

# Windstream Pension Plan

## Summary Plan Description National Bargaining Unit

January 1, 2018

<b>CWA 3174</b>	<b>CWA 4488</b>
<b>CWA 3371*</b>	<b>CWA 13000</b>
<b>CWA 3372*</b>	<b>IBEW 463*</b>
<b>CWA 3511</b>	<b>IBEW 1189</b>
<b>CWA 3683</b>	<b>IBEW 1507</b>
<b>CWA 3684</b>	<b>IBEW 1929</b>
<b>CWA 3716</b>	<b>IBEW 2089</b>
<b>CWA 4324</b>	<b>IBEW 2374</b>
<b>CWA 4485</b>	

\*This Summary Plan Description applies only to certain Windstream employees covered by the collective bargaining agreements with CWA 3371, CWA 3372, or IBEW 463. Please see the Eligibility section of this Summary Plan Description for details.

This Summary Plan Description does not contain all of the technical details and legal expressions contained in the Plan. Any discrepancies between the Summary Plan Description and the formal Plan document will be resolved in favor of the formal Plan document.

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# WINDSTREAM PENSION PLAN

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# HIGHLIGHTS OF THE WINDSTREAM PENSION PLAN

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This highlights section is intended to give you a quick overview of the Windstream Pension Plan (the "Plan"). It leaves out many details that are necessary to determine your precise pension rights and benefits under the Plan. For more information, please refer to the Summary Plan Description following this Highlights section.

The Plan is a defined benefit retirement plan provided by Windstream. When you are eligible to retire under the Plan, you will receive a monthly benefit based on your years of service and your compensation.

## **Eligibility**

Participation in the Plan was closed effective February 29, 2012. If you were an eligible employee on February 29, 2012, you are eligible to participate in the Plan until your employment terminates or you cease to be an eligible employee. No other persons are eligible to participate in the Plan.

You cease to be an eligible employee if (i) you cease to be covered by the national collective bargaining agreement providing for coverage under the Plan, (ii) you elected to opt-out of the Plan effective September 18, 2016 under the retirement choice program, (iii) on January 1, 2018, if you are represented by the International Brotherhood of Electrical Workers ("IBEW"), and had attained at least 30 Vesting Years of Service on January 1, 2018, or on the day you attain 30 Vesting Years of Service after January 1, 2018, or (iv) on July 7, 2018, if you are represented by the Communications Workers of America ("CWA") and had attained at least 30 Vesting Years of Service on July 8, 2018, or on the day you attain 30 Vesting Years of Service after July 8, 2018.

If you are eligible to participate in the Plan, you became a participant automatically after one year of service, provided you worked at least 1,000 hours during that year.

## **Vesting**

After completing five Vesting Years of Service during which you worked at least 1,000 hours per year, you are 100% vested, which means you will be entitled to a pension at retirement. Service credit for vesting purposes may be given for service with certain companies acquired by Windstream Services, LLC.

## **Retirement Eligibility**

Normal retirement under the Plan is age 65. However, you may retire early

- with 30 Vesting Years of Service if you are employed on or after January 1, 2018 in a position represented by the IBEW,
- with 30 Vesting Years of Service if you are employed on or after July 1, 2018 in a position represented by the CWA,
- on or after attaining age 60 if you have 15 or more Vesting Years of Service, or
- on or after attaining age 55 if you have 20 or more Vesting Years of Service.

The monthly pension benefit for early retirement with 30 Vesting Years of Service is unreduced for early commencement. The other early retirements may result in a reduced monthly pension benefit to account for the expected longer retirement period.

## Normal Form of Benefit Payments

The normal form of payment generally is a life annuity (monthly payments for your lifetime only). However, if you are married at your retirement, the normal form of payment is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse. Your spouse generally must consent (with the consent witnessed by a notary) to your election of another form of payment.

## Windstream Spinoff

If you were a participant in the Alltel Corporation Pension Plan (the "prior Alltel Plan") and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, you automatically became a participant in the Plan when your benefit was transferred from the prior Alltel Plan. Your years of service under the Plan include your years of service under the prior Alltel Plan.

## Pension Formula

Your pension benefit generally is based on your Benefit Service, Benefit Percentage and Average Monthly Compensation. For each year of service you complete, you accrue a certain Benefit Percentage – generally 1.50%. If you had a prior Alltel Plan benefit transferred to the Plan, your Benefit Percentage may range from 1.00% to 1.72% depending on your age and the calendar year. The sum of those Benefit Percentages is applied to your Average Monthly Compensation to determine your pension benefit.

If you have 30 Vesting Years of Service, your Benefit Service, Benefit Percentage and Average Monthly Compensation are determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

The following table shows a sample calculation (with a prior Alltel Plan benefit) for a participant who did not elect to opt-out of the Plan effective September 17, 2016 under the retirement choice program.

### Calculating Your Pension Benefit – Example

Age	Calendar Year	Benefit Percentage
30	1990	1.4%
31	1991	1.425%
32	1992	1.45%
33	1993	1.5%
34	1994	1.5%
35	1995	1.5%
36	1996	1.5%
37	1997	1.5%
38	1998	1.5%
39	1999	1.5%
40	2000	1.5%

41	2001	1.5%
42	2002	1.5%
43	2003	1.5%
44	2004	1.5%
45	2005	1.5%
46	2006	1.5%
47	2007	1.5%
48	2008	1.5%
49	2009	1.5%
50	2010	1.5%
51	2011	1.5%
52	2012	1.5%
53	2013	1.5%
54	2014	1.5%
55	2015	1.5%
56	2016	1.5%
57	2017	1.5%

Total Benefit Percentage	41.775%
Average Monthly Compensation	<u>x \$2,500.00</u>
Total Accrued Pension (monthly)	\$1,044.38

The total accrued pension of \$1,044.38 represents your monthly pension benefit payable in the form of a life annuity (monthly payments for your lifetime) upon attainment of age 65. If you are married, the normal form of payment is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your benefit is based on your benefit service, benefit percentage and average monthly compensation through September 17, 2016.

Total Benefit Percentage (through Sept. 17, 2016)	39.775%
Average Monthly Compensation (through Sept. 17, 2016)	<u>x \$2,434.97</u>
Total Accrued Pension (monthly)	\$968.51

The total Accrued Pension of \$968.51 represents your monthly pension benefit payable in the form of a life annuity (monthly payments for your lifetime) upon attainment of age 65. Your total Accrued Pension payable upon attainment of age 65 will not change based on your continued employment with Windstream after September 17, 2016. Your continued employment with Windstream, however, can affect your Years of Vesting Service (e.g., for purposes of eligibility for early retirement). If you are married, the normal form of payment is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.

### **Factors Affecting Your Pension Benefit**

Your pension benefit might differ from the example above for many reasons, such as:

- retirement before or after age 65
- termination of employment *or cease to be an eligible employee on or after February 29, 2012* (e.g., through an election to opt-out of the Plan effective September 18, 2016 under the retirement choice program)

- employment by a nonparticipating Windstream company during your career
- accruals under a different formula (such as prior to 1990 under the prior Alltel Plan)
- accruals under a merged plan
- payment in an optional form
- attainment of 30 Vesting Years of Service

Please refer to the Appendix II: Examples for illustrations of some of these calculations.

### **Termination of Employment Prior to Retirement**

If your employment terminates before you have reached retirement age but after you have five Vesting Years of Service, you qualify for a benefit. This benefit is equal to your accrued pension benefit at the time your employment terminates. You may begin receiving your benefit when you reach normal retirement age (generally age 65) or at age 60 if you have 15 years of service, or age 55 if you have 20 years of service.

### **Death Prior to Retirement**

If you are married and die before you start receiving your vested pension benefit, your spouse will receive a pension for life beginning as of the date you would have been eligible to retire. You and your spouse must have been married for at least one year before your death. The surviving spouse pension is equal to the amount payable if your vested pension benefit were paid in the form of Option B (50% Spouse Option – Without Reversion) and then you died.

# Windstream Pension Plan

## Summary Plan Description

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This Summary Plan Description (SPD) provides a summary of the employee benefits included in the Windstream Pension Plan (effective as of January 1, 2018). Certain capitalized terms such as Normal Retirement Date or Vesting Year of Service are defined in Appendix I: Important Terminology.

Generally, this SPD applies to you if you are actively employed on or after January 1, 2018. If your employment terminated or if you retired before January 1, 2018, your rights and benefit amounts are described in earlier SPDs. This SPD has been prepared specifically for employees of Windstream New York, Inc., Windstream Pennsylvania, LLC, Windstream North Carolina, LLC, Windstream Florida, LLC, Windstream Ohio, LLC, Windstream Mississippi, LLC, Windstream Western Reserve, LLC, and Windstream Kentucky East, LLC who are covered by the terms of a collective bargaining agreement that provides for their participation in the Plan. For employees of Windstream Kentucky East, LLC this SPD is only for employees in CWA 3371 or 3372 bargaining units hired or rehired after October 4, 2003 and employees in IBEW 463 bargaining unit hired or rehired after February 7, 2004. Separate SPDs have been prepared for other Windstream employees, including those who are not covered by a collective bargaining agreement. A separate SPD has been prepared for bargaining unit employees of Windstream Kentucky East, LLC who have been employed with Alltel (then Windstream) and a member of CWA 3371 or 3372 since October 4, 2003 or have been employed with Alltel (then Windstream) and a member of IBEW 463 since February 7, 2004.

You are eligible to participate in the Plan only if you were employed on February 29, 2012 (and have not terminated employment or ceased to be an eligible employee on or after that date). If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, you were eligible to participate in the Plan through September 17, 2016. Your eligibility to participate also will end (i) on January 1, 2018, if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018, or on the day you attain 30 Vesting Years of Service after January 1, 2018, or (ii) on July 7, 2018, if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018, or on the day you attain 30 Vesting Years of Service after July 8, 2018.

