Understanding the Retirement Process

Rockwell Automation, Inc.

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Alight Solutions

Agenda

- Your Pension Plan: A benefits overview
- When am I eligible for retirement?
- Thinking about retirement?
- When should I take action to elect retirement benefits?
- Am I eligible for retiree medical insurance?
- How do I start the process?
- What payment options are available when I retire?
- Calculation formula and components
- Resources: Retirement Guide, Retirement process timeline, YBR, SPD
- Pension Plan tools
- Call center support
- Questions

Your Pension Plan—A benefits overview

	Pension	Savings Plan 401(k)
Type of plan	Defined Benefit (DB)	Defined Contribution (DC)
Who contributes?	Rockwell Automation contributes 100%	You and Rockwell Automation
How are benefits paid out?	Monthly benefit payable for your lifetime or lump-sum payment	Payable as a lump sum, partial withdrawals after 59.5, or installments
What happens if you pass away?	Survivor benefits are payable	Account balance paid to beneficiary
Is your benefit guaranteed?	Yes; covered by the Pension Benefits Guarantee Corporation (PBGC)	Not guaranteed
When can you commence your benefit?	Pension was initially designed to be a true retirement benefit to be taken between age 55 and 65; beginning 1/1/2014, pension benefits can be taken at any time post-termination.	Not as many restrictions on distributions after termination
How portable are your benefits?	With the addition of a lump sum 1/1/2011, pension benefits are now very portable and can be taken with you if you want to move the money at termination, including retirement	Very portable and can be taken with you if you want to move the money at termination, including retirement

When am I eligible for retirement?

- Beginning on 1/1/2014, you may "retire" from Rockwell Automation (and begin to receive your pension benefit) at any age and length of service (as long as you are vested—vesting is after 5 years).
- For participants who were not active on 1/1/2014, early retirement is after 10 years of service and when you reach 75 points **or** are at least 55 years old and have at least 10 years of service.
- *In order to be eligible for Retiree Medical you must have 75 points **and** be at least 55 years old **and** have at least 10 years of service. Your pension and your retiree medical may be started at the same time or at different times if you wish. Review the Retirement Guide for important details about retiree medical coverage.*

Sub-plan	Earliest eligible commencement date	Early retirement	Normal retirement	Late retirement
B006	If active on 1/1/2014, there is no age or service requirement for commencement. Benefits can be started immediately following termination.	Age 55 with 10 years service **or** 75 points with 10 years of service	Age 65 with at least 5 years of vesting service At normal retirement, there is no longer an early reduction factor applied	After age 65 with 5 years of vesting service

Thinking about retirement?

- Around 3–5 years before you are ready to retire
- Use the tools available to help:
  - RAQuickFind.com—Retirement Process Timeline, Retirement Guide, Termination Benefits Summary
  - Retirement Specialists—Call the RASC at +1.877.687.7272; Hours are 8 a.m. to 4 p.m. Monday–Friday; set aside about a half-hour for your initial phone call
- Review an estimate of your Pension Plan benefits
  - ***Note:*** *In some instances a manual calculation of your pension will be required. This can take up to four weeks (e.g., QDRO, transfer from another plan or country, over age 65). Most do not require manual intervention.*

When should I take action to elect retirement benefits?

- Up to 90 days prior—initiate your election to receive your pension benefits
- You may start the process of retirement up to 90 days prior to your retirement date; however, it must be no later than the 15th of the month prior to the date you want to receive benefits.
  - For example: A person wishing to receive a first pension payment effective December 1, 2018 can start the retirement process on or after September 5, 2018 but no later than November 15, 2018.
- Retiree medical can be elected prior to retirement but as late as 31 days after your retirement date. Review the Retirement Guide for important details.
- Initial pension retirement paperwork will be mailed to your home.
- Review paperwork and make elections either online or with the RASC.
- A Pension Election Authorization (PEA) form will be mailed to your home (or sent to your Secure Participant Mailbox if elected).
- PEA must be signed and all pages returned before the 10th of the month prior to the retirement date.
- A confirmation statement will be mailed to your home acknowledging the receipt of the PEA.

