THE RETIREMENT GROUP LLC
PARTNERS IN RETIREMENT

Retirement/Transition Guide For ExxonMobil Employees

Updated October 2020

Updated for Heritage XTO Energy Employees

Introduction

For more information on SECURE and CARES ACT, see pages 6 & 7

The Retirement Group was founded with the goal of assisting our ExxonMobil (XOM) corporate employees in every aspect of their financial lives as they transition into retirement. We provide the most personal service available, thus earning a reputation for excellence in our industry. For each of our clients we strive to help create financial stability and security to provide financial independence.

Our staff consists of experienced professionals who know XOM benefits and provide a "hands on" approach to financial guidance. Not only do our clients find our team members knowledgeable, but they also discover that our staff truly cares about making their dreams a reality. We do everything in our power to keep our clients focused on where they want to go, advise them on how to get there, and continually remind them of the importance of maintaining a disciplined approach to pursue their goals.

Our company is based on the principle that education and understanding of one's current financial situation is vital to successfully make prudent decisions concerning one's financial future.

Learn more by visiting:

www.theretirementgroup.com

As you transition from XOM, we want to share information to help you make important decisions that affect you and your family’s well-being.

This guide tells you about XOM benefits, steps to take, and where to find resources that will help you get the most from your retirement benefits.

Please note: This guide lists the actions you must take to access your retirement benefits. Read the Tips on Using This Guide section for more information and refer to the XOM Summary Plan Description for a full description[4].

Disclosure: The Retirement Group is not affiliated with XOM.

PIP or (Performance Improvement Plan)

ExxonMobil has recently been issuing a “Performance Improvement Plan” or PIP. When an employee receives a PIP it means that they fell into ExxonMobil’s “Needs Significant Improvement” (NSI) performance evaluation category, which makes up 8-10% of employees. The PIP is essentially a severance offer to leave the company with an option to enroll in an improvement process and potentially keep your job. In April, ExxonMobil raised the number of employees who fall into the NSI category from 3% to 10% of salaried US workers.

Information for XTO employees

The XTO and ExxonMobil benefits plans were harmonized after the 2010 merger, however there are a variety of exceptions that XTO employees need to be aware of.

Your service as an XTO employee prior to ExxonMobil is used for purposes of qualifying for certain benefits, like retiree status, vesting, and the lump sum option for the pension. Years of service prior to ExxonMobil will not be counted, however, in your pension formula for purposes of calculating your pension payout. This is important to know when choosing the right time to leave the company in order to maximize your benefits as well as the right time to commence your pension benefit.

In addition, the interest rates used to calculate your lump sum pension benefit are based on corporate bond rates instead of the lower, more favorable Treasury bond rates that grandfathered ExxonMobil employees are able to use. This often produces a lower lump sum benefit, so it is even more critical that you pay attention to the rates and the timing of your elections, so as not to leave any money on the table when possible (see section on pension interest rates for “Non-Grandfathered Employees”).

The Retirement Group XTO-focused advisors can guide you through the retirement decision-making process and help you with your retirement paperwork in an effort to maximize your retirement benefits and minimize your risk of making any mistakes.

Sources: (39-46)





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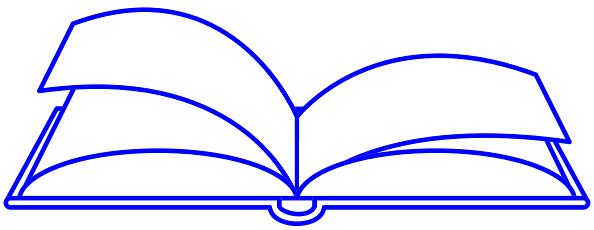
This specially designed guide offers a summarized list of steps to simplify your transition into retirement. We provide links to websites and other resources you will need to help you get the most from your retirement benefits.

Please note: This guide is a summary of the actions you must take to access your retirement benefits. For full details, you should review the XOM summary plan descriptions (SPD) (4) that apply to your retirement benefits. For health and welfare benefits, if you are still an active employee, call the XOM Benefits Center and request the applicable SPDs(4). This is a summary of steps to take before and after leaving XOM. The official plan documents are the final authority on the terms of the plans.



