.004%
35-44	.0006%	.007%
45-54	.0060%	.025%
55-64	.0400%	.055%
65 and over	.1250%	.125%

**If you are eligible for an immediate vested pension benefit at the time of your death,** your spouse will receive monthly payments equal to 50% of the reduced pension benefit amount you would have received had your employment ended (with the Pre-Payment Spouse Benefit in effect) and you applied for benefits to begin on the day before you died. Payments to your spouse will begin the month following the month in which you died and end when your spouse dies.

**If you are not eligible for an immediate vested pension benefit at the time of your death,** your spouse will receive monthly payments equal to 50% of the reduced pension benefit amount you would have been eligible to receive had your employment ended (with the Pre-Payment Spouse Benefit in effect) on the day before you died, and you applied for a reduced monthly benefit to begin on the earliest date you would have been eligible for a benefit. Payments to your spouse will begin the month following the earliest date you could have begun receiving a pension benefit. Payments will end when your spouse dies.

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## Pre-Retirement Spouse Benefit Option Coverage

For your spouse to qualify for this benefit, you must be an active FSE age 55 or older with 15 or more years of Eligibility Service. Coverage under this benefit is automatic (if married) unless waived with Spousal Consent. The Pre-Retirement Spouse Benefit option is **combined with the Employer-Paid Survivor Benefit**, (described on Page 21) if you die while employed with the WSRC Team. Coverage for the Pre-Retirement Spouse Benefit Option ends when you retire. However, coverage under the Post-Retirement Spouse Benefit Option begins at the same time.

To provide this benefit to your spouse, your pension is reduced by:

- .015% for each month coverage is in effect beginning at age 55, but before age 65, and
- .025% for each month after age 65, if you are still actively employed.

If you die, the benefit will be 10% of the monthly pension benefit amount you would have received if you had retired or left the WSRC Team. The Pre-Retirement Spouse Benefit Option your spouse receives when added to your Employer-Paid Survivor Benefit, will be equal to approximately 50% of your monthly pension benefit (as if you had retired at the time of your death).

If you do not want this coverage, your spouse must consent in writing to your decision. You can elect to stop or restart this coverage at any time after you become eligible and remain an active employee with the WSRC Team.

If your spouse dies before you retire, you can stop coverage. No further reduction will be applied.

### Pre-Retirement Spouse Benefit Option Example

Suppose you elect this coverage at age 55 and die 36 months later at age 58. Assume your pension at age 58 would have been \$700 per month. Here's how your Pre-Retirement Spouse Benefit Option is calculated:

#### Pre-Retirement Spouse Benefit Option Formula

Reduction Factor (.015%)	x	Number of months coverage was in effect	X	Pension Benefit	=	Reduction Amount
.00015	x	36	X	\$700	=	\$3.78

The monthly benefit of \$700 you would have received minus \$3.78 results in a reduced monthly benefit of \$696.22. Your spouse would receive 10% of this benefit (\$696.22 x .10 = \$69.62, rounded up to \$70 per month).

This amount would be added to the Employer-Paid Survivor Benefit and paid monthly for your spouse's lifetime. When your spouse dies, payment of the Pre-Retirement Spouse Benefit Option (\$70) would stop. The Employer-Paid Survivor Benefit would still be paid to your minor children, if any, (in equal shares) until they reach age 21.

The Pre-Retirement Spouse Benefit option is an automatic benefit, if married, unless you choose to waive this coverage with Spousal Consent. You must contact Retirement Services to complete to paperwork to waive this coverage.



## **Post-Payment Spouse Benefit Option – Deferred Vested Pension Benefit**

You are eligible for the Post-Payment Spouse Benefit coverage if you are married when your **Deferred Vested Pension Benefit** begins.

Coverage under this benefit is automatic, if married, unless waived with Spousal Consent. You may **not** stop or restart this coverage after your Deferred Vested Pension Benefit begins.

You pay for the Post-Payment Spouse Benefit coverage through an actuarial reduction in your monthly Deferred Vested Pension Benefit. The amount your monthly pension benefits reduced depends on your age and the age of your spouse at the time payments begin and on the Plan's investment return rate.