Am I eligible for retiree medical insurance?

- You may be eligible for retiree medical benefits if you are at least age 55 **and** you have ten or more years of service **and** your age plus service total 75 or more.
- If you were hired or rehired (your most recent hire date) before January 1, 2005, you may be eligible for a company subsidy for retiree medical benefits. If you do not elect coverage at the time of retirement, no subsidy will be available in the future.
- If you are or will be reaching age 65 (or your spouse is), be sure to enroll in Medicare and understand your options with the Via Benefits website.
- Use the tools
  - Talk with the retirement specialists well in advance to understand your eligibility and the options available to you.
  - Refer to the Retirement Guide and Retirement Process timeline found on RAQuickFind.com.
  - If you are or will be age 65, call Via Benefits at +1.844.596.0462, Monday through Friday, 7 a.m. to 8 p.m. Central time, or visit my.viabenefits.com/rockwellautomation.

How do I start the process?

- You can use EmployeeConnect to process your retirement "self service". The website address is: employeeconnect.rockwellautomation.com. Using EmployeeConnect will allow you to see your options at your convenience. You are able to model various options very quickly and easily using the site.

  If eligible (unmarried or electing a Joint and Survivor option where spousal consent is not required), you can complete the entire retirement process online via an electronic signature method.

- Retirement specialists at the Rockwell Automation Service Center (RASC) are available to help. They can be reached at +1.877.687.7272 from 8:00 a.m. until 4:00 p.m. Central time, Monday through Friday (say “retirement”).

What payment options are available when I retire?

- Single Life Annuity
  - Pays for the life of the participant; no survivor benefits payable.
- Joint and Survivor Options (with a spouse)
  - Pays for the life of the participant. If the participant predeceases the designated beneficiary, survivor benefits will continue for the life of the beneficiary.
  - There may be 50%, 66%, 75%, and 100% Joint and Survivor options available.
- 10-Year Certain and Life
  - Pays for the life of the participant. If the participant dies within the first 10 years of payment, the payments will continue to the beneficiary for the remainder of the 10-year period.
- Lump Sum
  - Pays the entire pension benefit in a single sum; no survivor benefits payable.
  - Expect to receive your one-time payment 90 to 120 days after you leave employment.
  - Lump-sum amounts are based on interest rates and IRS mortality tables in effect at the time you elect to receive your payment, and they change each year. Be sure to estimate your benefit using various dates and assumptions.

Pension basics—Calculation formula

66 2/3% of your average monthly earnings up to $1,666.67
multiplied by
Your years of credited service up to 35 years divided by 35

Plus

1.5% of your average monthly earnings above $1,666.67
multiplied by
Your years of credited service up to 35 years

Plus

1.25% of your average monthly earnings over $1,666.67
multiplied by
Your years of credited service over 35 years

Less

50% of primary Social Security
multiplied by
Your years of credited service up to 35 years divided by 35

Pension basics—Final average earnings and service

Elements of compensation

- Salary
- Commissions
- Annual bonuses
- Overtime

Service

- Elapsed time method, calculated in years and months
- Work one day in the month, receive credit for the whole month

Final average earnings (FAE)

Annual average of eligible compensation for the highest 5 nonconsecutive years of the last 10 years

More details are found in the Summary Plan Description, available from the RASC or *Your Benefits Resources™ (YBR).*