Stages of Retirement

Retirement planning, whether you are 20 or 60, is something we must actively plan towards annually. Unfortunately, numerous polls and experts say the majority of Americans don't know how much to save or the income they will need.

Getting started... Your 20's and early 30's

Everyone knows it's critical to start in your 20's and early 30's. Many suffer from impending anxiety from not saving enough, while others are grateful they feel secure.

TIME... It is the one advantage you will never get again. As some of you may know, compounding has significant impacts on future savings. Starting early matters and the key is to increase/maximize your XOM 401(k) contributions.

Stages of Retirement

Say you open a tax-deductible Individual Retirement Account (IRA) at age 25 and invest $100 a month until age 65. If the account earns 8% a year, you could amass $349,100 by age 65. If you wait until age 35 to start saving the same $100 a month, you could end up with $149,035 when you are 65. Waiting 10 years to start saving and investing could cost you substantially.

There are three primary reasons why a 401(k) is such a popular retirement savings vehicle: **matching contributions, tax benefits, and compound growth.**

Matching contributions is what it sounds like: It's when your employer matches your own 401(k) contributions with company money. If your employer matches, they'll typically match up to a certain percent of the amount you put in.

Let's say that your employer matches up to 3% of your contributions to the plan, dollar for dollar. If you contribute 2% of your salary to your plan, your total 401(k) contribution will be 4% of your salary each month after the employer match is added. If you bump up your contribution by just 1% (so you're putting in 3% of your salary), your total contribution is now 6% with the employer match.

Unfortunately, many workers don't take full advantage of the employer match because they're not putting in enough themselves. A recent study revealed that employees who don't maximize the company match typically leave $1,336 of potential extra retirement money on the table each year. (23)

Looking for a second opinion, click here to speak to a Financial advisor today!

Click Here

Working on it… Your 30's through your 40's.

At this stage, you're likely full stride into your career and your income probably reflects that. The challenges to saving for retirement at this stage come from large competing expenses: a mortgage, raising children and saving for their college. Try investing a minimum of 10% of your salary towards retirement. Always, maximize the XOM contribution match.

One of the classic conflicts is saving for retirement versus saving for college. Most financial planners will tell you that retirement should be your top priority because your child can usually find support from financial aid whereas you'll be on your own to fund your retirement.

The home stretch… Your 50's and 60's.

Ideally, you're at your peak earning years and some of the major household expenses, such as a mortgage or child-rearing, are behind you, or soon will be. Now, it's time boost your retirement savings goal to 20% or more of your income as it's the last opportunity to stash away funds.

Workers age 50 or older, in 2020, can invest up to $19,500 into their retirement plan/401(k). Once they meet this limit they can add an additional $6,500 in catch up contributions. These limits are adjusted annually for inflation. If you are over 50, you may be eligible to use a catch-up contribution within your IRA.

To find more in depth information on early retirement offers read our e-book

"Early Retirement Offers"

ExxonMobil, as well as many other corporations negatively impacted by the Covid-19 crisis, have had rumours of layoffs for several months now. Instead of laying people off through traditional methods, ExxonMobil has positioned itself to potentially lay off employees through a "performance improvement plan," also called a PIP. ExxonMobil employees who receive a PIP essentially receive a severance offer to leave the company. However, ExxonMobil has stated that employees who get a PIP offer have an opportunity to show improvement and keep their job. A few months ago, ExxonMobil increased the number of employees they place in the "Needs Significant Improvement" (NSI) performance category. Employees placed in this category are eligible to receive a PIP. Prior to April only 3% of employees were placed in the NSI category. Currently 8% of salaried U.S. workers are placed in this category. Darren Woods, the CEO of ExxonMobil, has maintained his position that ExxonMobil is not planning on laying people off. However, Business Insider reported that ExxonMobil adjusted its performance evaluation process in order to "cut more workers without using traditional layoffs," (Jones).

Obviously this appears to be a response to the current economic recession. But could this be part of a larger economic trend? Is ExxonMobil exercising its "operating leverage"?