If you die while receiving Deferred Vested Pension Benefit with this coverage in effect, your spouse will receive monthly benefits equal to 50% of the reduced monthly pension benefit amount you were receiving at the time of your death. At your spouse's death, all benefits under this coverage end.

If, after your Deferred Vested Pension Benefits begin, your spouse dies before you do, no survivor benefits are payable under this option and your Deferred Vested Pension Benefits will not be readjusted.

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## Post-Retirement Spouse Benefit Option Coverage

If the Post-Retirement Spouse Benefit Option is not waived by Spousal Consent, a benefit will be paid to your spouse if you die **following retirement**.

If you retire with a Normal, Early, Optional or Incapability benefit and die, your spouse will receive 10% of your monthly pension benefit amount. However, your spouse will also receive the Employer-Paid Survivor Benefit described on Page 21. When this 10% benefit is added to the Employer-Paid Survivor Benefit, your spouse will receive approximately 50% of the monthly pension benefit you had received prior to your death.

This benefit only applies to your spouse. To provide this benefit, **your pension will be reduced actuarially** based on your age and your spouse's age on your retirement date. When your spouse dies, the Post-Retirement Spouse Benefit will stop.

If your spouse dies first after you retire, a Post-Retirement Spouse Benefit will not be payable. You will continue to receive the reduced monthly pension benefit for the rest of your life.

The Post-Retirement Spouse Benefit may be waived with Spousal Consent before you retire. You cannot change or elect this coverage after you retire. If you decline this coverage, your pension will not be reduced actuarially for this option.

### Post-Retirement Spouse Benefit Example

Assume you retire at age 65 with a Normal Retirement benefit. Also, assume that your monthly pension would be \$1,400, as determined by the formulas on Page 12. This \$1,400 is the amount payable with no Post-Retirement Spouse Benefit coverage. Assume the actuarial reduction for the 10% coverage is 3%. This means that with the 10% coverage in effect, you would receive monthly payments of 97% of \$1,400 or \$1,358. However, when you die, 10% of this reduced benefit, or \$136, will be paid to your spouse monthly until his/her death. Your spouse would receive this benefit in addition to the Employer-Paid Survivor Benefit each month for life. In total, your spouse would receive approximately \$700 per month

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## Post-Retirement Joint and Survivor Option Coverage

To choose this option you must be:

- Eligible for an unreduced benefit, or
- Age 50 with at least 25 years of Eligibility Service when you retire.

You can choose from one of the following Post-Retirement Joint and Survivor Options between 30 and 90 days before you retire:

- 10% joint and survivor annuity,
- 20% joint and survivor annuity,
- 30% joint and survivor annuity,
- 40% joint and survivor annuity.

**Note:** The sum of all survivor benefits may not exceed your actuarially reduced pension. Therefore, the Joint and Survivor annuity amount could be a lesser percentage than actually chosen. If all survivor benefits are chosen for your spouse, it is possible the spouse may receive approximately 90% of your monthly pension.

If you choose this option, you must elect it no more than 90 days and no less than 30 days prior to your retirement date. Your spouse (if married) must consent to your **electing or declining** the option by signing the spouse consent section of the Post-Retirement Joint and Survivor Option form. You must agree to take a reduced monthly pension benefit for your lifetime so that a percentage of your pension benefit (10%, 20%, 30%, 40%) will be paid to your designated beneficiary after your death. This option is in addition to the Employer-Paid Survivor benefit and Post-Retirement Spouse Benefit option. Benefits under this option begin the month after your death and continue for the rest of your beneficiary's life.

The beneficiary for the Employer-Paid Survivor Benefit (Page 21) may be a spouse, minor child(ren), or parent/step parent. The additional 10% Post-Retirement Spouse Benefit Option (Page 26) is available only to your spouse. However, in the case of the Post-Retirement Joint and Survivor Option, your beneficiary may be anyone you choose. If you are married you must have Spousal Consent.

If you are married and are eligible for the Post-Retirement Joint and Survivor Option your spouse must agree to either decline or accept this option. Your spouse's agreement must be in writing and must be witnessed by a notary public.