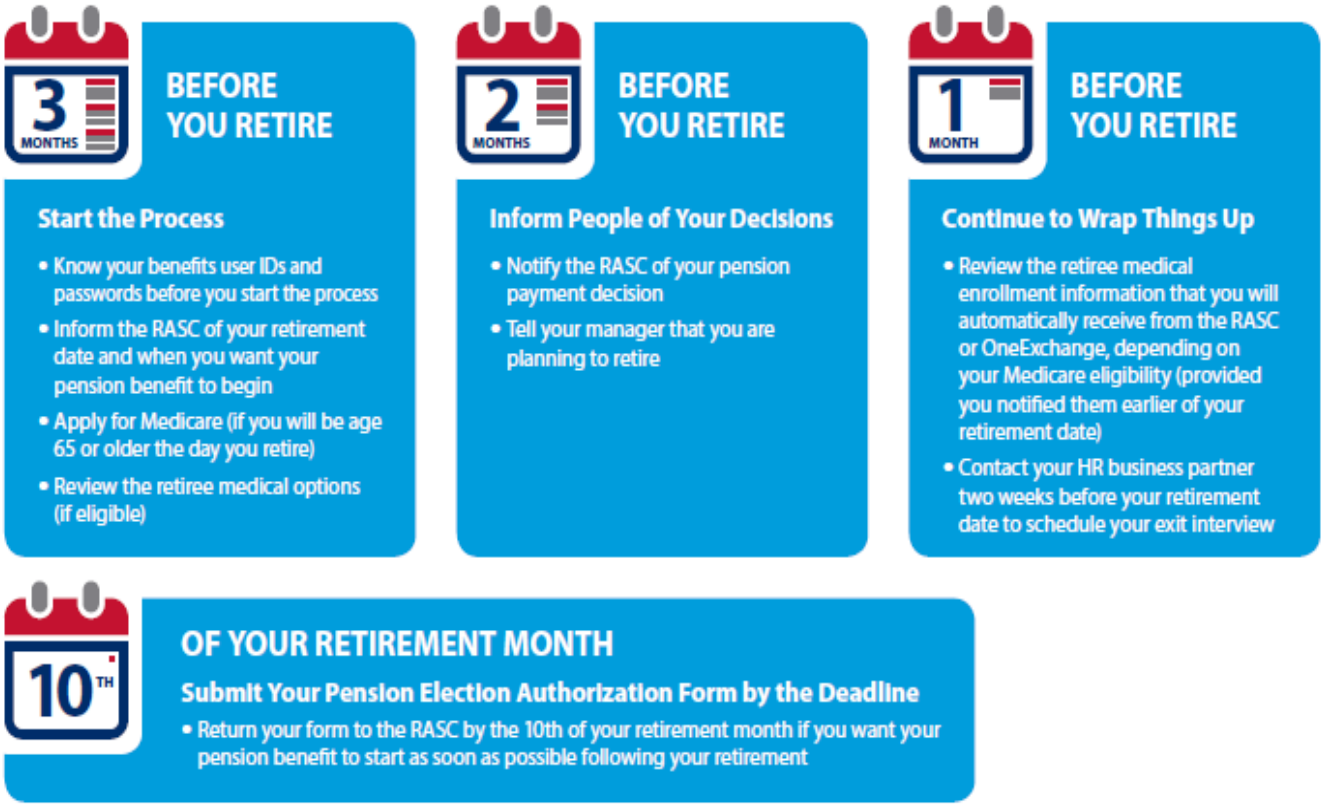
Resources: Retirement Guide

- The Rockwell Automation U.S. Retirement Guide is a tool to help you make informed retirement decisions (available on RAQuickFind.com).
- Chapters include:
  - Have you planned for your retirement?
  - Good things to know before you start the retirement process
  - How to apply for Pension Plan Benefits
  - Your Retirement Savings Plan
  - How to apply for Retiree Medical Coverage
  - How to apply for government provided retirement benefits
  - Your retirement tools and resources

Resources: Retirement Guide key dates

Key Dates for Navigating the Process

Here is a quick look at the four time periods you need to keep in mind as you get the process going to receive your retirement benefits. The sections that follow in this guide give you more details about the steps and dates that apply to each benefit. For more personalized date information, use the Retirement Process Timeline on the Quick Find (**www.raquickfind.com**; search "Retirement Process Timeline").



Resources: Retirement process timeline

Retirement Process Timeline

Are you planning to retire in the next 3 – 5 years?