Operating leverage refers to the ability of a company to reduce labor costs by replacing workers with technology. It's no secret that companies have been replacing employees with new technology long before the Coronavirus crisis. However, it is possible that the economic downturn caused by the Coronavirus crisis could push corporations further to try and replace employees with technology. In a recent article, CNBC claimed that the stock market has held up largely due to the fact that Wall Street believes, "many corporations are going to fire a lot of people and replace them with technology that will make the companies more efficient and improve profits," (Pisani). To add some clarity, here is an example of how operating leverage works:

Sources: (36, 37, 38)

Operating Leverage

A corporation generates $10 in revenue every quarter, and they have an income of 1$. That would mean their profit margins are 10%. The corporation may then decide to cut ¼ of their labor force and replace the workers with a new technological development. When the report is released for the following quarter it shows that revenue increased to $12 and their income went up to $1.50. As a direct result of the layoff the profit margin is now 12.5% ($1.5/$12), which is 2.5% higher than the previous quarter.

When a recession hits companies have no choice but to become more efficient. Cutting costs has to be the main focus of this process, and oftentimes those cost cutting measures result in a lot of people being out of work. This benefits the stockholders but is clearly bad for the employees. Labor is often one of the largest expenses an employer incurs. It's also a variable cost, which means (usually) the cost of labor increases when production increases. The same relationship does not apply to technological expenses. Technology is closer to a fixed cost, so even when production is increased the cost stays about the same. When faced with a pandemic, companies need to look at every available option to save money. It seems as if many of them are investing in technology with the goal of replacing people and driving down costs.

Sources: (36, 37, 38)

New Legislation (SECURE Act)

The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act)

- If you turn 70 ½ after the end of 2019 you will not be required to begin required minimum distributions until the age of 72.
- You may now continue to contribute to an IRA after you turn 70 ½ if you are still employed.
- If you have student loans, you are now allowed to withdraw up to $10,000 annually from a 529 account to pay down debt.
- You are permitted to withdraw up to $5,000, penalty-free, to assist with the cost of adopting or having a new child.
- Inherited IRAs given to non-spousal beneficiaries must now withdraw the balance of the account within 10 years of the death of the original account holder, thus eliminating a strategy known as a stretch IRA.
- Created more options for lifetime payout benefits from employer sponsored retirement savings plans.

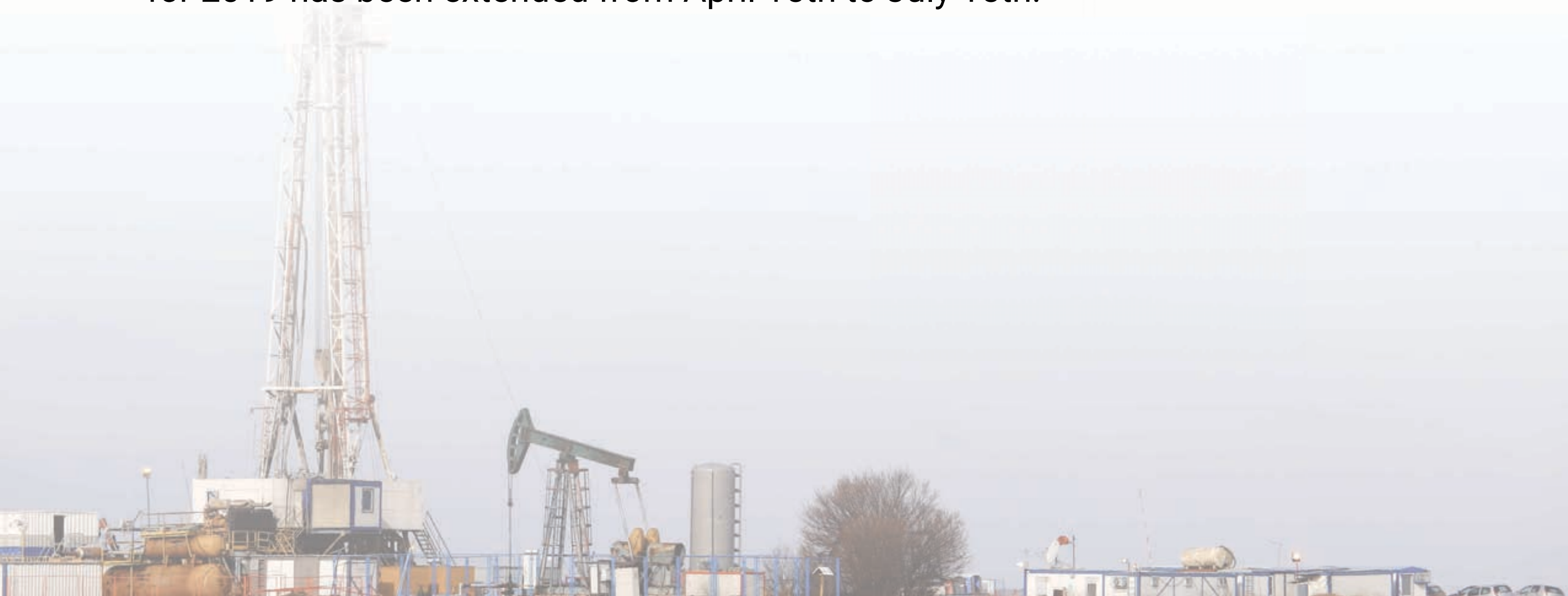
Visit our blog and sign up to our monthly newsletter to receive financial updates!