Except in limited circumstances (e.g., a Qualified Domestic Relations Order as discussed on page 24), your pension is for the exclusive benefit of you and your spouse upon retirement. As such, it is generally not subject to the claims of creditors. Also, you may not borrow against your pension or pledge it as collateral.

This SPD summarizes the most important features of the Plan. Please note that any summary of the Plan is subject to the actual terms of the Plan as set forth in the executed documents. This SPD is intended to be only an outline and does not modify the actual Plan document, which is available for your inspection through the Plan Administrator. This SPD fulfills disclosure requirements of the Employee Retirement Income Security Act of 1974 and describes the Plan including the most recent changes.

## **ELIGIBILITY**

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You are eligible to participate in the Plan if:

- You are employed as a regular employee of Windstream Services, LLC or a related entity that has adopted the Plan for a class of employees that includes you;



- You work at least 1,000 hours during the 12-month period beginning on your employment commencement date or during any calendar year thereafter; and
- You are covered by a collective bargaining or other agreement that provides for your participation in the Plan.
- Your eligibility to participate under the Plan has not otherwise ended (*e.g.*, through an election to opt-out of the Plan effective September 18, 2016 under the retirement choice program).

## ENROLLMENT

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Participation in the Plan was closed effective February 29, 2012. If you were an eligible employee on February 29, 2012, you are eligible to participate in the Plan until your employment terminates or you cease to be an eligible employee. No other persons are eligible to participate in the Plan.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, you were eligible to participate in the Plan through September 17, 2016. Your eligibility to participate also will end

- on January 1, 2018, if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018,
- the day you attain 30 Vesting Years of Service after January 1, 2018 while in a position represented by the IBEW,
- on July 7, 2018, if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018, or
- the day you attain 30 Vesting Years of Service after July 8, 2018 while in a position represented by the CWA.

If you are eligible to participate in the Plan, you became a participant automatically after one year of service, provided you worked at least 1,000 hours during that year. You are automatically enrolled in the Plan on your first anniversary of employment if you worked at least 1,000 hours during that 12-month period. If you worked less than that, Plan participation starts on the January 1 following the first calendar year in which you work at least 1,000 hours. Throughout this SPD, the term "hours worked" includes all hours of service credited to you, including hours credited for certain periods for which you are paid but perform no services (for example, paid vacation).

If you were a participant in the Alltel Corporation Pension Plan (the "prior Alltel Plan") and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, you automatically became a participant in the Plan when your benefit was transferred to the Plan from the prior Alltel Plan.

## COSTS

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Windstream pays the full cost of the Plan. Employee contributions are not required.

## PENSION BENEFIT FORMULA

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Your pension benefit is based on your Benefit Percentage applied to your Average Monthly Compensation. Your Benefit Percentage is equal to the sum of the percentage accrual rates applicable to each year (and fractional year) of your Benefit Service. The Benefit Percentage is generally 1.50%. If you had a prior Alltel Plan benefit transferred to the Plan, your benefit percentage may range from 1.00% to 1.72%, depending on the calendar year and your age. Please refer to Appendix I: Important Terminology, "Benefit Percentage," for a complete listing of the Benefit Percentages for each calendar year.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your benefit is based on your Benefit Service, Benefit Percentage and Average Monthly Compensation through September 17, 2016. If you have 30 Vesting Years of Service, your Benefit Service, Benefit Percentage and your Average Monthly Compensation are determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

The following table shows a sample calculation (with a prior Alltel Plan benefit) for a participant who did not elect to opt-out of the Plan effective September 17, 2016 under the retirement choice program.

<b>Age</b>	<b>Calendar Year</b>	<b>Benefit Percentage</b>
30	1990	1.4%
31	1991	1.425%
32	1992	1.45%
33	1993	1.5%
34	1994	1.5%
35	1995	1.5%
36	1996	1.5%
37	1997	1.5%
38	1998	1.5%
39	1999	1.5%
40	2000	1.5%
41	2001	1.5%
42	2002	1.5%
43	2003	1.5%
44	2004	1.5%
45	2005	1.5%
46	2006	1.5%
47	2007	1.5%
48	2008	1.5%
49	2009	1.5%
50	2010	1.5%

51	2011	1.5%
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Average Monthly Compensation	<u>x \$2,500.00</u>
Total Accrued Pension (monthly)	\$1,044.38

The total Accrued Pension of \$1,044.38 represents your monthly pension benefit payable in the form of a life annuity (monthly payments for your lifetime) upon attainment of age 65. If you are married, the normal form of payment is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your benefit is based on your Benefit Service, Benefit Percentage and Average Monthly Compensation through September 17, 2016.

Total Benefit Percentage (through Sept. 17, 2016)	39.775%
Average Monthly Compensation (through Sept. 17, 2016)	<u>x \$2,434.97</u>
Total Accrued Pension (monthly)	\$968.51

The total Accrued Pension of \$968.51 represents your monthly pension benefit payable in the form of a life annuity (monthly payments for your lifetime) upon attainment of age 65. Your total Accrued Pension payable upon attainment of age 65 will not change based on your continued employment with Windstream after September 17, 2016. Your continued employment with Windstream, however, can affect your Vesting Years of Service (e.g., for purposes of eligibility for early retirement). If you are married, the normal form of payment is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.

**The calculation for your total Accrued Pension might differ from this formula. Please refer to "Accrued Pension" under *Appendix I: Important Terminology* and *Appendix II: Examples* for more detailed information and illustrations.**

## **TYPES OF PENSION BENEFITS**

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The Plan provides pension benefits under the following conditions (each is explained in detail on the following pages):

1. A Normal Retirement Pension is payable if you retire on or after your Normal Retirement Date, generally at or after age 65.
2. A 30-Year Early Retirement is payable if you retire with 30 Vesting Years of Service and either are employed on or after January 1, 2018 in a position

represented by the IBEW or are employed on or after July 1, 2018 in a position represented by the CWA.

3. A 55/20 Early Retirement Pension is payable if you retire on or after age 55 and have at least 20 Vesting Years of Service.
4. A 60/15 Early Retirement Pension is payable if you retire on or after age 60 and have at least 15 Vesting Years of Service but less than 20 Vesting Years of Service.
5. A Disability Retirement Pension may be payable if you become totally and permanently disabled after you have at least 10 Vesting Years of Service. This benefit is not available if you are covered by another Windstream benefit plan providing long-term disability benefits.
6. A Deferred Vested Pension is normally payable at age 65 if your employment terminates after you have at least five Vesting Years of Service. This benefit may be taken as early as age 55 if you have at least 20 Vesting Years of Service when your employment terminates or as early as age 60 if you have at least 15 Vesting Years of Service when your employment terminates.
7. A Death Benefit for Spouses may be payable to your spouse if you have been married for a year, are vested, and die prior to the start of benefit payments.

## **Normal Retirement Pension**

### **Normal Retirement Date**

Your Normal Retirement Date is the later of the last day of the month in which you reach age 65 or the last day of the month in which your fifth anniversary of participation occurs.

### **Benefit Amount and Payment**

When you retire from Windstream on or after your Normal Retirement Date, you are entitled to a monthly pension from the Plan for as long as you live. However, see the discussion of optional forms of retirement benefit payments discussed in later sections of this SPD. Your pension payments start on the first of the month following your retirement, provided you have completed all required application materials.

Your monthly Normal Retirement Pension will be equal to your Accrued Pension at the date you retire. (See Appendix II: Examples of Benefit Calculations.)

Your Accrued Pension will not change after retirement. All benefits are determined by the facts and Plan provisions applicable at or prior to your retirement or termination of employment.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your Accrued Pension will not change after September 17, 2016. Your Accrued Pension will also not change (i) after January 1, 2018, if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018, or after the day you attain 30 Vesting Years of Service after January 1, 2018, or (ii) after July 7, 2018, if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018, or after the day you attain 30 Vesting Years of Service after July 8, 2018.

The Normal Retirement Pension payable under the Plan is independent of, and in addition to, any Social Security payments you receive for yourself and for your spouse.

### **Employment After Age 65**

Subject to your continued ability to perform your duties, your employment may continue beyond your Normal Retirement Date. Your pension will not commence until you actually terminate employment, except as described below under the age 70½ commencement rule. You will continue to accrue benefits as long as you work in a covered classification and are eligible to participate in the Plan.

### **Mandatory Distributions after Age 70½**

You must begin receiving your pension by April 1 of the calendar year following age 70½, even if you are actively employed.

### **Return to Work After Retirement**

If you are reemployed by a Windstream company after you retire, your Plan benefit will be suspended during reemployment except as described above under the age 70½ commencement rule. If you go to work for someone else or if you start your own business after you retire, payments from the Plan will continue. Social Security payments may, however, be reduced or stopped while you are so employed.

## **30-Year Early Retirement Pension**

You qualify for a 30-Year Early Retirement Pension if, upon termination of employment, you have 30 Vesting Years of Service and either you were employed on or after January 1, 2018 in a position represented by the IBEW or were employed on or after July 1, 2018 in a position represented by the CWA.

If you qualify for the 30-Year Early Retirement, your monthly pension benefit will be equal to your Accrued Pension at your termination of employment, without reduction for early commencement (*i.e.*, commencement before age 65). You may elect to start this Early Retirement Pension at any time after your termination of employment. You may defer the start of payments until age 65, or even up until mandatory distribution on April 1 following age 70½.

## **55/20 Early Retirement Pension**

You qualify for a 55/20 Early Retirement Pension if, upon termination of employment, you have attained age 55 and have 20 or more Vesting Years of Service.

If you qualify for 55/20 Early Retirement, your monthly benefit will be equal to your Accrued Pension at your termination of employment, reduced for early commencement (*i.e.*, commencement before age 65). You may defer the start of payments until age 65, or even up until mandatory distribution on April 1 following age 70½.

