Annotated Model Benefit Statement Insert

(assuming the insert was added to the Q2 statement issued for the period ending on June 30, 2022. The italicized text reflects customization flagged in the model statement and the bold italicized text reflects additional text an employer may wish to consider inserting for clarity)

Statement Period: *April 1, 2022* to *June 30, 2022*

This statement provides you with information about how much monthly income you could collect at retirement based on your current account balance. The estimated monthly payments in this statement are for illustrative purposes only; they are not a guarantee. Having this information now may help you plan how much money to save for your retirement.

Note, the plan does not currently offer an annuity form of payment and the plan makes no representations that you would be able to purchase an equivalent annuity from an insurer.

Your account balance is *[insert June 30, 2022 account balance]* as of *June 30, 2022*. Below are estimates of how much money you could receive each month if you were to receive payments in one of the following two payment forms:

1. A single life annuity is an arrangement that pays you a fixed amount of money each month for the rest of your life. Following your death, no further payments would be made to your spouse or heirs.

   If you receive payments in this form, we estimate you would receive *[insert single life annuity amount]* per month starting at retirement.

2. A qualified joint and 100% survivor annuity is an arrangement that pays you and your spouse a fixed monthly payment for the rest of your joint lives. In addition, after your death, this type of annuity would continue to provide the same fixed monthly payment to your surviving spouse for their life.

   If you receive payments in this form, we estimate you would receive *[insert qualified joint and 100% survivor amount]* per month starting at retirement and, after your death, your surviving spouse would receive [*insert same amount*] per month.

   An annuity with a lower survivor percentage may be available, and reducing the survivor percentage (below 100%) would increase monthly payments during your lifetime, but would decrease what your surviving spouse would receive after your death. ***Note, most insurers selling annuity products pay survivor benefits to the person who is designated at the time benefit payments commence, which might not be your spouse at the time of your death.***

The following information is to help you understand these estimated monthly payments.

- The estimated monthly payments in this statement assume that your account balance is 100% vested ***when you retire*** and, if you have ***an outstanding*** loan from the plan ***that is*** not in default, the loan has been fully repaid ***by the time your retire***.

- The estimated monthly payments in this statement assume that payments begin as of *June 30, 2022* and that you are [*insert 67 or current age if older*] on this date. ***We note that this assumption may not be true***

for most participants, but is required to be used. Monthly payments beginning at a younger age would be lower than ***the estimates*** since payments would be made over more years. Monthly payments beginning at an older age would be higher than ***the estimates*** since they would be made over fewer years.

- The estimated monthly payments for a qualified joint and 100% survivor annuity in this statement assume that you are married with a spouse who is the same age as you (even if you do not currently have a spouse, or if you have a spouse who is a different age). If your spouse is younger ***than you***, the monthly payments would be lower than shown since the ***monthly payments*** would be expected to be paid over more years. If your spouse is older ***than you***, monthly payments would be higher than shown since the ***monthly payments*** would be expected to be paid over fewer years.

- The estimated monthly payments in this statement are based on an interest rate of [*insert rate*], which is the 10-year constant maturity U.S. Treasury securities yield rate as of *June 30, 2022*, as required by federal regulations. This rate fluctuates based on market conditions. The lower the ***assumed*** interest rate, the smaller your monthly payment will be, and the higher the ***assumed*** interest rate, the larger your monthly payment will be.

- The estimated monthly payments in this statement are based on how long you and a spouse, who is assumed to be your age, are expected to live. For this purpose, federal regulations require that your life expectancy be estimated using gender neutral mortality assumptions established by the Internal Revenue Service.

- The estimated monthly payments in this statement are the same whether you are male or female. This is required for annuities payable from an employer's plan ***(again, such annuities are not available under this plan)***. However, the same amount paid for an annuity available outside of an employer's plan may provide a larger monthly payment for males than for females since females are expected to live longer. ***Alternative last sentence: Note, in the insured annuity market, the same account balance may purchase a larger monthly annuity for a male than for a female, because females are expected to live longer.***

- The estimated monthly payments in this statement are based on prevailing market conditions and other assumptions required under federal regulations. If you decide to purchase an annuity, the actual payments you receive will depend on a number of factors and may vary substantially from the estimated monthly payments in this statement. For example, your actual age at retirement, your actual account balance ***at that time*** (reflecting future investment gains and losses, contributions, distributions, and fees), ***your marital status, interest rates and actual life expectancy at that time,*** and other market conditions at the time of purchase will affect your actual payment amounts.

- Unlike Social Security payments, the estimated monthly payments in this statement do not increase each year with a cost-of-living adjustment. Therefore, as prices increase over time, the fixed monthly payments will buy fewer goods and services.