Yes

No

NEXT QUESTION

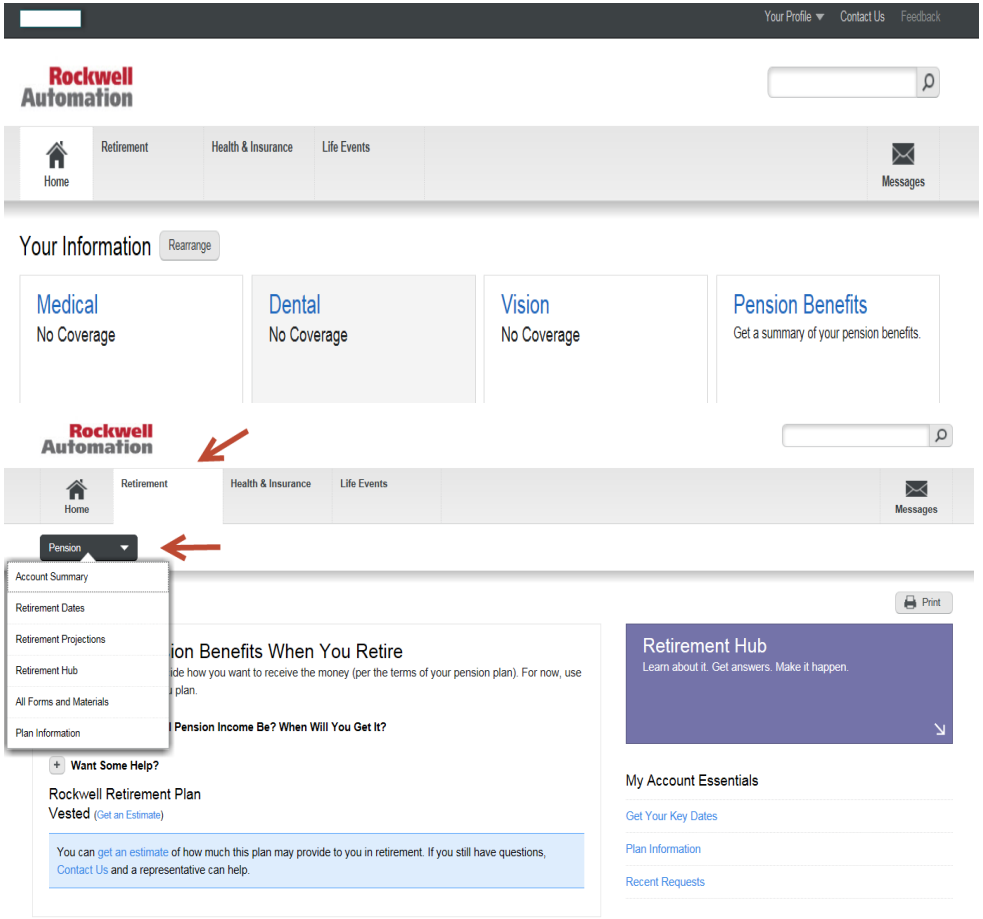
Resources: YBR website

The Pension Plan Calculator is on the YBR—you can access your personal account through EmployeeConnect and the YBR