You may elect to start this Early Retirement Pension at any time after age 55. If you do so, your monthly pension is calculated by multiplying your Accrued Pension by the appropriate Early Commencement Reduction Factor (ECRF) to compensate for the longer period over which the benefit is expected to be paid. The ECRFs for 55/20 Early Retirement are shown below for exact ages; the ECRF is prorated for a fractional age.

<b>Commencement Age</b>	<b>Early Commencement Reduction Factor</b>
55	0.8500
56	0.8800

57	0.9100
58	0.9400
59	0.9700
60	1.0000
61	1.0000
62	1.0000
63	1.0000
64	1.0000
65	1.0000

**Under 55/20 Early Retirement, the ECRF for ages 60 and older is "1.0000." This means that there is no reduction for early commencement after age 60.**

### **60/15 Early Retirement Pension**

You qualify for the 60/15 Early Retirement Pension if, upon termination of employment, you have attained age 60 and have at least 15, but not more than 20 Vesting Years of Service.

If you qualify for 60/15 Early Retirement, your monthly benefit will be equal to your Accrued Pension at your termination of employment, reduced for early commencement (*i.e.*, commencement before age 65). You may defer the start of payments until age 65, or even up until mandatory distribution on April 1 following age 70½.

You may elect to start this Early Retirement Pension at any time after age 60. If you do so, your monthly pension is calculated by multiplying your Accrued Pension by the appropriate Early Commencement Reduction Factor (ECRF) to compensate for the longer period over which the benefit is expected to be paid. The ECRFs for 60/15 Early Retirement are shown below for exact ages; for a fractional age the ECRF is prorated.

Commencement Age	Early Commencement Reduction Factor
60	0.8500
61	0.8800*
62	1.0000
63	1.0000
64	1.0000
65	1.0000

*\* To prorate between age 61 and 62, use 0.9100 ECRF for age 62.*

## Disability Retirement Pension

If you are covered by a Windstream long-term disability (LTD) plan, this section does not apply to you.

If this section applies to you, you may qualify for a Disability Retirement Pension, if, before attaining age 65 while actively employed with Windstream and after completing 10 or more Vesting Years of Service, in the sole determination of the Plan Administrator, you become so disabled by reason of any medically demonstrable physical or mental condition as to be totally and permanently unable to engage in your work for remuneration or profit. Note that there are some restrictions: if your disability resulted from felonious conduct; alcoholism; drug addiction; self-inflicted injury or illness; employment other than by Windstream; or armed forces service for which a government disability is payable; you would not qualify for a Disability Retirement Pension.

Your Disability Retirement Pension will be your Accrued Pension at your disablement, payable monthly until the earliest of the date:

- You recover;
- You elect an Early Retirement Pension or Normal Retirement Pension for which you are eligible;
- You reach age 65 and you become eligible for a Normal Retirement Pension; or
- You die.

**The Disability Retirement Pension is reduced by benefits you receive from certain governmental plans (such as Workers' Compensation, but not Social Security) to which your employer contributes. There is no ECRF reduction for early commencement. (Any of the Accrued Pensions shown in Appendix II: Examples could be payable in the same amount as a Disability Retirement Pension if no reductions apply.)**

Once you are eligible for a Normal Retirement Pension, your monthly Disability Retirement Pension from the Plan will cease and you will be eligible for a Normal Retirement Pension of your Accrued Pension at the time of your disablement. Prior to age 65, if you are eligible for an Early Retirement Pension, you may elect to receive the Early Retirement Pension in lieu of any further Disability Retirement Pension.

### Discontinuation of Disability Retirement Pension

If, before age 65, the Plan administrator finds that you are no longer totally and permanently disabled (or you do not submit to a required medical examination), your Disability Retirement Pension will cease. You will also be required to repay any amounts that you received while you were not totally and permanently disabled. You will, however, retain vested rights to a pension as discussed later.

If you recover from your disability and return to work with Windstream, your Vesting and Benefit Service up to the date of your Disability Retirement will be reinstated.

If you recover from your disability but do not return to work with Windstream, your Disability Retirement Pension will cease, but you will be entitled to a Deferred Vested

Pension or an Early Retirement Pension if you had met the age and service requirements at the time of your disablement.

## **Deferred Vested Pension**

You are eligible for a Deferred Vested Pension if your employment terminates before you become eligible for Normal, Early, or Disability Retirement but after you have at least five Vesting Years of Service.

If you qualify for a Deferred Vested Pension, your benefit will be equal to your Accrued Pension at your termination of employment payable monthly commencing with the month following the month you attain your Normal Retirement Date.

Instead of receiving a monthly pension starting at your Normal Retirement Date, you may elect to receive a monthly pension at any time after your 55th birthday as long as you had at least 20 Vesting Years of Service before you terminated employment, or at any time after your 60th birthday as long as you had at least 15 Vesting Years of Service before you terminated employment. In either case, your benefit, if taken before age 65, is calculated by multiplying your Accrued Pension by the appropriate Early Commencement Reduction Factor (ECRF) to compensate for the longer period over which the benefit is expected to be paid.

Listed below are the ECRFs for starting a Deferred Vested Pension for exact ages; for a fractional age, the ECRF is prorated.

<b>Commencement Age</b>	<b>Early Commencement Reduction Factor</b>
55	0.4000
56	0.4600
57	0.5200
58	0.5800
59	0.6400
60	0.7000
61	0.7600
62	0.8200
63	0.8800
64	0.9400
65	1.0000

## **Reemployment**

If you are a Plan participant but your employment terminates before you have five Vesting Years of Service, you generally forfeit all of your rights to service credit and benefits under the Plan. If you return to Windstream before you have five consecutive one-year breaks in service, your pre-break service credit and benefits will be reinstated under the Plan. Prior Plan participants may contact the Plan Administrator in writing concerning questions about reinstatement of service credits and benefits under the Plan.



## **Death Benefit for Spouses**

(Qualified Preretirement Survivor Annuity)

If you die after you have five or more Vesting Years of Service but before you retire, your spouse will receive a pension for life — either immediate or deferred, as applicable — provided that you have been married to your spouse for at least one year.

If you have already retired and started your pension, this section does not apply to you since the provisions governing your payments are determined by the form of payment in effect.

If you die, benefits to your spouse start as follows:

1. If you die after your 65th birthday, the Death Benefit for Spouses starts right away.
2. If you die while currently eligible for 30-Year, 55/20 or 60/15 Early Retirement, the Death Benefit for Spouses may start right away or your spouse may elect to defer commencement until you would have reached age 65.
3. If you die before age 55 but after completing 20 or more Vesting Years of Service, your spouse may elect to start the Death Benefit for Spouses any time between the dates you would have reached ages 55 and 65.
4. If you die before age 60 but after completing at least 15 — but less than 20 — Vesting Years of Service, your spouse may elect to start the Death Benefit for Spouses any time between the dates you would have reached ages 60 and 65.
5. Finally, if you die after completing at least five but less than 15 Vesting Years of Service, the Death Benefit for Spouses will start when you would have reached age 65.
6. In all cases, your spouse must survive until the Death Benefit for Spouses is due to start to receive the benefits. It will not be paid to your spouse's estate or other beneficiaries.
7. If the Death Benefit for Spouses is \$5,000 or less in present value, the Death Benefit for Spouses will be "cashed out" by paying its value in a single sum.

### **Amount of Death Benefit for Spouses**

If the benefit starts right away, your spouse will receive a life annuity in the same amount he or she would have received if you had retired on your date of death and taken your pension under the terms of Option B (50% Spouse Option – Without Reversion).

If the benefit doesn't start until sometime in the future, your spouse will receive the benefit he or she would have received based on three assumptions:

1. The amount of your Accrued Pension on your date of death;
2. You and your spouse surviving until the desired commencement date (which must be on or after the earliest age your benefit could have started); and
3. Your retiring at such commencement date and taking your pension under the terms of Option B (50% Spouse Option – Without Reversion).

Examples of these provisions are found in Appendix II, Example D.

## OPTIONAL FORMS OF RETIREMENT BENEFIT PAYMENTS

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Normally, your pension is payable as a life annuity, with payments ceasing at your death. However, other optional forms of payment may be available, as listed below.

**If you are married at your normal or early retirement, your pension will be paid in the form of Option B (50% Spouse Option – Without Reversion) unless (i) you elect Option A, Option D, Option E, or Option G or (ii) you elect another form of payment and your spouse consents in writing to your election (and the consent is witnessed by a notary). You must retire from Windstream with an early or normal retirement pension to elect an option other than a life annuity, Option B, Option G, or Option H (if eligible). If you are eligible to receive a Deferred Vested Pension, you may only elect, if single, a lifetime annuity or Option H (if eligible), or, if married, a life annuity, Option B, Option G, or Option H (if eligible). If you are married and elect a lifetime annuity or Option H (if eligible) for your Deferred Vested Pension, your spouse must consent to your election in writing (and the consent must be witnessed by a notary).**

If you are eligible for and elect Option A, B, D, E, or G (described below) and die before your spouse, benefits will be paid to your spouse under the applicable Option. For purposes of these Options, spouse is defined to be the person to whom you are married for Federal tax purposes at the time your benefit commences. If you desire to share your benefit with some other person, you may elect Option C and designate that person as your beneficiary. You may also elect a single sum payment (Option H) if (i) you are employed on or after May 18, 2017 in a position represented by the IBEW or (ii) beginning July 1, 2018 if you are employed on or after December 18, 2017 in a position represented by the CWA. If you are married, your spouse must consent to your selection in writing (and the consent must be witnessed by a notary).

Your election of an option may not be changed or revoked after your benefits commence and, in most cases, after the date your benefits are scheduled to commence. Note that you are eligible to elect options other than the life annuity, Option B, Option G and Option H only if you are eligible for Normal Retirement, 30-Year Early Retirement, 55/20 Early Retirement or 60/15 Early Retirement.