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If you choose the Post-Retirement Joint and Survivor Option, the amount of the reduction is based on the percentage of your pension you want paid to your beneficiary, your age and your beneficiary's age when you retire, and actuarial tables. The Post-Retirement Joint and Survivor Option reduction reflects the fact that your pension is being **paid over two lifetimes**.

If, after you retire, your beneficiary dies before you do, no survivor benefits will be paid, and you will continue to receive the actuarially reduced pension benefit for the rest of your life. If your beneficiary dies before you retire, you may choose another option or name another beneficiary. **If you want to change your beneficiary or change this option, you must do so no less than 30 days before you retire. You will not be permitted to change the percentage amount or cancel your election during the last 30 days of your employment, unless your beneficiary dies or you become eligible to elect Incapability or Optional Retirement.**

### Joint and Survivor Option Example

Assume you retire at age 65 and your pension is calculated at \$1,400 per month, payable for life. Your spouse is age 62. Before retiring, you chose a 20% joint and survivor annuity. With this option, your spouse would receive a benefit equal to 20% of your base pension. Keep in mind that these benefits are in addition to the Post-Retirement Spouse Benefit and the Employer-Paid Survivor Benefit, if eligible.

Using the age-related reduction tables in the official plan document in effect at the time of your retirement, the actuary determines that the reduction factor of the 20% joint and survivor annuity for a 62 year old is 5.78%. Your pension will be reduced as follows:

### Joint and Survivor Option Calculation

Benefit \$1,400.00	Times X	Reduction Factor .0578%	Equals =	Reduction Amount \$80.92
Benefit \$1,400.00	Minus –	Reduction Amount \$80.92	Equals =	Reduced Monthly Benefit \$1,319.08 (Round up to \$1,320)

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**Questions and Answers:**

1. If I elect the Post-Retirement Joint and Survivor Option for my beneficiary and my beneficiary dies after I retire, will my pension benefit remain reduced for the remainder of my life?

**Answer:** *Yes.*

2. If I elect the Post-Retirement Joint and Survivor Option for my beneficiary and my beneficiary dies after I retire, may I name another beneficiary to receive the payment when I die?

**Answer:** *No.*

3. How is the reduction of my pension determined to pay the cost of the option?

**Answer:** *The percentage factor is determined from actuarial tables and is based on the age difference between the beneficiary and the employee at retirement.*

***Spouse Benefit Options Summary Table***

The table below outlines the total possible spousal benefit available, after retirement, under the Plan.

<b>Post Retirement Benefits Available for Eligible Spouse</b>	<b>Approximate Percentage of Base Pension Available to Spouse</b>
Post-Retirement Employer Paid Survivor Benefit	40%
Post-Retirement Spouse Benefit Option (Automatic unless waived - Employee Paid)	10%
Post-Retirement J&S Option (Optional Employee Paid - 10 % to 40%)	40%
<b>Total Possible Spousal Benefit</b>	<b>90%</b>

## UNDERSTANDING SERVICE

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You are earning both Eligibility Service and Credited Service while working for the WSRC Team.

References to Eligibility Service and Credited Service appear throughout this book. It will help you to understand how your service with the WSRC Team is measured and how it is applied in the administration of the Plan. For example, an employee may have 15 years of Eligibility Service, but only have 10 years of Credited Service as measured under the Plan. In this instance, the employee would have earned five additional years of Eligibility Service, but no Credited Service, by working for an Affiliated Entity of the WSRC Team. This difference could affect your eligibility for certain benefits and, depending upon your age, could allow you to qualify for Early Retirement with an unreduced pension benefit. Note: Eligibility Service and Credited Service are expressed in five decimal places (for example, 23.12128 years).

After you earn five years of Eligibility Service, you become vested. This means you are eligible to receive a pension benefit from the Plan at your Normal Retirement Age (65).

### Eligibility Service

Effective 01/01/1996, as an FSE, regularly working at least 20 hours per week, you will earn Eligibility Service beginning on your date of hire until you leave the WSRC team, retire or die. Prior to 01/01/1996, Eligibility Service was determined in the same hourly manner as described below for a LSE.

