Frequently Asked Questions Regarding In-Service Distributions

1. **Who is eligible?**
   To be eligible for the 2026 in-service distribution, your birthdate must be June 1, 1967, or earlier. The IRS allows actively employed pension plan participants to receive their benefit as early as age 59 ½ so long as the company's plan rules permit it. Pension plan participants who are at least 59 ½ on December 1, 2026, will have an option to take a distribution and commence their benefit as of December 1 if they so choose.
2. **What happens if I take the in-service distribution on December 1?**
   If you choose to take a lump sum distribution of your pension or commence pension annuity payments while you are working, you will no longer participate in the pension plan and will not earn any additional pension benefits. Instead, you will then participate in the Rockwell Non-Elective Contribution (NEC) under the 401(k) Plan. More information on the NEC can be found here: 401(k) – Keywords – Rockwell Automation (raquickfind.com)
3. **Are in-service distributions allowed before 59 1/2?**
   Unfortunately, we cannot allow in-service distributions for those under the age of 59 ½. This is not a Rockwell requirement, but a rule set forth by the IRS.
   Whether you're eligible or not, an important factor to consider is that the Rockwell Automation Pension Plan is an active plan. Meaning – those who were hired or rehired prior to July 2010 are still accruing a benefit under the plan. The lump sum value may fluctuate (up or down), however, if you remain employed with the company your pension benefit will continue to grow.
   Each employee's situation is unique and so we highly recommend consulting with those who matter most – family, a financial advisor, etc.
   The in-service distribution is a permanent feature in the plan. For those who are not eligible this year, with continued employment, they will become eligible in the future. Employees do have the opportunity to re-evaluate each year to determine what best meets their needs.
4. **What does this age 59 ½ rule mean for me?**
   If you are 59 ½ by December 1, 2026, you can take your pension benefit while you are working. Said differently, you will not have to separate from the company to receive your pension benefit if you will be 59 ½ by December 1st.

5. **Will Rockwell offer the in-service distribution feature in the future?**

   Yes, this is a permanent feature that Rockwell is adding to its pension plan. This option will be available each year on December 1st for those who have met the IRS age 59 ½ requirement.

6. **How does this impact future retirement benefits?**

   It is critical to understand that if you elect to receive your pension benefit while working for the company, you will no longer earn a benefit under the pension plan. You will be making an affirmative election to stop all future pension accruals and instead you will participate in the Non-Elective Contribution (NEC) within the Rockwell Automation Retirement Savings 401(k) Plan. More information on the NEC can be found here: 401(k) – Keywords – Rockwell Automation (raquickfind.com)

7. **Is my pension losing value?**

   No, the longer you remain employed with Rockwell Automation the larger your benefit payable at normal retirement date. Please see attached FAQ Pension Plan Overview FAQ.pdf

8. **If my pension is not losing value, why did my lump sum amount decrease?**

   The pension plan formula provides you with a normal retirement annuity using final average pay and years of service. The longer you work, the larger the annuity. The lump sum is a present value of this future annuity. So, the lump sum represents the full payment in today's dollars. The interest rates are the discount rates used to determine the present value in today's dollars of this annuity. To put it simply, the higher the discount rates, the lower the lump sum value. Please see attached FAQ Pension Plan Overview FAQ.pdf

9. **Does the interest rate impact my annuity?**

   The pension plan is a final average pay plan which means that the amount of your normal retirement annuity is based on years of service (how long you worked) and your average monthly earnings. The discount rates DO NOT impact your normal retirement annuity. This is why when you run pension estimates, the annuity continually increases the longer you work.

10. **Why is Rockwell offering the in-service distribution option?**

    Rockwell is offering this to provide you with flexibility to make decisions that best meet your needs.

11. **Am I required to take the benefit/pension while I am working?**

    No, you are not required to take your benefit while you are working.