### **Option A (100% Spouse Option – Without Reversion)**

A monthly retirement income payable in a reduced amount for your life (no change if your spouse dies first), continuing thereafter in the same reduced amount for the life of your spouse.

### **Option B (50% Spouse Option – Without Reversion)**

A monthly retirement income payable in a reduced amount for your life (no change if your spouse dies first), continuing thereafter in one-half of the reduced amount for the life of your spouse. An exception applies if you were not early or normal retirement eligible when your employment ended. In this case, if you die first, and before you and your spouse have been married for at least one year, no benefit will be payable to your spouse.

If you are married at the time your pension commences, payment under Option B is mandatory unless (i) you elect Option A (if eligible), Option D, Option E, or Option G or (ii) you elect another form of payment and your spouse consents in writing to your election (and the consent is witnessed by a notary).

**Option C (Ten-Year Certain and Continuous Option)**

A monthly retirement income payable in a reduced amount for your life. If you should die prior to receiving 120 monthly payments, payments will continue for the balance of the 120-month period to a beneficiary you designate. If there is no named beneficiary, the payments, or their present value, will be paid to your estate.

**Option D (100% Spouse Option — With Reversion)**

A monthly retirement income payable in a reduced amount while you and your spouse are alive, continuing thereafter in the same reduced amount for the life of your spouse if you should die first, or reverting to the original unreduced amount and continuing thereafter for your life if your spouse should die first.

**Option E (50% Spouse Option — With Reversion)**

A monthly retirement income payable in a reduced amount while you and your spouse are alive, continuing thereafter in one-half of the reduced amount for the life of your spouse if you should die first, or reverting to the original unreduced amount and continuing thereafter for your life if your spouse should die first.

**Option G (75% Spouse Option — Without Reversion)**

A monthly retirement income payable in a reduced amount for your life (no change if your spouse dies first), continuing thereafter in three-quarters of the reduced amount for the life of your spouse. An exception applies if you were not early or normal retirement eligible when your employment ended. In this case, if you die first, and before you and your spouse have been married for at least one year, no benefit will be payable to your spouse.

**Option H (Single Sum Payment)**

A single sum payment of your entire benefit. No further benefits are payable to you, your spouse or beneficiary.

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## **SMALL BENEFIT CASH SETTLEMENTS**

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Specific circumstances can result in a relatively small pension being payable. If your benefit has a present value of \$5,000 or less, the benefit will be "cashed out" by paying its value in a single sum. You may make an election between a cash payment or a direct rollover of your lump sum payment. Other payment options are not available. If your benefit exceeds \$1,000 in present value, but is \$5,000 or less, and you do not make an election between a cash payment or direct rollover of your lump sum payment, an automatic direct rollover of your lump sum payment will be made to an IRA. The IRA will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. You will be responsible for fees and expenses of the IRA. For further information regarding the Plan's automatic rollover provisions, IRA provider, and fees and expenses of the IRA, call a Merrill Lynch Service Representative at 1-800-228-4015.

If you receive a full cash settlement of your benefit, all of your rights to Benefit Service are cancelled. If you return to Windstream, you will be considered a new employee and not eligible to participate in the Plan. However, if your cash settlement, together with prior cash settlements, was less than the present value of your Accrued Pension, and you repay the cash settlement with interest at a specified rate, your prior Benefit Service will

be reinstated. Your repayment must be made before the earlier of five years after your reemployment or the close of the period after your distribution in which you incur five consecutive one-year breaks in service following the cash settlement.

If the present value of the spouse's pre-retirement benefit (if applicable) is \$5,000 or less, the benefit will be paid in a single sum.

## **PARTICIPATION IN PRIOR PLANS**

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If you were a participant in the prior Alltel Plan and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, you automatically became a participant in the Plan when your benefit was transferred from the prior Alltel Plan. Your years of service under the Plan include your years of service under the prior Alltel Plan.

An employee who was a participant in a prior plan immediately before its merger into the Plan (or prior Alltel Plan) may be entitled to certain minimum benefits attributable to years of service up to the date of merger. The minimum benefit is generally equal to the benefit to which the employee would have been entitled if he or she retired or terminated as of the merger date, adjusted to a life annuity basis and further adjusted for any refund of employee contributions made under such plan prior to the merger date.

Some prior plan participants retain a preretirement death benefit that is being maintained in force at company cost. In addition, some prior plan participants retain liberalized eligibility requirements with respect to certain classes of benefits or may be eligible for additional optional forms of benefit with respect to their benefits attributable to the prior plans.

If you participated in a prior plan that merged into the Plan (or the prior Alltel Plan), you may receive a supplemental Appendix about your benefits under the prior plan (e.g., if any important features of those benefits are not described in this SPD). Prior plan participants may also contact the Plan Administrator with any additional questions concerning their benefits.

## **SOCIAL SECURITY PAYMENTS**

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When you retire, you may receive income from Social Security. This is in addition to your pension from the Plan. Here is a brief review of benefits provided by the law in effect in 2018.

Social Security is payable in full when you retire at age 65 unless you were born after 1937, in which case unreduced benefits will be payable at later ages (up to age 67). Your spouse receives 50% of your benefit, if also of full retirement age. Reduced amounts are payable in either case as early as age 62.

Social Security pays income benefits to you and eligible dependents if you are disabled. Also, benefits are payable to eligible surviving family members if you should die. In any event, you must apply for Social Security benefits; they are not paid automatically. You and your employer each pay equal taxes on your earnings toward the cost of Social Security.

This commentary is general. Your actual eligibility for Social Security benefits will be determined by Social Security's own rules and requirements, which are different from those of the Plan.

It is a good idea during your active career to make sure your Social Security earnings record is correct. A Social Security Statement can be requested online at [www.ssa.gov](http://www.ssa.gov) or by using Form SSA-7004, which is available from your local Social Security field office listed under "United States Government" in your local telephone directory.

You may apply for your Social Security payments online at [www.ssa.gov](http://www.ssa.gov) or at your local Social Security field office (call the Social Security field office for an appointment and regarding what information to bring).

## **APPLYING FOR A PENSION**

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A request for a pension application or pension estimate may be obtained from the Merrill Lynch Call Center 1-800-228-4015 or go to [www.benefits.ml.com](http://www.benefits.ml.com). Forms should be prepared according to the instructions attached to the Pension Package. To avoid delayed payments, the complete Pension Package, including all required attachments, should reach the Plan Administrator (at the address designated in the Pension Package) at least 30 days prior to the commencement date of a pension.

For your elections regarding your pension benefit to be valid, you should be aware that federal law requires that you be given certain information in your Pension Package and that you make your elections regarding your pension benefit within strict time limits. You must receive the "Pension Package" before, but not more than 180 days before, your designated pension commencement date. You will have 180 days from the date of your Pension Package to make your election. (If your election is made after your designated pension commencement date, payments will be made retroactive to your designated pension commencement date.)

## **ADMINISTRATION AND FUNDING OF THE PLAN**

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The Plan Administrator (and its delegates) is responsible for the administration of the Plan and has discretionary authority to interpret and construe the terms of the Plan, to determine your eligibility for benefits under the Plan and to resolve any disputes that arise under the Plan. Benefits will be paid only if the Plan Administrator (or its delegate) decides in its discretion that the applicant is entitled to benefits under the Plan.

The amount of your employer's contributions to the Plan is determined by an actuary for the Plan. The Plan's actuary evaluates the Plan annually and recommends adjustments to the contribution level on the basis of Plan experience.

Your employer's contributions are placed in a trust fund from which benefits are paid when due. Investment income, including gains and losses, are also part of the trust fund assets. It is anticipated, but not guaranteed, that these monies will be sufficient to provide the benefits specified under the Plan.

The expenses of administration of the Plan and the trust fund are paid from the trust fund or, upon election, by your employer.

## **AMENDMENT AND TERMINATION OF THE PLAN**

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Windstream intends that the Plan will be maintained on a permanent basis, but reserves the right, in its sole discretion, to amend the Plan or to terminate the Plan at any time

through action of its Board of Directors or the Board of Directors' delegate. If the Plan is ever terminated:

1. Benefit accruals will cease, but all Accrued Pensions will become fully vested in the respective participants.
2. Assets in the trust fund will be used to provide these benefits, and no assets will be used for any other purpose until the complete satisfaction of all such Accrued Pension obligations. After these obligations are met, any excess assets may revert to Windstream.
3. If the Plan should be terminated at a time when the liabilities exceed the assets, and the deficiency is not made up, all of the assets will be allocated to retired and active participants in accordance with the provisions of applicable federal laws and regulations.

## **RECEIVING LESS THAN YOU EXPECTED**

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You may lose your benefit or receive less than you expect from the Plan in the following circumstances:

- Participation in the Plan was closed effective February 29, 2012. If your employment terminates or you cease to be an eligible employee, you will not be eligible to participate again in the Plan.
- A delay in filing a proper application on a timely basis.
- Death prior to commencement of retirement benefits (if you are not married, the Plan does not provide any pre-retirement death benefits).
- Death of a pensioner who has not taken an optional payment form with a death benefit.
- Death of a participant or a pensioner, prior to being married for one year (spouse death benefits may not apply).
- A "break in service" due to termination prior to completing five Vesting Years of Service. Generally, a "one-year-break-in-service" is incurred if you work less than 500 hours in a calendar year. If your number of consecutive one-year-breaks-in-service is five or more and exceeds your previously earned Vesting Years of Service (based on 1,000 hours of service in a calendar year equaling a full year), you lose Vesting and Benefit Service previously earned. Of course, this rule does not apply to anyone who is vested (*i.e.*, five or more Vesting Years of Service) because vested participants almost always retain Vesting and Benefit Service.
- Termination of the Plan prior to full funding of benefits attributable to service prior to the termination date. In the event of termination of the Plan, assets are to be allocated to retired and active participants in accordance with the provisions of applicable federal laws and regulations.
- Calculation errors discovered by subsequent audit.
- The collective bargaining agreement does not provide for participation in the Plan.
- Delay of retirement beyond initial eligibility date.