A LSE will earn a year of Eligibility Service for each consecutive 12-month period beginning on your date of hire with the WSRC Team and every year beginning with your anniversary date thereafter during which you are credited with 1,000 or more compensated hours of service.

In addition to your employment with the WSRC Team, you may receive Eligibility Service for some or all periods during which you were employed by and earned Eligibility Service with an Affiliated Entity of the WSRC Team. The determination of recognizing Eligibility Service from an Affiliated Entity for the WSRC Team is established by the Benefits Committee. Generally, the WSRC Team will recognize past Eligibility Service from an Affiliated Entity as recognized by its' parent company. Past service of the companies acquired by the parent company of the WSRC Team will not be recognized for employees currently on the WSRC Team at the time of the acquisition.

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## Credited Service

Effective 01/01/1996, as an FSE, regularly working at least 20 hours per week, you will earn Credited Service beginning on your date of hire until you leave the WSRC team, retire or die. Prior to 01/01/1996, Credited Service was determined in the same hourly manner as described below for a LSE.

As an LSE, you earn a year of Credited Service after you complete 2,080 hours of service. If you complete at least 1,000 hours of service within a computation period, you will earn Credited Service for a portion of the computation period. For example, if you work 1,040 hours in a computation period, you will earn one-half year ( $1,040 / 2,080 = .50$ ) of Credited Service.

## When Credited Service is Not Counted

You will not receive Credited Service for any period during which you were employed by an Affiliated Entity of the WSRC Team. In addition, Credited Service will not be received for time worked as a leased employee.

## Break In Service

If you have a Break in Service and you are rehired, prior Eligibility and Credited Service will be restored.

For FSEs, you will **not** have a Break in Service when you are away from work due to:

- Approved absences of up to 30 consecutive calendar days,
- Short Term Disabilities
- Time Bank hours,
- Approved leaves for temporary duties outside the WSRC Team,
- Time spend in the active military or Reserve Forces in accordance with published policies
- Leaves of absences with full or partial pay, or
- Family and Medical Leave up to 30 consecutive days.

For FSEs, You **will have** a Break in Service when you are away from work due to:

- Voluntary Separation
- Leaves of absence without pay in excess of 30 days,
- Family and Medical Leave in excess of 30 days,
- Terminations for lack of work, and
- Retirement

Eligibility Service determines when you become eligible for a pension benefit, while Credited Service determines the amount of the pension benefit.

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### **DuPont Service**

Your service under the DuPont Pension Plan will be included for both Eligibility and Credited Service if you were employed by DuPont Savannah River Plant on March 31, 1989 and rolled your service to WSRC/BSRI on April 1, 1989.

### **If You Are Transferred To Your Parent Company or an Affiliated Entity**

- Your Eligibility Service under the WSRC/BSRI Pension Plan will continue,
- Upon your retirement or termination, you may be entitled to a benefit from the WSRC/BSRI Pension Plan dependent on your current age and Eligibility Service. The benefit will be calculated as if you were an FSE at retirement.

## **IF YOU LEAVE THE WSRC TEAM AND ARE LATER REHIRED**

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### **Before Retirement**

If you leave the WSRC Team and are later rehired, you will become a Plan participant on your first day of reemployment. Any Eligibility Service and Credited Service earned before you left will be restored your right to a pension and the amount of your pension will be determined based on your second period of employment, **plus** the Eligibility and Credited Service that was restored from your first period of employment.

### **After Retirement**

Once you retire and begin receiving pension payments, you may be reemployed by the WSRC Team. Generally, your pension payments are suspended during your reemployment. When you again retire or end your employment, your pension will be recalculated, taking into account your pay and Credited Service earned during the time you were reemployed. If you are reemployed on a limited basis for 63 hours or less per month, your pension payments will not be suspended nor will you earn additional Eligibility Service or Credited Service.

## **IF A CLAIM IS DENIED**

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If your claim for plan benefits is denied under this Plan, you or your beneficiary will receive a written notice within 60 days from the Plan Administrator of the WSRC/BSRI Pension Plan.