TRG Blog

New Legislation (CARES Act)

The Coronavirus Aid, Relief and and Economic Security Act of 2020 (CARES Act)

- Required minimum distributions (RMDs) from IRAs, Inherited IRAs, 401(k)s, 403(b)s, 457(b)s and other retirement plans have been suspended for 2020.
- For 2020, you can withdraw up to $100,000, penalty-free, from retirement accounts such as a 401(k) or an IRA account if you qualify under one of two categories:
  - You, your spouse or a dependent is diagnosed with COVID-19.
  - You have suffered financial consequences as a result of the pandemic.
- The maximum amount that can be borrowed from a 401(k), for loans made between March 27,2020 and September 22, 2020, was increased from the lesser of $50,000 or 50% of the plan participant's account balance to the lessor of $100,000 or 100% of the participant's balance if you meet one the above qualifications.
- You may now qualify for a new above-the-line tax deduction of $300 for charitable contributions. The new deduction allows those who do not itemize their tax deductions to receive a tax credit of up to $300 per individual from donating cash to a charity in 2020.
  - The new above-the-line $300 deduction for cash gifts cannot be given to donor-advised funds (DAFs) or supporting organizations (SOs).
- The 2020 limit for cash gifts to most public charities was increased from 60% of adjusted gross income to 100% of AGI.
- The cutoff date for making 2019 IRA, Roth IRA, Health Savings Account, Archer Medical Savings Account and Coverdell Education Savings Account contributions for 2019 has been extended from April 15th to July 15th.



Whether you're changing jobs or retiring from XOM, knowing what to do with your hard-earned retirement savings can be difficult. An employer-sponsored plan, such as a Pension & 401(k), may make up the majority of your XOM retirement savings, but how much do you really know about that plan and how it works? There are seemingly endless rules that vary from one retirement plan to the next, early out offers, interest rate impacts, age penalties, & complex tax impacts.

Increasing your investment balance and reducing taxes is the key to a successful retirement plan spending strategy. Our advisors at The Retirement Group can help you understand how your retirement 401(k) fits into your overall financial picture and how to make that plan work for you.

"Workers are far more likely to rely on their workplace defined contribution (DC) retirement plans as a source of income. 8 in 10 believe this will be a major or minor source of income in retirement. 3 in 4 expect income to come from their personal retirement savings or investments."
- Employee Benefit Research Institute

As of March 2019, 71% of full-time private-sector American workers had access to an employer retirement plan, but only 56% chose to participate. Regardless of what you choose to do with the funds from your employer retirement plan, you're already ahead of 44% of all workers.(1)

Will ExxonMobil Freeze its Pension?

ExxonMobil has recently suspended their 401(k) matching program which raises the question, would they freeze the pension program? What would it look like if they did? A pension freeze would mean employees won't be able to accrue any additional future benefits. They would however be able to collect the benefits which they have already earned. Over the past several decades many corporations have moved to defined contribution (DC) plans and moved away from defined benefit (DB) plans. Companies freeze or off-load DB pension plans in order to cut down on their current pension obligations. By making the switch from a DB plan to a DC plan corporations can also shift risk from the company to the workers. The trend is good for investors because companies who relieve themselves of pension debt become less risky investments. However this trend can negatively impact employees who often rely on those DB plans for their retirement years.

Pension Formula

The ExxonMobil Pension Plan is a Defined Benefit Pension, based on years of service, final average pay, and a social security offset, with potential age penalties.