- Failing to defer commencement of your retirement benefit (*e.g.*, your benefit may be reduced by an Early Commencement Reduction Factor).
- Reemployment of a pensioner by Windstream (resulting in a suspension of benefit payments).
- Recovery from total and permanent disability.
- Receipt of governmental benefits paid for by Windstream while otherwise eligible for a Disability Retirement Pension.
- You cannot assign, transfer or attach your benefits nor use them as collateral for a loan. Your benefits can be assigned or attached by others in certain circumstances (*e.g.*, wrongdoing involving the plan, offsets for overpayments, and certain domestic relations orders). See also discussion of Qualified Domestic Relations Orders below.
- Amendment of the Plan.
- The Internal Revenue Code limits the annual benefit that you can receive from the Plan and all other tax-qualified plans maintained by Windstream companies. These limits generally affect highly compensated employees.
- The Internal Revenue Code limits the amount of compensation that may be considered under the Plan. This limit is \$275,000 for 2018.
- Benefits will be paid only if the Plan Administrator (or its delegate) decides in its discretion that the applicant is entitled to benefits under the Plan.
- Certain restrictions on the payment of lump-sums, amendments increasing plan benefits, and future benefit accruals apply if the funding percentage of the Plan falls below certain thresholds. You will be notified if any of these restrictions become applicable under the Plan.
- The Plan is required by law to withhold taxes on payments from the Plan according to federal and state withholding rules in effect at the time of distribution. You will want to consult with your personal tax advisor regarding the tax treatment of your pension benefits.
- If you are overpaid from the Plan, the Plan Administrator may offset your current or future benefit payments or seek cash reimbursement to recover the overpayments.
- You do not keep the Plan Administrator advised of your current address so that you may receive Plan information in a timely manner.
- The single sum payment amount of your Plan benefit may increase or decrease based on changes in the mortality table and/or interest rate used to calculate the single sum payment.
- You do not make and/or appeal claims in accordance with the Plan's strict time limits.
- The formal Plan document is controlling if there are any discrepancies between the Plan document and this SPD.

**This Summary Plan Description (SPD) is for informational purposes and is not legally binding. This SPD does not contain all of the technical details and legal expressions contained in the formal Plan documents. Any discrepancies between this SPD and the formal Plan documents will be resolved in favor of the formal Plan documents. The Plan Administrator (and its delegates) shall have the discretionary power and authority to construe the provisions of the Plan and to make factual determinations in deciding whether an applicant is entitled to benefits under the Plan.**

## **QUALIFIED DOMESTIC RELATIONS ORDERS**

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A "Qualified Domestic Relations Order" is a court order relating to child support, alimony or marital property that assigns all or a portion of your benefit to an alternate payee (*e.g.*, former spouse). Domestic relations orders must be submitted to the Plan for a determination by the Plan Administrator as to whether the orders are qualified. If a domestic relations order is qualified, the Plan Administrator must enforce its terms. Procedures for determining if an order is a qualified domestic relations order are available to you, free of charge, at the Bank of America Merrill Lynch Benefits OnLine website at [www.benefits.ml.com](http://www.benefits.ml.com) in the Document Library.

## **UNIFORMED (MILITARY) SERVICE**

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If your absence from employment is necessitated by service in the uniformed services ("qualified military service"), you are generally entitled under federal law to reemployment if certain procedural requirements are met. If you are reemployed after qualified military service you are entitled to certain rights and benefits (including under the Plan) that you would have attained had you remained continuously employed. Also, if you die in qualified military service, you are entitled to certain rights and benefits under the Plan as if you had died following re-employment. You should contact the Plan Administrator before taking any qualified military service for information on your rights under the Plan.

## **ELECTRONIC COMMUNICATION**

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This SPD and other important Plan information may be delivered to you through electronic means. In this case, you are entitled to request a paper copy, free of charge, from the Plan Administrator. The paper version of this SPD (or other information) will contain substantially the same style and format, and the same content, as the electronic version.

## **CLAIMS PROCEDURE**

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If you believe you are entitled to receive a benefit under the Plan, you must make application in writing on the form and in the manner required by the Plan Administrator. Any claim must be submitted within one year beginning on: (i) in the case of any single payment, or series of payments, the date on which the single payment, or the first of the series of payments, was made, or (ii) for all other claims, the date on which the action complained or grieved of occurred.



If a claim for benefits is denied, in whole or in part, the Plan Administrator will issue a notice of the adverse benefit determination to you. The notice will be issued to you within a reasonable period of time but in no event later than 90 days (45 days for claims regarding disability) from the date the claim for benefits was filed. The notice will be written in a manner to be understood by you and will include the following:

1. The specific reason or reasons for the adverse benefit determination.
2. The specific Plan provisions on which the adverse benefit determination is based.
3. A description of any further material or information which is necessary for you to perfect (complete) your claim and an explanation of why the material or information is needed.
4. An explanation of the Plan's claim review procedure and time limits applicable to the Plan's claim review procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following an adverse benefit determination on review.
5. In the case of an adverse determination regarding disability, if an internal rule, protocol, or other similar criterion was relied upon in making the adverse determination, a statement that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to you upon request. Also, if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, a statement that an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request.
6. For claims filed on or after April 1, 2018, in the case of an adverse determination regarding disability,
  - (i) A discussion of the determination, including an explanation of the basis for disagreeing with or not following: (A) the views presented by you of health care professionals treating you and vocational professionals who evaluate you, (B) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your determination, without regard to whether the advice was relied upon in making the determination, and (C) a disability determination regarding you made by the Social Security Administration.
  - (ii) Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.
  - (iii) A statement displayed in any applicable non-English language (*i.e.*, if 10% of more of the population residing in the county to which the notice is sent are literate only in some non-English language) clearly indicating how to access the language services provided by the Plan.

### **Review of Adverse Benefit Determination**

You or your duly authorized representative may submit to the Plan Administrator a written request for review of an adverse benefit determination within 60 days (180 days for claims regarding disability) of the receipt of the notice of adverse benefit determination. Your request must contain the following information:

1. The date on which your request was filed with the Plan Administrator (although the actual date of filing will govern the timeliness of the request).

2. The specific portions of the adverse benefit determination that you request the Plan Administrator to review.
3. A statement by you setting forth the basis upon which you believe the Plan Administrator should reverse the previous adverse benefit determination and accept your claim as made.
4. Any written material (offered as exhibits) which you desire the Plan Administrator to examine in its consideration of your position.

You or your authorized representative may (i) submit written comments, documents, records and other information relating to your claim for benefits, (ii) review pertinent documents, and (iii) upon written request to the Plan Administrator and free of charge, be provided reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

The review by the Plan Administrator will take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether the information was part of the initial benefit determination. For a claim regarding disability, the following apply: (1) The review will not afford deference to the initial adverse benefit determination and will be conducted by an appropriate named fiduciary who is neither the individual who made the adverse benefit determination that is the subject to the appeal, nor the subordinate of such individual. (2) In deciding an appeal of an adverse benefit determination that is based in whole or in part on a medical judgment, the named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. (3) You will be provided with the identity of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination. (4) The health care professional engaged for the purposes of a consultation will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal nor the subordinate of any such individual.

The Plan Administrator will provide a written decision on review not later than 60 days (45 days for claims regarding disability) after receipt of your written request for review, unless special circumstances require an extension of the time for processing the appeal. If an extension is needed, you will be provided with written notice of the extension prior to the beginning of the extension. With the extension, the written notice on review will be provided no later than 120 days (90 days for claims regarding disability) after receipt of the request for review of the adverse benefit determination. The decision on review will be written in a manner to be understood by you, and, in the case of an adverse benefit determination on review, will include the following information:

1. The specific reasons for the adverse benefit determination on review.
2. References to specific Plan provisions on which the decision is based.
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits.
4. A statement that there is no voluntary appeal procedure offered by the Plan.
5. A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following the adverse benefit determination on review.

6. In the case of an adverse determination regarding disability, if an internal rule, protocol, or other similar criterion was relied upon in making the adverse determination, a statement that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to you upon request. Also, if the adverse benefit determination is based on medical necessity or experimental treatment or similar exclusion or limit, a statement that an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request. Finally, the following statement will be included in the adverse benefit determination: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

7. For claims filed on or after April 1, 2018, in the case of an adverse determination regarding disability,

- (i) A discussion of the determination, including an explanation of the basis for disagreeing with or not following: (A) the views presented by you of health care professionals treating you and vocational professionals who evaluate you, (B) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the determination, without regard to whether the advice was relied upon in making the determination, and (C) a disability determination regarding you made by the Social Security Administration.
- (ii) Either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the determination or a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.
- (iii) A statement displayed in any applicable non-English language (*i.e.*, if 10% of more of the population residing in the county to which the notice is sent are literate only in some non-English language) clearly indicating how to access the language services provided by the Plan.
- (iv) Any applicable contractual limitations period that applies to the claimant's right to bring an action under Section 502(a) of ERISA, including the calendar date on which the contractual limitations expires for the claim.

No action for benefits under the Plan may be brought unless you (i) submit a claim for benefits within the time limit specified above, (ii) been notified by the Plan Administrator that your claim has been denied, (iii) timely filed a request for review of the claim, (iv) been notified of an adverse benefit determination on review, and (v) filed the action within one year of the notice of adverse benefit determination on review. Any proceeding arising out of or relating to the Plan must be adjudicated in the federal courts for the Eastern District of Arkansas or in the courts of the State of Arkansas located in the district embraced by the federal courts for the Eastern District of Arkansas.