12. **Who does the in-service distribution benefit the most?**
The in-service distribution likely benefits a participant who has already made the decision to receive their pension benefit in the form of a lump sum, was already planning to separate from the company in the next calendar year, and interest rates used to calculate the lump sum are lower during the current calendar year versus next year. Of course, the decision on when to retire and commence your pension is a personal decision that could be impacted by many factors, and you may want to seek advice from your financial planner on what makes the most sense for you.

13. **Are the 2027 interest rates used to calculate lump sum pension distributions final?** No, currently we are only estimating what the rates may be in 2027 based on current economic conditions. When the rates become final, the pension calculator will be updated and can be used for comparing the 2026 value to the 2027 value. We expect the calculator to be updated by October 1. Please see attached FAQ Pension Plan Overview FAQ.pdf

14. **Why can't I take the in-service distribution at any time throughout the year?**
Interest rates change each calendar year and are locked in for the entire calendar year. Allowing In-Service distributions annually on 12/1 is the latest date you can withdraw the benefit for the current calendar year and will also include earnings and pay for the entire calendar year. Using a 12/1 commencement date gives employees the flexibility to compare the lump sum values across the calendar year. In other words, employees will be able to see the difference in value from 2026 to 2027.

15. **If an employee is interested in an annuity option, should they take the in-service distribution?**
All annuity options are available with both in-service and post-retirement benefit commencement, but the amount of the annuity will vary depending on when you commence your benefit. The pension plan is a final average pay plan which means that the amount of your normal retirement annuity is based on years of service (how long you worked) and your average monthly earnings. The discount rates DO NOT impact your normal retirement annuity. This is why when you run pension estimates, the annuity continually increases the longer you work. We highly recommend consulting with a financial advisor on all your options to determine what best meets your needs.

17. **If we keep working after distribution, all other benefits will continue, correct?**
If you choose to take a lump sum distribution of your pension or commence pension annuity payments while you are working, you will no longer participate in the pension plan and will not earn any additional pension benefits. Instead, you will then participate in the Rockwell Non-Elective Contribution (NEC) under the 401(k) Plan. There is no impact to any of the other benefits Rockwell provides.

18. **There are employees that cannot generate estimates online due to special circumstances. How will they get the 2026 and 2027 estimates needed to make a decision?**
For those that cannot generate pension estimates online, manual calculations can be requested by contacting the Rockwell Alight Service Center at 877.687.7272.

19. **I see there are three interest rates used in the lump sum calculation, can you explain how the formula works?**
Under IRS rules, the lump sum calculation must use all 3 rates. The three segment rates are used to discount three different time periods. The first rate discounts the first five years, the second discounts years 6-20, and the third discounts years 21+. More information about the components and concepts used to calculate lump sums can be found in the "Lump Sum Details" section of this FAQ document: Pension Plan Overview FAQ.pdf.

20. **The in-service distribution is effective December 1st, what is the significance of this date?**
Benefit Commencement Dates (BCDs), also known as the calculation date, will always fall on the 1st of the month. The plan will not calculate a pension benefit on any date other than the 1st. December 1st is the last possible BCD of the calendar year. This allows employees enough time to compare the current year's lump sum value to the next year's lump sum value. Additionally, using a December 1st BCD will allow the plan to use your entire calendar year's pensionable pay in the final calculation. Another benefit is that it provides a clear cut over from the pension plan to the Non-Elective Contribution (NEC) program.

21. **What is the basis of the interest rates used to determine the lump sums?**
The present value of your benefit will be calculated using interest rates and mortality tables prescribed under §417(e)(3) of the Internal Revenue Code. The interest rates will be tied to corporate bond interest rates and will change on an annual basis. For each Plan Year, the Plan uses the rate published by the IRS for the month of August in the preceding year. For example, the August 2025 rate is used to determine lump sum benefits for any benefit commencement dates in 2026. The pension plan is required to use these interest rates for calculating lump sum distribution.