DB Pension (formula based)

- 5 year vest or age 65
- 1.6% * YOS *FAP - SS offset
  - FAP (highest 36 consecutive months in last 10 yrs)

Normal Retirement Age

- Age 60 no AP reduction as a retiree
- Age 65 no AP reduction as a terminee
- 55+15 = Retiree* = -5% p/yr under 60

- *Earliest you can take pension is 50 if on disability

Companies make mistakes:

- If company over-projects offset: send in social security statement and correct, this can lead to a larger annuity/lump-sum benefit
- If company under-projects offset: you get to keep the larger benefit
- **Be careful sending in your statement without first consulting a TRG advisor.**

Age Penalty Reductions

Age Penalty Schedule for qualifying early retirees before age 60…

If Your Age is…	AP Reduction is…
59	5%
58	10%
57	15%
56	20%
55	25%

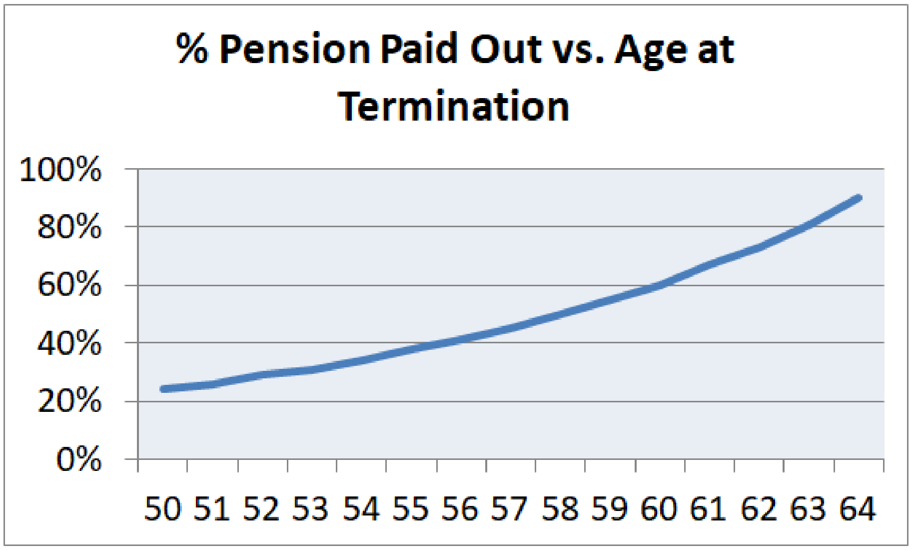
If your age at Retirement is…	AP Reduction is…
54	30%
53	35%
52	40%
51	45%
50	50%

Age Penalty Schedule for qualifying early retirees on disability before age 55…

ExxonMobil Pension Plan

If you are a pre-65 terminee you stand to face severe age penalties for each year before 65.

If Your Age is...	AP Reduction is...
64	10%
63	19%
62	27%
61	33%
60	40%
59	45%
58	50%
57	55%
56	59%
55	62%
54	66%
53	69%
52	71%
51	74%
50	76%