## **STATEMENT OF PBGC GUARANTEES AND LIMITATIONS**

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Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TTD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at [www.pbgc.gov](http://www.pbgc.gov).

# GENERAL INFORMATION

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## STATEMENT OF ERISA RIGHTS

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As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all plan participants shall be entitled to:

### **Receive Information About Your Plan and Benefits**

- Examine, without charge, at the plan administrator's office and at other specified locations all documents governing the plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain upon written request to the plan administrator, copies of documents governing the operation of the plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a copy of the plan's annual financial report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (generally age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have the right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.
- You may obtain summary plan descriptions ("SPDs") about Windstream's benefits plans on [www.windstreambenefits.com](http://www.windstreambenefits.com) by selecting Summary Plan Descriptions from the My Wealth drop down menu. If you do not have access to a computer, you may also call the Merrill Lynch Call Center 1-800-228-4015 or go to [www.benefits.ml.com](http://www.benefits.ml.com) to request a copy of any SPD.

### **Prudent Actions by Fiduciaries**

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other participants and beneficiaries. No one, including your employer, your union, or any other person, may terminate you or otherwise discriminate against you because of exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for a benefit is denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file a suit in Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a Federal court. If it should happen that the plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

### **Assistance with Your Questions**

If you have any questions about your plan, you should contact the plan administrator. If you have questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

# PLAN DATA

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## Windstream Pension Plan

<b>Name of Plan:</b>	Windstream Pension Plan
<b>Plan Sponsor:</b>	Windstream Services, LLC 4001 Rodney Parham Road Little Rock, AR 72212-2442
	Participants and beneficiaries may receive from the Plan Administrator, upon written request, a complete list of employers sponsoring the Plan, information as to whether a particular employer is a sponsor of the Plan and, if the employer is a Plan sponsor, the sponsor's address. Similarly, the Plan Administrator will arrange to provide participants and beneficiaries with copies of appropriate collective bargaining agreements referencing the maintenance of the Plan
<b>Agent for Service of Legal Process:</b>	Windstream Services, LLC 4001 Rodney Parham Road Little Rock, AR 72212-2442
	Service of legal process may also be made upon the Trustee or Plan Administrator.
<b>Trustee:</b>	JP Morgan Chase Bank Investor Services 1 Chase Manhattan Plaza, Floor 19 New York, New York 10005-1401
<b>Plan Administrator:</b>	Benefits Committee Windstream Services, LLC 4001 Rodney Parham Road Little Rock, AR 72212-2442
	(501) 748-7000
<b>Employer Identification Number:</b>	20-0792300
<b>Type of Plan:</b>	A defined benefit pension plan administered through a trust.
<b>Plan Identification Number:</b>	001
<b>Sources of Contributions of the Plan:</b>	Payments into the Trust by the Employer with contribution amounts actuarially determined.
<b>Funding Medium:</b>	Windstream Master Trust
<b>Plan Year:</b>	The financial records of the Plan are maintained on a 12-month basis that ends December 31 each year.

# APPENDIX I

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## IMPORTANT TERMINOLOGY

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### **"Accrued Pension"**

"Accrued Pension" is the amount of benefit you have accrued (earned) at any point in time. You are eligible to receive your Accrued Pension paid monthly on or after your Normal Retirement Date starting on the first of the month following your retirement, or if you are eligible, in an actuarially reduced monthly amount starting after your early retirement date.

The amount of monthly benefit you have accrued at any point in time is equal to your Benefit Percentage multiplied by your Average Monthly Compensation, or, if greater, \$10.00 for each year of Benefit Service. Of course, whatever your Accrued Pension might be, your entitlement to benefit payments is determined by your age and Vesting Years of Service.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your Accrued Pension is based on your Benefit Service, Benefit Percentage and Average Monthly Compensation through September 17, 2016.

If you have 30 Vesting Years of Service, your Benefit Service, Benefit Percentage and Average Monthly Compensation are determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

*Merged Prior Plan.* If you were a participant in a prior plan that merged into the Plan (or the prior Alltel Plan), your total benefit generally will include both the accrued pension you had earned under the prior plan and the accrued pension earned under the applicable formula in this definition of Accrued Pension after the merger date. Prior plan participants may contact the Plan Administrator with any additional questions concerning their benefits.

### **"Change in Employment Status"**

If you have a Change in Employment status by changing from being compensated as an employee covered under a collective bargaining agreement with Windstream to being compensated on some other basis, or vice versa, your Accrued Pension will be calculated as follows:

Your benefits will be computed under the "collectively bargained" formula up to the date of your change in employment status. From the date of your change in employment status, you may accrue a benefit under another plan formula that applies to you. In applying the collectively bargained formula to you, you will be credited only with years of Benefit Service (and fractions) during which you were compensated as an employee covered under a collective bargaining agreement with Windstream. If another plan formula is applicable to you, you will be credited only with years of Benefit Service (and fractions) during which you were compensated on the new basis.



## "Average Monthly Compensation"

Benefits under the Plan are based on your "Average Monthly Compensation." This is the average of your base compensation rates, including commissions, but excluding bonuses, overtime compensation, shift differentials, in charge premiums, and similar forms of additional compensation, payable in the highest paid 60-consecutive-calendar-month period during the period of employment, which begins on or after January 1, 1966, and ends with the month in which your employment terminates. Average Monthly Compensation is not affected by any compensation reduction pursuant to a "cafeteria plan" or pre-tax deferrals to a "401(k) plan." If you were a participant in the prior Alltel Plan and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, your compensation under the Plan includes your compensation under the prior Alltel Plan.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your Average Monthly Compensation is based on your employment through September 17, 2016.

If you have 30 Vesting Years of Service, your Average Monthly Compensation is determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

## "Benefit Percentage"

Your benefits under the Plan are based on your "Benefit Percentage" applied to your Average Monthly Compensation. Your Benefit Percentage is equal to 1.50% for each year (and fractional year) of your Benefit Service. The following table shows benefit percentages applicable to those participants who had a prior Alltel Plan benefit transferred to the Plan (also see Appendix II: Examples of Benefit Calculations):

### Percentage Accrual Rate Per Year of Benefit Service

In Calendar Year	Age When Benefit Service Earned	
	Before Your 55th Birthday and After "55th Birthday up to 10 years"	After Your 55th Birthday up to 10 Years*
1981 or Earlier	1.00%	1.25%
1982	1.05%	1.30%
1983	1.10%	1.35%
1984	1.15%	1.40%
1985	1.20%	1.45%
1986	1.25%	1.50%
1987	1.30%	1.55%
1988	1.35%	1.60%
1989	1.35%	1.60%
1990	1.40%	1.65%
1991	1.425%	1.665%
1992	1.45%	1.68%

1993	1.50%	1.72%
1994	1.50%	1.71%
1995	1.50%	1.70%
1996	1.50%	1.69%
1997	1.50%	1.68%
1998	1.50%	1.67%
1999	1.50%	1.66%
2000	1.50%	1.65%
2001	1.50%	1.64%
2002	1.50%	1.63%
2003	1.50%	1.62%
2004	1.50%	1.61%
2005	1.50%	1.60%
2006	1.50%	1.59%
2007	1.50%	1.58%
2008	1.50%	1.57%
2009	1.50%	1.56%
2010	1.50%	1.55%
2011	1.50%	1.54%
2012	1.50%	1.53%
2013	1.50%	1.52%
2014	1.50%	1.51%
2015 and after	1.50%	1.50%

\*This benefit percentage column is not available to those employees who became participants in the prior Alltel Plan after December 31, 1990.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your Benefit Percentage is based on your employment through September 17, 2016.

If you have 30 Vesting Years of Service, your Benefit Percentage is determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

### **"Benefit Service"**

"Benefit Service" means the portion of your employment with Windstream that counts for determining the amount of your benefit. Vesting Years of Service and Benefit Service are similarly calculated based on hours of service. Benefit Service, however, is granted in units of one month for each  $166\frac{2}{3}$  hours worked, so that a full year of Benefit Service is granted for 2,000 hours of service. No Benefit Service is granted if you work less than 1,000 hours, except for the calendar year preceding the date on which you begin participation or end employment. You usually can estimate your Benefit Service by counting the elapsed time from your last date of hire with Windstream.

If your employment terminates or you cease to be an eligible employee on or after February 29, 2012, you will not be granted additional Benefit Service after your termination of employment or cessation of eligibility (e.g., through an election to opt-out of the Plan effective September 18, 2016 under the retirement choice program).

If you have 30 Vesting Years of Service, your Benefit Service is determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

If you were a participant in the prior Alltel Plan and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, your Benefit Service under the Plan includes your benefit service under the prior Alltel Plan. (Special rules applied under the prior Alltel Plan for service before January 1, 1976.) Under the prior Alltel Plan, credit for benefit service was granted for certain service with prior employers.

### **"Normal Retirement Date"**

Your "Normal Retirement Date" is the later of the date you reach age 65 or the fifth anniversary of the date you began Plan participation.

### **"Vesting Year(s) of Service"**

The term "Vesting Year(s) of Service" refers generally to your years of service with a Windstream company. You receive one Vesting Year of Service for each calendar year in which you complete 1,000 or more hours of service. You receive an hour of service for hours actually worked. You also receive hours of service for certain periods for which you are paid but perform no services, including paid vacations, holidays, authorized leaves of absence — provided that you return to employment at the end of the leave of absence — and absence for service in the Armed Forces of the United States as long as your reemployment rights are protected by law, and for certain other authorized absences as established by Windstream personnel policy. Vesting Years of Service are used to determine eligibility for benefits.

You will continue to earn Vesting Years of Service even if you opt-out of the Plan effective September 18, 2016 under the retirement choice program or are otherwise not eligible to participate.