22. **Where can I find the historical interest rates used to determine the lump sums?**

Minimum Present Value Segment Rates | Internal Revenue Service (irs.gov)

23. **When using the online pension calculator, how many days are needed from last day worked and BCD?**
Benefit Commencement Dates (BCDs), also known as the calculation date, will always fall on the 1st of the month. The BCD must occur after the last day worked. Example: if you enter November 30th as your last day worked, your next possible BCD would be December 1st. If you enter December 1st as your last day worked, your next possible BCD would be January 1st.
24. **The pension calculator is typically updated with the new interest rates in October. Is that changing?**
In October, the pension system will be updated for BCDs that fall in the next calendar year. This is due to the fact that the IRS does not publish/release August interest rates until mid-to late September and we have to allow for the system to be updated and tested. This is not changing from the current process.
25. **What interest rates are used to calculate estimated lump sum amounts for BCDs 2+ years in the future?**
The pension calculator will use the most recently published interest rates if you are generating an estimate for a BCD in which the rates are not yet final.
26. **Wouldn't those looking to take lump sum this year, but keep working a few more years, likely want to pick the date to receive benefits in December 2027?**
Each employee's situation is unique and so we highly recommend consulting with those who matter most – family, a financial advisor, etc.
27. **What is the link for pension calculator?**

    http://digital.alight.com/rockwellautomation
28. **How will the lump sum be distributed (paper check or electronic transmission)?**

    Paper check and electronic transmission are both available options. Additional information regarding distribution options will be provided in early September.
29. **Is the in-service distribution reduced if you're under the age of 65?**

    The Lump Sum represents the full payment in today's dollars of the Normal Retirement Annuity and is based on the IRS interest (discount) rates and mortality for the calendar year you decide to take the Lump Sum benefit. If you decide to take the annuity prior to age 65, the benefit is reduced to reflect the fact you are taking the benefit early. See the Benefits Equivalence Table in the SPD: B006 - Rockwell Automation Pension Plan SPD Salaried Hourly.pdf

30. **When will my pension payment amount be finalized?**
In January we will perform a final calculation using service through the BCD. Your earnings for the entire 2026 calendar year will be considered when determining the highest 5 out of the last 10.

31. **You can still get your pension lump sum if you're < 59 ½, you just cannot remain working at Rockwell, correct? Do you need 75 pts to do this?**
Unfortunately, we cannot allow in-service distributions for those under the age of 59 ½. This is not a Rockwell requirement, but a rule set forth in the Internal Revenue Code. The in-service distribution is a permanent feature in the plan. For those who are not eligible this year, with continued employment, they will become eligible in the future. Employees do have the opportunity to re-evaluate each year to determine what best meets their needs, and you do not have to have 75 points to take a lump sum once you qualify for either an in-service or post-termination distribution. For more information on when you can receive your benefit, please see the When You Can Commence Your Benefit section in the SPD: B006 - Rockwell Automation Pension Plan SPD Salaried Hourly.pdf

32. **If we elect the 12/1/2026 BCD, when would we be eligible for the non-elective 401k benefit?**
If you elect an in-service distribution in 2026, your participation in the Non-Elective Contribution (NEC) program will begin on January 1, 2027. If you remain actively employed through the entire 2027 calendar year, your first NEC will occur in March 2028.

33. **Is there a penalty for withdrawing our pension early if it is rolled into a qualified IRA?**
We highly recommend consulting with a tax professional regarding your personal situation. Generally speaking, if you roll your pension lump sum into another qualified plan or IRA you will not be taxed or penalized by the IRS.

34. **As we run lump sum calculations for pay out, can the lump sum payout continue to decline in 2026?**
All calculations generated prior to your final payment are estimates. Since the interest rates used to calculate the lump sum value in 2026 are final you will not see a decrease for a lump sum taken in 2026 as a result of the interest rates. It is unlikely that the final payment amount will be less than what is provided in your commencement paperwork, however, Rockwell retains the right to correct any errors in any estimate, and the actual payout will always be consistent with the terms of the plan.