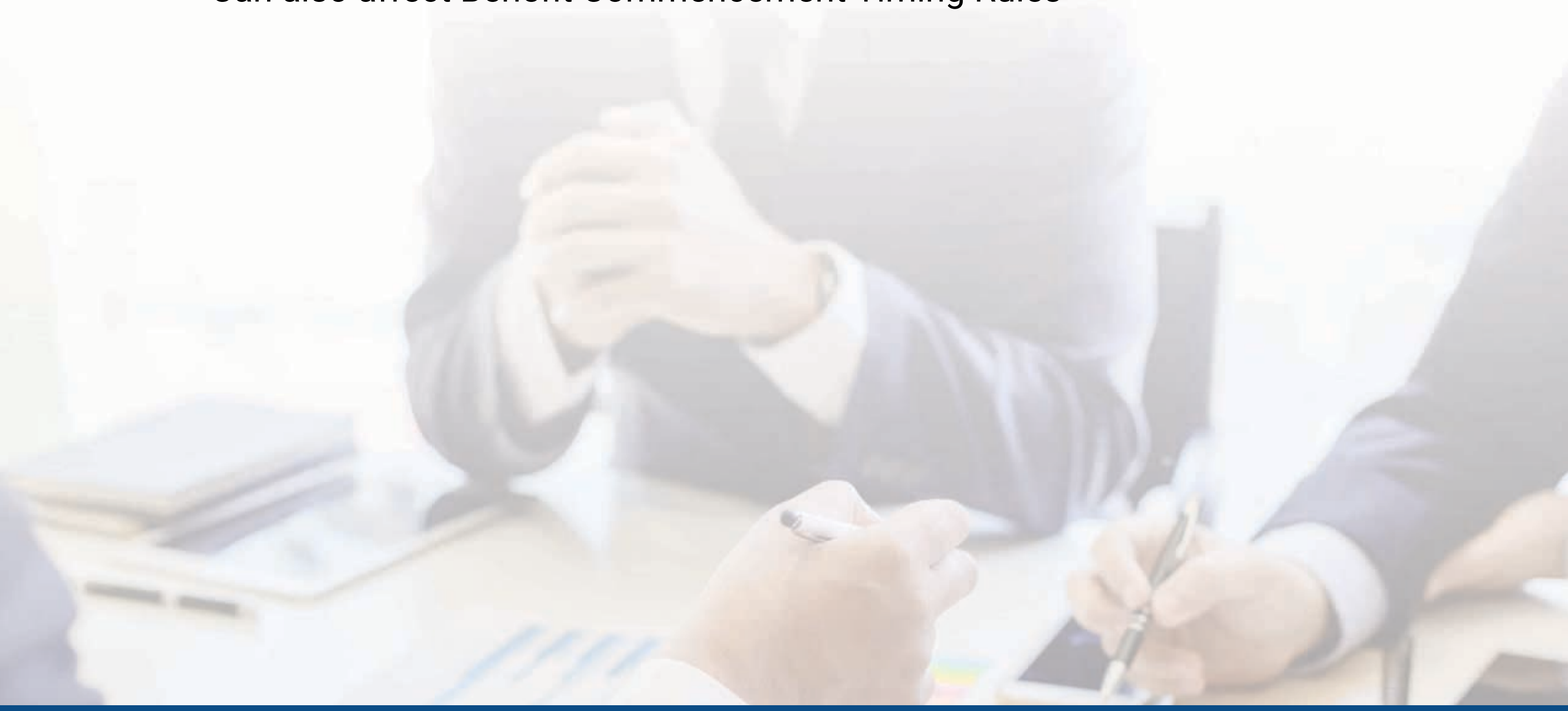
- Pension Distribution Options
  - Lump Sum
  - Annuity (SLA + J&S + Period Certain 10/15/20)
  - Partial Lump Sum (75%/50%/25%) with Partial Annuity
    - *Terminee only has Annuity Options

- PPA rate being transitioned in…for some
  - High-quality corporate bonds and updated mortality assumptions prescribed by the IRS