If you were a participant in the prior Alltel Plan and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, your vesting years of service under the Plan include your vesting years of service under the prior Alltel Plan. (Special rules applied under the prior Alltel Plan for service before January 1, 1976.) Under the prior Alltel Plan, credit for vesting years of service was granted for certain service with prior employers.

Finally, if you have a break in service, under certain circumstances your pre-break Vesting Years of Service will be included in your total credit.

# APPENDIX II

## EXAMPLES OF BENEFIT CALCULATIONS

Your benefits under the Plan are based on your "Benefit Percentage" applied to your Average Monthly Compensation. Your Benefit Percentage is equal to 1.50% for each year (and fractional year) of your Benefit Service. The following table shows benefit percentages applicable to those participants who had a prior Alltel Plan benefit transferred to the Plan:

### Percentage Accrual Rate Per Year of Benefit Service

In Calendar Year	<u>Age When Benefit Service Earned</u>	
	Before Your 55th Birthday and After "55th Birthday up to 10 years"	After Your 55th Birthday up to 10 Years*
1981 or Earlier	1.00%	1.25%
1982	1.05%	1.30%
1983	1.10%	1.35%
1984	1.15%	1.40%
1985	1.20%	1.45%
1986	1.25%	1.50%
1987	1.30%	1.55%
1988	1.35%	1.60%
1989	1.35%	1.60%
1990	1.40%	1.65%
1991	1.425%	1.665%
1992	1.45%	1.68%
1993	1.50%	1.72%
1994	1.50%	1.71%
1995	1.50%	1.70%
1996	1.50%	1.69%
1997	1.50%	1.68%
1998	1.50%	1.67%
1999	1.50%	1.66%
2000	1.50%	1.65%
2001	1.50%	1.64%
2002	1.50%	1.63%
2003	1.50%	1.62%
2004	1.50%	1.61%
2005	1.50%	1.60%
2006	1.50%	1.59%
2007	1.50%	1.58%
2008	1.50%	1.57%
2009	1.50%	1.56%
2010	1.50%	1.55%
2011	1.50%	1.54%
2012	1.50%	1.53%
2013	1.50%	1.52%
2014	1.50%	1.51%
2015 and after	1.50%	1.50%

\*This benefit percentage column is not available to those employees who became participants in the prior Alltel Plan after December 31, 1990.

If you elect(ed) to opt-out of the Plan effective September 18, 2016 under the retirement choice program, your benefit is based on your Benefit Service through September 17, 2016.

If you have 30 Vesting Years of Service, your Benefit Service is determined on:

- January 1, 2018 if you are represented by the IBEW and had attained at least 30 Vesting Years of Service on January 1, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the IBEW and attain 30 Vesting Years of Service after January 1, 2018
- July 7, 2018 if you are represented by the CWA and had attained at least 30 Vesting Years of Service on July 8, 2018
- the day you attain 30 Vesting Years of Service if you are represented by the CWA and attain 30 Vesting Years of Service after July 8, 2018.

### Example A1

*Let's assume . . .* you are an employee compensated on an hourly basis throughout your Windstream employment and did not elect to opt-out of the Plan effective September 18, 2016 under the retirement choice program. You were hired on August 1, 2006 and will retire on August 1, 2040, with exactly 30 years of Benefit Service (which reflects the cap on accrual upon attaining 30 Vesting Years of Service). Your Average Monthly Compensation is \$1,600 per month.

**Your Benefit Percentage is as follows:**

1.50% for each of 30 years of Benefit Service = 45%.

**Your total Accrued Pension benefit payable monthly in the form of a life annuity at age 65 is:**

Benefit Percentage	45%
Average Monthly Compensation	x <u>\$1,600.00</u>
<b>Total Accrued Pension benefit:</b>	<b>\$720.00</b>

### Example A2

*Let's assume . . .* you are an employee compensated on an hourly basis throughout your Windstream employment (and prior Alltel employment) and did not elect to opt-out of the Plan effective September 18, 2016 under the retirement choice program. You were born on June 30, 1952, so your 55th birthday was June 30, 2007, and your 65th birthday – and Normal Retirement Date – was June 30, 2017. You were hired July 1, 1983, and retired June 30, 2017, with exactly 34 years of Benefit Service. Your Average Monthly Compensation is \$1,600 per month.

**Your Benefit Percentage is as follows:**

(a) 1.1000% for each of the 0.5 years from July 1, 1983, through December 31, 1983, for a total of	0.5500%
(b) for 1984	1.1500%
(c) for 1985	1.2000%
(d) for 1986	1.2500%
(e) for 1987	1.3000%

(f) for 1988	1.3500%
(g) for 1989	1.3500%
(h) for 1990	1.4000%
(i) for 1991	1.4250%
(j) for 1992	1.4500%
(k) 1.5000% for each of the 14.5 years from January 1, 1993, through June 30, 2007 (55th birthday), for a total of	21.7500%
(l) 1.5800% for the 0.5 years from June 30, 2007, through Dec. 31, 2007, for a total of	0.7900%
(m)for 2008	1.5700%
(n) for 2009	1.5600%
(o) for 2010	1.5500%
(p) for 2011	1.5400%
(q) for 2012	1.5300%
(r) for 2013	1.5200%
(s) for 2014	1.5100%
(t) 1.5000% for the 2.5 years from January 1, 2015, through June 30, 2017, for a total of	3.7500%
<b>Total Benefit Percentage</b>	<b>49.4950%</b>

Your Benefit Percentage is equal to the sum of (a) through (t) or 49.4950%

**Your total Accrued Pension benefit payable monthly in the form of a life annuity at age 65 is:**

Benefit Percentage	49.4950%
Average Monthly Compensation	x <u>\$1,600.00</u>
<b>Total Accrued Pension benefit:</b>	<b>\$791.92</b>

**Examples A3 through A7**

Using the same assumptions contained in Example A2, the following table shows additional examples of how different dates of termination of employment affect your Benefit Percentage and Accrued Pension:

Example	Termination Date	Age at Termination	Years of Benefit Service	Benefit Percentage	Accrued Pension
A3	6/30/12	60	29	41.9500%	\$671.20
A4	6/30/07	55	24	34.1750%	\$546.80
A5	6/30/03	51	20	28.1750%	\$450.80
A6	6/30/98	46	15	20.6750%	\$330.80
A7	6/30/96	44	13	17.6750%	\$282.80

## IMPORTANT CONSIDERATIONS

**Please note:**

1. Your total Accrued Pension normally is payable monthly for life starting the first of the month following your 65th birthday.
2. If your benefit starts before age 65, it might be reduced.
3. Similarly, if you elect an optional form of payment providing for benefits to continue after your death, your benefits likewise might be reduced.
4. The realism of the illustrative benefit is limited by our having used the same Average Monthly Compensation for the future service calculation. Normally, Average Monthly Compensation does increase with time, so these examples cannot be considered to indicate a realistic benefit progression for a given individual.
5. Finally, for simplicity's sake, the number of Vesting Years of Service is assumed to equal the number of years of Benefit Service. Although this is usually true for all practical purposes, it is not always the case, since Vesting Service and Benefit Service are computed on different bases.

### **Example B - Early Retirement Benefit**

The amount of any Early Retirement Benefit payable as a life annuity is equal to the Accrued Pension multiplied by the appropriate Early Commencement Reduction Factor (ECRF). The Accrued Pension normally is payable starting at age 65.

**1. Illustration of 30-Year Early Retirement**

Suppose you have an Accrued Pension of \$468.40 and you have attained age 55 with 30 Vesting Years of Service on January 1, 2019. If you elected to start this benefit at age 55, the amount payable would be \$468.40 since no ECRF applies to 30-Year Early Retirement.

**2. Illustration of 55/20 Early Retirement**

Suppose you have an Accrued Pension of \$468.40 and you have attained age 55 with 24 Vesting Years of Service. If you elected to start this benefit at age 55, the amount payable would be \$468.40 multiplied by 0.8500, or \$398.14.

**3. Illustration of 60/15 Early Retirement**

Suppose you have an Accrued Pension of \$600.80 and you have attained age 60 with 18 Vesting Years of Service. If you elected to start this benefit at age 60, the amount payable would be \$600.80 multiplied by 0.8500, or \$510.68.

**The Plan provides for different ECRFs depending on your age, length of service and the date your employment terminates.**

## Example C - Deferred Vested Benefit

The amount of any Deferred Vested Benefit payable as a life annuity is equal to the Accrued Pension multiplied by the appropriate Early Commencement Reduction Factor (ECRF).

1. Suppose your employment terminates at age 51 with 20 Vesting Years of Service and with an Accrued Pension of \$450.80 as in Example A5. You could start receiving your Accrued Pension at age 65, but since you had 20 Vesting Years of Service, you could elect payment as early as age 55. The age 55 amount would be \$450.80 multiplied by 0.4000, or \$180.32, and the age 60 amount would be \$450.80 multiplied by 0.7000, or \$315.56.
2. Suppose your employment terminates at age 46 with 15 Vesting Years of Service and with an Accrued Pension of \$330.80 as in Example A6. You could start receiving your Accrued Pension at age 65. Alternatively, since you had 15 Vesting Years of Service, you could elect payment as early as age 60. The age 60 amount would be \$330.80 multiplied by 0.7000, or \$231.56.
3. Finally, suppose your employment terminates at age 44 with 13 Vesting Years of Service and with an Accrued Pension of \$282.80 as in Example A7. Since you have less than 15 Vesting Years of Service, this benefit would start at age 65, and you would not have the option to take it earlier than at age 65.

## Example D - Death Benefit for Spouses

In this example, it is assumed that you and your spouse are exactly the same age and have been married for more than one year.