35. **When we do the online estimate, the 401(k) amount is shown. Can I assume the lump sum benefit is not calculated with that 401(k) amount?**
Correct, your 401(k) balance is NOT included in the pension calculations.

36. **Will the lump sum distribution always have 20% withheld for taxes, or is there a way to directly roll the 100% value into a 401k or IRA account?**
    If you elect to roll over your lump sum directly into the Rockwell 401(k) plan, an IRA or another tax-qualified retirement plan, it will not be taxed until you take the money out.
37. **Is the process used for the 'normal' pension benefit calculation as far as the 'Primary Social Security' factor concerned going to be the same when calculating pension benefit for the in-service distribution?**
    Yes.
38. **After getting the pension distribution is there an option to work part-time?**
    Receiving an in-service distribution has no impact on your hours worked. If you are interested in getting more information about working part-time, please consult with your manager.
39. **If I take the lump sum and then convert to the NEC do my years of service count for the NEC calculation or do they start over?**
    Service from your entire period of employment with Rockwell will be used to determine the multiplier for the Non-Elective Contribution.
40. **When taking the in-service distribution then retiring in the future will one be able to enroll all eligible family members in the retiree supplemental health care plan?**
    Your decision on taking the in-service distribution does not impact retiree medical. More information on retiree medical can be found here: eligibility – Keywords – Rockwell Automation (raquickfind.com)
41. **Am I eligible for retiree medical insurance if I take the in-service distribution?**
    Your decision on taking the in-service distribution does not impact retiree medical. More information on retiree medical can be found here: eligibility – Keywords – Rockwell Automation (raquickfind.com)
42. **As I understand it, there is no benefit in this discussion for people who are not 59 ½ by December 1, 2026.**
    The in-service distribution is a permanent feature in the plan. For those who are not eligible this year, with continued employment, they will become eligible in the future. Employees do have the opportunity to re-evaluate each year to determine what best meets their needs. In addition, the pension plan is not frozen, which means that employees who do not receive an in-service distribution and who continue working will continue to earn additional pension benefits.

43. **With the actual lump sum being calculated after the close of the year, when final earnings numbers are available, does it mean the actual amount one receives in March could be different (more or less) than current calculations?**
    All calculations generated prior to your final payment are estimates. Since the interest rates used to calculate the lump sum value for a BCD in 2026 are final, you will not see a decrease as a result of the interest rates. It is unlikely that the final payment amount will be less than what is provided in your commencement paperwork, however, Rockwell retains the right to correct any errors in any estimate and the actual payout will always be consistent with the terms of the plan.
44. **Is the best of 5 of 10 years a Rockwell plan thing or an IRS thing?**
    The manner in which we determine Average Monthly Earnings is a provision within the Rockwell Automation Pension Plan and is calculated in accordance with rules under the Internal Revenue Code.
45. **Will Rockwell be increasing or otherwise changing NEC for employees who elect to take an in-service pension distribution and continue working?**
    No, Rockwell is not making any changes to the NEC. It has always been designed as a benefit for those who are not pension-eligible.
46. **When do we need to do what?**
    More information regarding next steps will be provided in early September.
47. **How does this new process affect former RA employees who still have an RA pension?**
    The in-service distribution feature does not impact former Rockwell employees that have a pension benefit within the plan.
48. **Will the calculator be updated for the in-service distribution – so the last date of service can be later than the BCD?**
    No. The last day of service is still a component of the calculation for in-service distributions as this is when we will stop counting credited service.
49. **How will the system understand that one takes the in-service distribution and to move over to the NEC?**
    Employees who receive an in-service distribution will have an indicator added to their account that will switch participation from the pension plan to the NEC program.
50. **In the past 15 years, can you share the highest interest/discount rate and the lowest interest/discount rate?**
    Here is a link to current and historical interest rates: Minimum Present Value Segment Rates | Internal Revenue Service (irs.gov)

51. **Is it true if you don't have a spouse and you elect pension payments that when you die you can't leave the balance to children?**

    Please refer to question #28 in the pension FAQ document: Pension Plan Overview FAQ.pdf

52. **Will future annuity pay increase based on inflation?**

    No. If you elect an annuity, you will continue to receive the same gross amount for your lifetime.

