

FORMS OF PAYMENT

If you are not married, the normal form of benefit is an Individual Member Benefit. If you are married, the normal form of benefit is a 50% Joint Annuity. These forms, as well as five other payment options are described below. All forms of benefit are the Actuarial Equivalent of the Individual Member Benefit you would receive under the Benefit Formula.

The option that is right for you will depend on how long you and your spouse expect to live after retirement and on your own particular financial situation. After studying the various options, you will want to select the one that is best-suited for your needs. Your decision is important because it cannot be changed after you begin receiving benefits. These options are explained in detail below:

1. INDIVIDUAL MEMBER BENEFIT

This is a benefit for your lifetime only, and all payments cease at your death. The Individual Member Benefit provides the maximum monthly benefit while you are alive. You may want to consider this option if you have no spouse, if your spouse has retirement benefits independent of your own, or if you plan to provide protection for your surviving spouse by purchasing a life insurance policy. If you are married, you may not select this option without the notarized consent of your spouse.

2. TEN-YEAR GUARANTEED BENEFIT

This option will pay you a slightly reduced monthly benefit for your lifetime, but it guarantees that payments will be made for at least ten years.

EXAMPLE 1: Bill chooses the 10-year guaranteed benefit and lives for seven years after retiring. After his death, Bill's beneficiary will receive Bill's monthly benefit for the next three years. In all, 120 monthly payments are guaranteed to be made to Bill and his beneficiary.

EXAMPLE 2: What happens if Bill lives for 15 years after retiring? In this case, Bill will receive his monthly pension until his death, but his beneficiary will receive nothing after Bill's death since Bill will have received at least 120 monthly payments.

You may want to consider this benefit if you have no spouse, but you want to leave a possible benefit to a relative or a friend in the event you do not live for 10 years after retiring. If you are married, you may not select this option without your spouse's notarized consent.

3. LEVEL INCOME OPTION

You can choose this payment method only if you retire prior to age 62. The Level Income Option pays you an enhanced pension until you can begin collecting Social Security benefits. Thus, you receive a larger pension before age 62 and a smaller pension afterward. This option also provides a guarantee that payments will be made for at least 10 years. If you die within the first 10 years of your retirement under the Level Income Option, your beneficiary will receive the same monthly payments you would have received (if alive) for the remainder of the 10-year period.

EXAMPLE: Jane decides to retire at age 58, which is four years before she can begin collecting Social Security benefits. If she selects the Individual Member Benefit, she could receive \$840 per month, but Jane feels that she needs an enhanced benefit to get by until she can begin collecting her Social Security payments. It is estimated that her Social Security payment will be \$580 per month, beginning at age 62. Under the level income option, Jane will receive an enhanced benefit of \$1,254 per month until she turns age 62, and then a reduced benefit of \$674 per month from age 62 until death. In this way, her total income before and after age 62 will be approximately equal.

You may want to consider this option if you need to supplement your income before you are eligible to receive Social Security benefits. This option provides no survivor benefits. If you are married, you may not select this option without the notarized consent of your spouse. Also, please realize that the Plan will only be working with an estimate of your Social Security benefit. This payment option is not available for Disability Retirement or Termination Annuities.

JOINT ANNUITY OPTIONS:

These options are available to married participants. Your monthly payment under these choices is reduced in order to provide a lifetime income for your spouse after your death. *Under Federal law and the Plan, married participants cannot choose any form of payment other than a Joint Annuity without their spouse’s notarized consent.* For retirees, payments under any of these joint annuity options are guaranteed for 10 years. (See explanation below.) There are four different Joint Annuity options:

4. 50% JOINT ANNUITY

Half of the amount you were receiving would be paid monthly to your spouse after your death.

5. 66 2/3% JOINT ANNUITY

Two-thirds of the amount you were receiving would be paid monthly to your spouse after your death.

6. 75% JOINT ANNUITY

Three-fourths of the amount you were receiving would be paid monthly to your spouse after your death.

7. 100% JOINT ANNUITY

The same monthly payment you were receiving continues to your spouse after your death.

The amount of benefit you receive under any of the Joint Annuity options depends on your age and the age of your spouse at your retirement. Payments are figured as a percentage of the Individual Member Benefit otherwise payable. The sample table below illustrates how your

Individual Member Benefit would be reduced to provide for the Joint Annuity protection.

Sample Ages		Your Retirement Benefit as a % of the Individual Member Benefit			
Your Age	Your Spouse’s Age	50% Option	66 2/3% Option	75% Option	100% Option
55	50	90.58%	87.82%	86.50%	82.78%
55	55	92.03%	89.64%	88.50%	85.23%
55	60	93.52%	91.54%	90.58%	87.82%
60	55	88.27%	84.94%	83.37%	79.00%
60	60	90.19%	87.33%	85.97%	82.13%
60	65	92.17%	89.83%	88.70%	85.48%
65	60	85.45%	81.49%	79.65%	74.59%
65	65	88.00%	84.61%	83.01%	78.56%
65	70	90.62%	87.87%	86.56%	82.84%

NOTE: This is an abbreviated table.