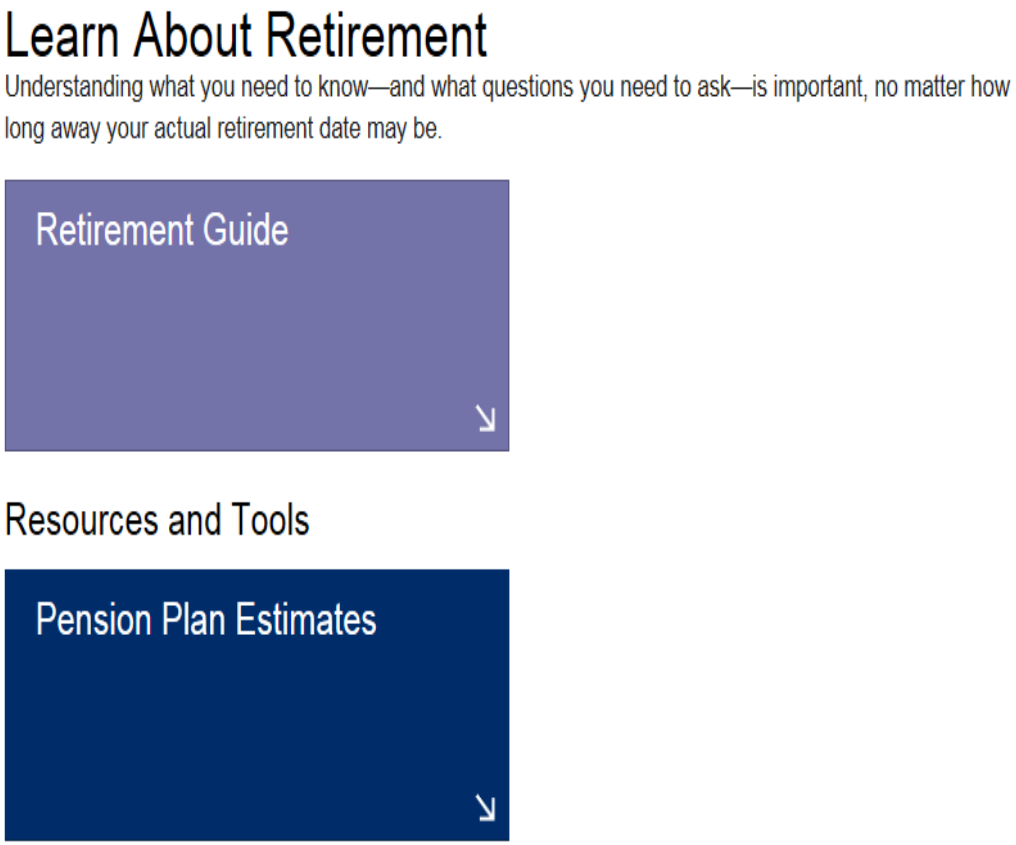
Under the Retirement heading:

Retirement Projections
to run an estimate

Retirement Hub
to commence benefits



Resources: YBR website



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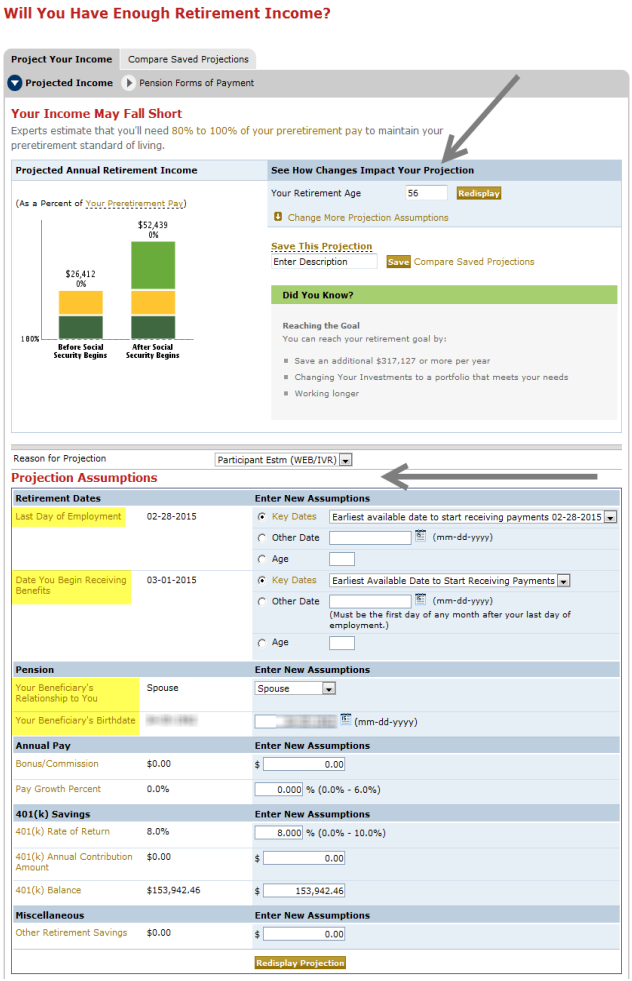