53. **Can the Rockwell pension plan distribute funds to those qualified but not meeting the 59 ½ age requirement if we choose to retire from Rockwell by December 1st?**

    If you retire from Rockwell before December 1st, you could have a December 1st BCD. Please see the retirement timeline tool for more information: Retirement Process Timeline – Rockwell Automation (raquickfind.com)

54. **How do you calculate the early retirement reductions?**

    See the Benefits Equivalence Table in the SPD: B006 - Rockwell Automation Pension Plan SPD Salaried Hourly.pdf

55. **Does the projection tool allow for user-entry of prospective interest rates? E.g., if someone wanted to project what they feel might be best-case and worst-case scenarios?**

    No, the pension calculator does not allow users to change the interest rates used in projections.

56. **What is the relationship between the NEC and the elective 401(k) contribution?**

    Employee contributions and the associated company matching contributions are not tied to the NEC. Please see the Retirement Savings Plan information on RAQuickfind: 401(k) – Keywords – Rockwell Automation (raquickfind.com)

57. **If you elect the in-service, does Rockwell still match 401(k) deductions?**

    Receiving an in-service distribution does not impact employee contributions and the associated company match that are contributed to the 401(k) plan.

58. **Can the lump sum be rolled into the RA 401(k)?**

    Yes.

59. **If you elect in-service, can you keep your current health care benefits?**

    Taking the in-service distribution does not impact your health care benefits.

60. **If you elect an annuity, what guarantees are there in the event Rockwell is purchased by another company?**

    Please see FAQ #32: Pension Plan Overview FAQ.pdf

61. **What life expectancy is used in the lump sum calculation and when is this assumption revised?**
The mortality table is the IRS prescribed §417(e)(3) mortality table as published for each plan year.

62. **What are the non-elective benefits to 401k if we take the in-service distribution?**
More information on the NEC can be found here: 401(k) – Keywords – Rockwell Automation (raquickfind.com)

63. **Does the normal retirement age (NRA) cap at age 65? If I retire at age 67 or 70, does the NRA continue to increase beyond age 65?**
If you continue working past age 65, the amount of your pension benefit will be based on your credited service and average monthly earnings when you retire or receive an in-service distribution, whichever comes first.

64. **If you take this benefit but do not know when you plan to retire over the next 3 to 12 months, is there a time frame you would be prevented from retiring?**
No.

65. **If I elect an in-service distribution, will I get regular 401(k) match and NEC match?** If you elect the in-service distribution, you will continue to receive the company match in your 401(k) if you are contributing to the 401(k) plan. You will also begin participating in the NEC program which does not require you to contribute. More information on the NEC can be found here: 401(k) – Keywords – Rockwell Automation (raquickfind.com)

66. **Investing lump sum payment is something like real-estate would be taxable income, correct?**
The plan is required under IRS rules to report any lump-sum distribution other than a rollover to another qualified plan or IRA as a taxable distribution. We highly recommend consulting with a tax professional regarding your personal situation.

67. **NEC is prorated, if you retire before the year end, correct?**
No. You are required to be actively employed through December 31st to receive the Non-Elective Contribution for that calendar year. More information on the NEC can be found here: 401(k) – Keywords – Rockwell Automation (raquickfind.com)

68. **To confirm, if you are younger than 59 ½ in December 2026, are there any other options to gain access to the 2026 lump sum pension without leaving the company?** No. In-service distributions are not permitted under the age of 59 ½. This is not a Rockwell requirement, but a rule set forth in the Internal Revenue Code. The in-service distribution is a permanent feature in the plan. Meaning – you will be eligible in a future year once you attain age 59 ½.