EXAMPLE 1: Fred is retiring, and the Individual Member Benefit payable to him at age 65 would be \$1,218 per month. Fred’s wife is 60 years old. He elects the 50% Joint Annuity payment option. From the sample table above, the percentage that applies is 85.45%. 85.45% x \$1,218 = \$1,040.78 per month. This is the payment Fred will receive for life. If his wife is alive at his death, she will begin to receive 50% of Fred’s payment, or \$520.39 per month. She will continue to receive this benefit for as long as she lives.

EXAMPLE 2: If Fred is under age 62 when he retires, the early retirement age reduction will also apply. Let’s assume for this example that he is age 60 at retirement, selects the 50% Joint Annuity payment option, and has not yet qualified for the Rule of 85. His spouse is 55 years old. First, we must multiply his accrued benefit by the age reduction factor for a 60-year old (provided in the “Early Retirement” section of this SPD): \$1,218/mo. x 92% = \$1,120.56/mo. Then, the joint annuity factor is applied: \$1,120.56/mo. x 88.27% = \$989.12/mo. Therefore, Fred will receive \$989.12 per month for life. The surviving spouse’s benefit will be half of Fred’s monthly benefit, or \$494.56 per month, if Fred dies before his spouse.

You may select any of these four Joint Annuity options if you take Normal, Early, Deferred, or Disability Retirement, or if you receive a Termination Annuity.

SPECIAL 10-YEAR GUARANTEE ON JOINT ANNUITY PAYMENT OPTIONS.

If you select the 50, 66 2/3, 75, or 100% Joint Annuity payment option, the Plan will automatically guarantee that at least 120 monthly payments will be made. If both participant and spouse die within 10 years of the original retirement date, their beneficiary will receive the joint annuitant's payment for the remainder of the 10-year period. This special 10-year guarantee will not apply to a 50, 66 2/3, 75, or 100% Joint Annuity that is paid as a Termination Annuity (see the section titled "Terminating Employment Before Age 55").

EXAMPLE: Tom retires and begins to receive \$750 per month under the 66 2/3% Joint Annuity option. He dies 3 years later, whereupon his wife begins to draw 2/3 of his benefit or \$500 per month. She dies 2 years later. In all, five years of payments have been made, so now the guarantee goes into effect. Tom's Contingent Beneficiary will receive the joint annuitant payment of \$500 per month for the next 5 years.

QUESTION: *Can anyone other than my spouse be designated as my Joint Annuitant?*

ANSWER: No.

QUESTION: *If I have retired and started receiving benefits, and my spouse dies before I do, is my benefit increased to the Individual Member Benefit Amount? If I remarry, can I designate my new spouse as my Joint Annuitant?*

ANSWER: The answer to both questions is no.

QUESTION: *If I divorce after my retirement and start receiving benefits, can I change my Joint Annuitant if I remarry?*

ANSWER: Unless a Court orders otherwise, the first spouse would still be the Joint Annuitant, even if you remarry.

QUESTION: *Can I change my payment option after I retire and start receiving benefits?*

ANSWER: No.

FORM OF BENEFIT FOR AMOUNTS \$5,000 OR LESS

The Plan generally requires that your retirement benefit be paid to you in monthly payments. If, however, your total benefit at termination has a lump sum present value of \$5,000 or less, different rules will apply. In the event that your benefit is \$1,000 or less, the Plan will pay your entire benefit in a lump sum (unless you elect to roll over your benefit to another qualified plan or an IRA, which you may do if the taxable benefit is \$200 or greater).

In the event your benefit is greater than \$1,000 but not greater than \$5,000, you may elect to receive a lump sum distribution or roll over your benefit to the qualified plan or IRA that you choose. If you are a participant (not a beneficiary) who does not make either of these elections (with respect to an amount greater than \$1,000 but not greater than \$5,000), the Plan will automatically roll over your benefit to an IRA that has been established by the Retirement Committee on your behalf. Amounts automatically rolled over will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. Fees and expenses charged for the establishment and maintenance of your IRA will be paid directly from your IRA. For further information concerning the Plan's automatic rollover provisions, the IRA provider, and the fees and expenses related to your IRA, please contact United Benefits Group by telephone at (800) 816-5535, or at P.O. Box 169005, Kansas City, Missouri 64116.

A special rule will also apply if your total benefit at termination was greater than \$5,000,

you elected a distribution of your contributions and interest thereon, and the lump sum present value of your employer-provided Termination Annuity is now \$5,000 or less. If this special rule applies, you may elect to receive that employer-provided benefit in one lump sum distribution at any time.