1. Referring to Example B.1: Let's suppose you die at age 55 with 30 Vesting Years of Service, with an Accrued Pension of \$468.40, and with the amount payable commencing at your age 55 of \$468.40 as in Example B.1. If you had retired under the 30-Year Early Retirement provision, you would have received a monthly benefit of \$443.34 under Option B. (\$443.34 is equal to \$468.40 multiplied by 0.9465; see Example E.3.) If you die at age 55, your spouse's share of this benefit after your death would be one-half (1/2) of the benefit that would have been payable to you at age 55 under Option B. Your spouse would be eligible to receive 1/2 of \$443.34, or \$221.67 per month upon your death.
2. Referring to Example B.2.: Let's suppose you die at age 55 with 24 Vesting Years of Service, with an Accrued Pension of \$468.40, and with the amount payable commencing at your age 55 of \$398.14 as in Example B.2. If you had retired under the 55/20 Early Retirement provision, you would have received a monthly benefit of \$376.84 under Option B. (\$376.84 is equal to \$398.14 multiplied by 0.9465; see Example E.3.) If you die at age 55, your spouse's share of this benefit after your death would be one-half (1/2) of the benefit that would have been payable to you at age 55 under Option B. Your spouse would be eligible to receive 1/2 of \$376.84, or \$188.42 per month upon your death.
3. Referring to Example B.3.: Let's suppose you die at age 60 with 18 Vesting Years of Service, with an Accrued Pension of \$600.80, and with the amount payable commencing at your age 60 of \$510.68 as in Example B.3. If you had retired early under the 60/15 Early Retirement provision, you would have received a monthly benefit of \$476.72 under Option B. (\$476.72 is equal to \$510.68 multiplied by 0.9335; see Example E.2.) If you die at age 60, your spouse's share



of this benefit after your death would be one-half (1/2) of the benefit that would have been payable to you at age 60 under Option B. Your spouse would be eligible to receive 1/2 of \$476.72, or \$238.36 per month upon your death.

4. Referring to Example C.1. - Deferred Vested: You have an Accrued Pension of \$450.80 and you have attained age 51 with 20 Vesting Years of Service. If you die at age 51, your surviving spouse can elect commencement of your benefit between your 55th and 65th birthdays, since you had 20 Vesting Years of Service. (In these illustrations, assume your spouse is the same age as you. Accordingly, on the dates you would have been 55 or 65, your spouse would also be 55 or 65. However, your spouse's age is irrelevant when determining the commencement of the benefits payable to your spouse. He/she could just as well be 52 or 70 at the time benefits start. It is **your** age that determines when benefits start, not your spouse's.) If the benefit starts at your age 55, the amount payable to your spouse would be one-half (1/2) of the benefit payable to you at age 55 under Option B: 1/2 of \$170.67, or \$85.34. {\$170.67 is equal to: \$180.32 x 0.9465 (Option B factor).} Alternatively, age 60 or age 65 commencement could be elected, with the following benefits:

Age 60:  $\frac{1}{2} \times \$315.56 \times 0.9335$ , or \$147.29

Age 65:  $\frac{1}{2} \times \$450.80 \times 0.9187$ , or \$207.07

5. Referring to Example C.2. - Deferred Vested: Suppose you die at age 46 with 15 Vesting Years of Service. Since you had 15 Vesting Years of Service, you could have started to collect your benefit any time between your 60th and 65th birthdays. Accordingly, your surviving spouse can elect commencement of the surviving spouse benefit between those dates also. If the benefit starts at your age 60—remember, it's **your** age that determines commencement of benefit—the amount payable to your spouse would be one-half (1/2) of the benefit payable to you at age 60 under Option B, or 1/2 x \$231.56 x 0.9335 (Option B factor), or \$108.08 per month.
6. Referring to Example C.3. – Deferred Vested: Suppose you die at age 44 with 13 Vesting Years of Service. If your employment had terminated, you could not have started to collect your benefit until age 65. Accordingly, your spouse could not collect a benefit until you would have reached age 65. The benefit payable to your spouse would be one-half of your Accrued Pension (\$282.80) adjusted for Option B election, or 1/2 x \$282.80 x 0.9187 or \$129.90.
7. Finally, let's suppose you terminate with a Deferred Vested Benefit as under Example C and die prior to starting your benefit. If you leave an eligible spouse who survives to a date at which you could have started collecting your benefit, your spouse will receive benefits as under sections 4, 5, or 6 above, as applicable.

## Example E - Form of Payment

The amount of benefit payable under an optional form of payment depends on:

1. The amount of your monthly benefit (after applying the ECRF, as appropriate, for commencement prior to age 65);
2. The option elected;
3. The actuarial factors specified in the Plan;
4. Your age at time of benefit commencement; and
5. Your spouse's age, except for Option C where the amounts payable are not dependent on the age of the designated beneficiary.

### Consider the following benefits from Examples A and B:

1. Example A.2: a life annuity to you of \$791.92 per month starting at age 65.
2. Example B.3: a life annuity to you of \$510.68 per month starting at age 60.
3. Example B.2: a life annuity to you of \$398.14 per month starting at age 55.

If we assume you and your spouse are the same age, the following are the amounts payable monthly under the various options:

#### 1. At Age 65 With Spouse Age 65

<b>Option</b>	<b>Formula Benefit</b>	<b>Option Factor</b>	<b>Optional Benefit</b>
Life Annuity	= \$791.92 x	1.0000	= \$791.92
Option A	= \$791.92 x	0.8496	= \$672.82
Option B	= \$791.92 x	0.9187	= \$727.54
Option C	= \$791.92 x	0.9592	= \$759.61
Option D	= \$791.92 x	0.8230	= \$651.75
Option E	= \$791.92 x	0.9029	= \$715.02
Option G	= \$791.92 x	<u>0.8828</u>	= \$699.11
Option H	= Single Sum Payment		

#### Please note:

- (a) Option Factors are based on actuarial tables determined by age and mortality rates. The single sum payment is calculated using the IRS applicable interest rate and mortality table in effect at the time of distribution, and since those rates and tables periodically change, no estimates are provided for the single sum payment.
- (b) A life annuity generally is the "normal" form of payment and provides monthly payments for your life and no additional payments after your death. If you are married at your retirement, the "normal" form is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.
- (c) The age of the beneficiary is immaterial to the amounts under Option C.
- (d) The spouse's benefit under Option A would be 100% of Optional Benefit amount.
- (e) The spouse's benefit under Option B would be 50% of Optional Benefit amount.

- (f) The spouse's benefit under Option D would be 100% of the Optional Benefit amount.
- (g) The spouse's benefit under Option E would be 50% of the Optional Benefit amount.
- (h) The spouse's benefit under Option G would be 75% of the Optional Benefit amount.

**2. At Age 60 With Spouse Age 60**

<b>Option</b>	<b>Formula Benefit</b>	<b>Option Factor</b>	<b>Optional Benefit</b>
Life Annuity	= \$510.68 x	1.0000	= \$510.68
Option A	= \$510.68 x	0.8752	= \$446.95
Option B	= \$510.68 x	0.9335	= \$476.72
Option C	= \$510.68 x	0.9795	= \$500.21
Option D	= \$510.68 x	0.8575	= \$437.91
Option E	= \$510.68 x	0.9233	= \$471.51
Option G	= \$510.68 x	0.9034	= \$461.35
Option H	= Single Sum Payment		

**Please note:**

- (a) Option Factors are based on actuarial tables determined by age and mortality rates. The single sum payment is calculated using the IRS applicable interest rate and mortality table in effect at the time of distribution, and since those rates and tables periodically change, no estimates are provided for the single sum payment.
- (b) A life annuity generally is the "normal" form of payment and provides monthly payments for your life and no additional payments after your death. If you are married at your retirement, the "normal" form is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.
- (c) The age of the beneficiary is immaterial to the amounts under Option C.
- (d) The spouse's benefit under Option A would be 100% of Optional Benefit amount.
- (e) The spouse's benefit under Option B would be 50% of Optional Benefit amount.
- (f) The spouse's benefit under Option D would be 100% of the Optional Benefit amount.
- (g) The spouse's benefit under Option E would be 50% of the Optional Benefit amount.
- (h) The spouse's benefit under Option G would be 75% of the Optional Benefit amount.

**3. At Age 55 With Spouse Age 55**

<b>Option</b>	<b>Formula Benefit</b>	<b>Option Factor</b>	<b>Optional Benefit</b>
Life Annuity	= \$398.14 x	1.0000	= \$398.14
Option A	= \$398.14 x	0.8984	= \$357.69
Option B	= \$398.14 x	0.9465	= \$376.84
Option C	= \$398.14 x	0.9899	= \$394.12

Option D	=	\$398.14	x	0.8869	=	\$353.11
Option E	=	\$398.14	x	0.9401	=	\$374.29
Option G	=	\$398.14	x	0.9218	=	\$367.01
Option H	=	Single Sum Payment				

**Please note:**

- (a) Option Factors are based on actuarial tables determined by age and mortality rates. The single sum payment is calculated using the IRS applicable interest rate and mortality table in effect at the time of distribution, and since those rates and tables periodically change, no estimates are provided for the single sum payment.
- (b) A life annuity generally is the "normal" form of payment and provides monthly payments for your life and no additional payments after your death. If you are married at your retirement, the "normal" form is Option B (50% Spouse Option – Without Reversion), which provides a reduced amount for your life, continuing thereafter in one-half of the reduced amount for the life of your spouse.
- (c) The age of the spouse is immaterial to the amount under Option C.
- (d) The spouse's benefit under Option A would be 100% of Optional Benefit amount.
- (e) The spouse's benefit under Option B would be 50% of Optional Benefit amount.
- (f) The spouse's benefit under Option D would be 100% of the Optional Benefit amount.
- (g) The spouse's benefit under Option E would be 50% of the Optional Benefit amount.
- (h) The spouse's benefit under Option G would be 75% of the Optional Benefit amount.