69. **When can we expect to receive the lump sum payment?**
We expect payments/distributions to occur on or around March 1st. The reason for the delay is that we must wait until your calendar 2026 pensionable pay is final before we can finalize the payment amount.

70. **How does the in-service distribution option impact Rockwell's ability to hire someone back that retired and took a lump sum?**
We have not changed the rehire policy due to the in-service distribution feature. Rockwell's employment policy is that a person should not be rehired within 6 months of leaving Rockwell or be hired as a Rockwell contractor if they left Rockwell within the last 6 months. Any exceptions would need to be reviewed by Rockwell legal before any decisions are final. Under no circumstances should there be an agreement between Rockwell and the employee in advance of the employee leaving Rockwell to be hired as a contractor or rehired by Rockwell later. If the manager and employee are looking to agree to something in advance of the employee leaving this is not permitted and needs to be discussed with the HRG and Rockwell legal.

71. **If I am already on the NEC because of a rehire situation, and have pension assets which are no longer growing, can I take the lump sum this December? I expect to keep working for at least 5 years.**
All employees that have a benefit in the pension plan and have satisfied the IRS age 59 ½ requirement will be eligible for the in-service distribution option.

72. **For those who are under 59 ½, if someone leaves the company, can their whole pension be rolled over into a new retirement account?**
Employees that leave Rockwell may receive their pension benefit in the form of a lump sum. Rolling the lump sum into another qualified plan or IRA is an option.

73. **If I choose the in-service distribution on 12/1/2026 and still am working for Rockwell and then want to retire on 7/1/2027 for example, do I need to go thru the 'within 90 days' window to apply for the retirement on 7/1/2027?**
The 90-day window related to the pension plan will no longer be needed as you would have already received your pension benefit. Please reach out to your manager to discuss notification procedures. More information on the retirement timeline can be found here: [Retirement Process Timeline – Rockwell Automation (raquickfind.com)]

74. **What is the difference between vested and fully vested?**

There is no difference between the terminology vested and fully vested. Vesting refers to your right to receive a pension benefit from the plan. You are vested in the plan when you:

- Have completed five years of vesting service under the plan, or
- Reach normal retirement age (65) while working for the company.

75. **It would help a lot if there was a published timeline that shows when you must take specific actions in order to get benefits by a certain date. I know that many people are confused by the difference between last day worked and commencement date.**

We will be sending a robust communication in late August/early September with very clear and concise instructions on next steps.

76. **How this will impact accrued vacation by leaving Nov 30th and not waiting until the end of the year?**

Information about your unused vacation balance when you retire from the company can be found here: [unused vacation – Keywords – Rockwell Automation (raquickfind.com)]

77. **For lump sum distribution factors that the Rockwell pension plan uses are the 1st or 2nd or 3rd segment rate?**

As required under Section 417(e)(3) of the Internal Revenue Code the lump sum calculation uses all 3 rates. The three segment rates are used to discount three different time periods. The first rate discounts the first five years, the second discounts years 6-20, and the third discounts years 21+.

78. **How do the 'points' come into play?**

Under the pension plan, points may determine early retirement eligibility. Early retirement eligibility is what drives the reduction factor if you receive your pension benefit prior to Normal Retirement Age. Please see the Benefit Reduction for Early Retirement Table in the SPD: [B006 - Rockwell Automation Pension Plan SPD Salaried Hourly.pdf]

You are early retirement eligible the earlier of:

- The date you reach age 55 or older with at least 10 years of credited serviced, or
- The date you attain 75 or more age/service points, as long as you have at least 10 years of credited service

79. **Does the in-service distribution offer pose any risk to the health of the pension fund?**

Each year in the April timeframe our pension plan participants receive an Annual Funding Notice. This notice provides information regarding the funded status of the plan and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC). Our pension plan trust is healthy, and our plan is large. Working with the Plan's actuaries, we have predicted the in-service distribution liabilities and the estimated impact to the plan's funded status and do not anticipate that this new option will negatively impact the Plan's ability to pay future obligations.