You have the right to appeal any denied claim. For more information, please refer to the Benefits Overview and General Information Book.

## GLOSSARY OF HELPFUL TERMS

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### **Affiliated Entity**

In relation to each of the four companies (WSRC, BSRI, BNG America, BWXT), their respective parent corporation and its affiliates that are 50% or more owned by the respective parent company.

### **Average Monthly Pay**

This is the average of your monthly pay during your highest paid 36 consecutive months, or one-twelfth of your average annual pay during the three calendar years in which your pay was the highest, whichever is greatest. Annual pay above the Federal limits will not be considered for this purpose.

### **Benefits Committee**

The Board of Directors appoints the Benefits Committee to administer and supervise the WSRC/BSRI Pension Plan. The Benefits Committee may delegate certain responsibilities to the Plan Administrator.

### **Computation Period**

A 12-consecutive-month period beginning on:

- Your employment (or reemployment) date with the WSRC Team or if earlier, DuPont, and
- Any following anniversary of such date.

### **Credited Service**

FSE and/or LSE service attained with the WSRC Team and **used in the calculation of a pension benefit from the Plan.**

### **Eligibility Service**

Service which determines **when you are eligible for pension benefits** and includes recognized service with the WSRC Team and Affiliated Entities.

### **Full Service Employee (FSE)**

Any employee, designated by the WSRC Team as a full-time employee, including any employee of the WSRC Team as of April 1, 1989 who continues to work at least 20 hours per week on a regular basis and not specifically excluded from participation

### **Limited Service Employee (LSE)**

Any employee designated by the WSRC Team as a temporary or part-time employee and who is employed either on a temporary basis for less than one year or on a part-time basis for less than 1,000 in any computation period and not specifically excluded from participation. An LSE who is also a WSRC Team pensioner, and who works more than 63 hours in a given month, will have their pension payment suspended for that month.

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### **Plan Administrator**

Is responsible for maintaining the records related to and administration of ERISA-covered benefit plans. The Plan Administrator also has the express discretionary authority to interpret the terms of the plans and to make final determinations on questions that may affect your eligibility for benefits.

### **Primary Social Security Benefit (PSSB)**

The monthly primary old-age benefit to which the employee would be immediately entitled (if age 62 or over) or to which he would be entitled at age 62 (if younger than age 62), in accordance with the federal Social Security Act in effect on January 1 of the year of retirement or termination. The WSRC Team bases its computation of PSSB on your WSRC Team earnings and, when available, on your DuPont earnings before April 1, 1989. No pay received at an Affiliated Entity will be recognized, unless the related service is recognized as Credited Service. Estimated earnings may be used if your actual earnings are not available within 30 days of your separation from service. You may supply evidence from the Social Security Administration of your actual Social Security earnings history which will be used for the calculation of the Pension Income Leveling option, if chosen.

### **Spousal Consent**

The written consent given by an employee's spouse to any decision made by the employee which specifies a beneficiary other than the spouse, or a form of payment which excludes the spouse from death benefit coverage. The consent must be witnessed by a notary public.

### **Vested Benefit**

The non-forfeitable benefit you have earned under the Plan after you have five years of Eligibility Service.

### **WSRC Team**

Washington Savannah River Company LLC (WSRC)  
Bechtel Savannah River, Inc. (BSRI)  
BNG America Savannah River Corporation, (BNG America)  
BWXT Savannah River Company (BWXT)

## ERISA INFORMATION

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As a participant in the WSRC/BSRI Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). The official Pension Plan documents govern the actual operation of the Plan and the payment of benefits. For more information about your rights under ERISA and the Plan, refer to the Benefits Overview and General Information book.

**Eligibility for benefits should not be viewed as a guarantee of employment. Also, while WSRC/BSRI intends to continue providing a comprehensive benefits program, WSRC/BSRI reserves the right to modify or terminate any of the benefit plans at any time. For more information on the procedures to modify or terminate benefit plans, refer to the Benefits Overview and General Information book.**



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