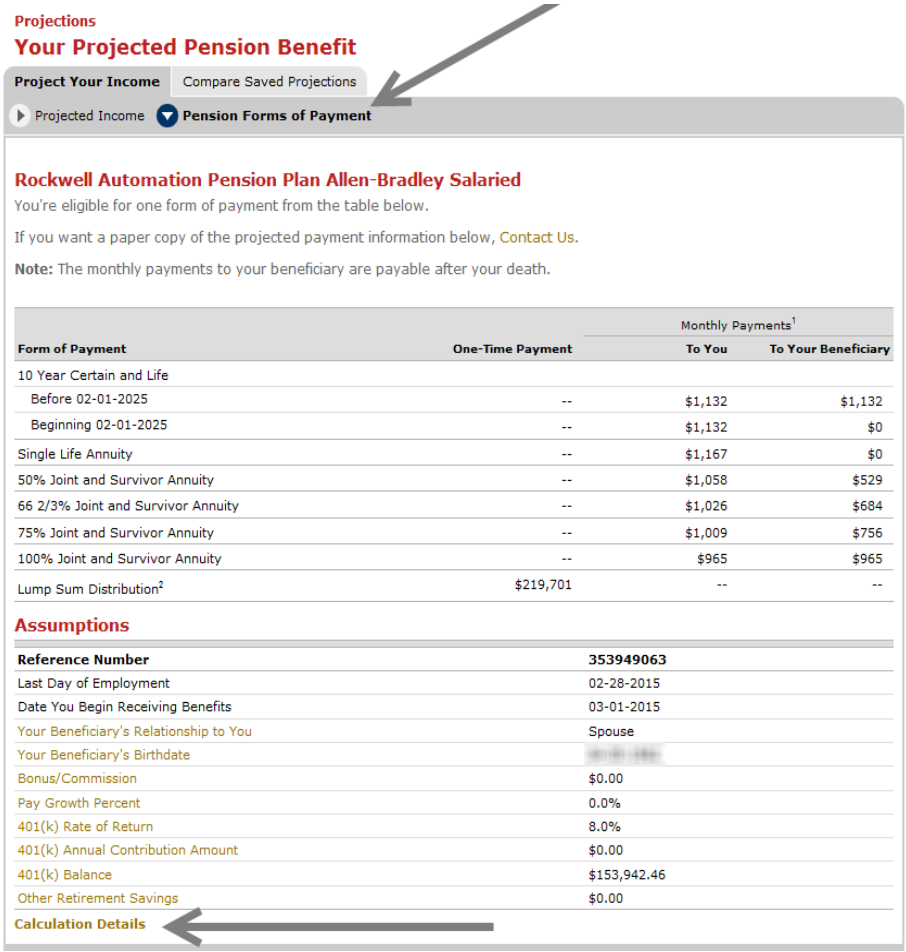

Call center support

- Call into the RASC at +1.877.687.7272 (+1.877.OUR.RASC)
- You will be greeted by our automated system. Please listen carefully and follow the prompts
- You will need to enter:
  - The last four digits of your Social Security number
  - Your date of birth
  - Say "retirement and 401(k) savings plan" when prompted
  - Say “retirement” when prompted
  - Enter your password when prompted
  - If you do not know your password and need a password reset just say: "I don’t know it" and you will get routed to a representative.
  - Regardless if you use the EmployeeConnect site or call into the RASC you will need your password. If you do not have a password at this time or never set one up, you can call into the RASC and request a password reset. The password reset can be emailed to active employees or sent by postal mail.
- Retirement specialists are available to help via an inbound call or via an appointment. The next slide discusses the appointment scheduling option further.

Retirement Specialist Appointment Scheduling Option

- There is an exciting new option available if you are retiring called the Retirement Specialist Appointment Scheduling Option. Some advantages of it are:
  - You have a scheduled time to speak with a Retirement Specialist so you don't have to call in and potentially wait for a specialist.
  - Both you and the Retirement Specialist have time to prepare for the call which will help us address your questions on the call.
  - You will work with the same Retirement Specialist throughout the retirement process.
- Starting in October you will be able to set up an appointment via the Service Center or via UPoint in the Retirement Hub section.
- A Retirement Specialist will call you when your appointment is scheduled.
- Calls can last from 30 minutes to 60 minutes depending on what needs to be discussed.
  - You will discuss your retirement situation along with next steps in the process.
  - A follow up appointment(s) will be set up if it is needed.

Questions?