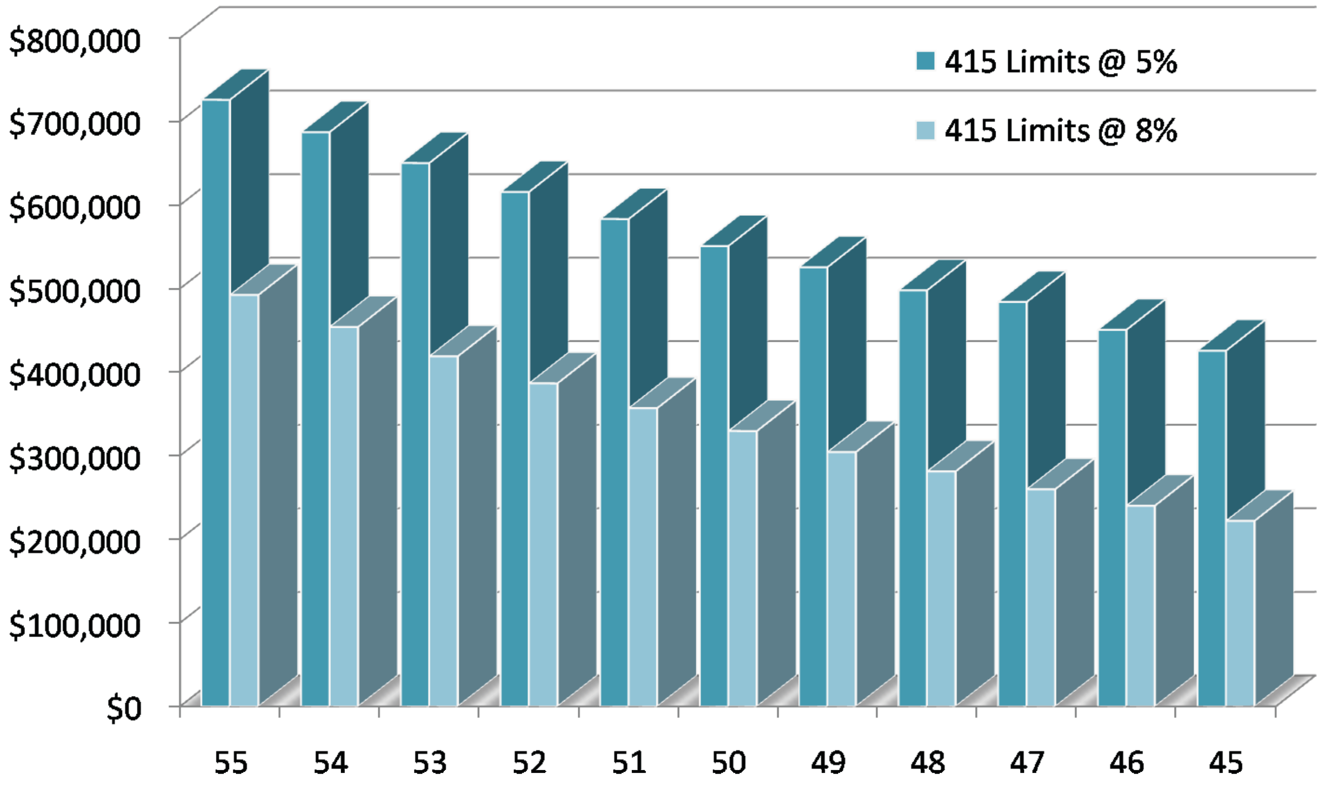
Pension Interest Rates
Depend on Service and Age

- **Grandfathered Employees**
  - Retirement Eligible by end of 2012 (55+15) OR Death/Disability prior to 2013
  - Rate based on Average Treasury 2 Quarters prior *.95 rounded to nearest 0.25%
  - Interest rate movement still applies (Source [23])
    - Q4 2019 Retirement = 2.75%
    - Q1 2020 Retirement = 2.25%
    - Q2 2020 Retirement = 2.25%

- **Non-Grandfathered Employees**
  - Not Retirement Eligible by 2012 (not 55+15)
  - Applies to Subsidiary Company Employees who were not Pension Eligible upon Merger (i.e. XTO)
  - PPA Method to Calculate Lump Sum (Corporate Bond Rates)
  - Use Average Segment Rates (3) of 4th and 5th month prior to Retirement Quarter
  - Typically Lower Lump Sum than produced by Treasury Rates
  - Can also affect Benefit Commencement Timing Rules



Supplemental Pension Plan



Generally, IRS Rule 415 only comes into play with very highly compensated employees. It limits the amount of lump sum pension you can roll into an IRA tax free. Any amount over these limits will be taxed as it is taken from the pension.

Pension Death Benefit - Active Employees

Less than 15 years of service – Surviving Spouse Annuity

- The Pension Plan pays surviving spouse annuity, equal to 1/2 of your basic pension benefit earned up to the date of your death (50% J&S Annuity)
- Spouse may commence benefit at anytime from age 50-65 (your age) subject to early commencement penalties for terminees

15 years of service or more – Death Benefit Pension

- Calculated as if you retired on date of death and elected the lump sum option (Subject to early commencement penalties depending on age at death)
- Payable to beneficiary designated on "Special Beneficiary Designation Form" (found on HR intranet). Spousal consent required for non-spouse beneficiary and must be updated at age 35
- Can be paid as lump sum or basic life annuity using beneficiary's life expectancy
- Lump sum rollover subject to inherited IRA rules (PPA 2006)

ExxonMobil Pension Plan: Payout Options

Forms of Payment

- Single Life Annuity
- Lump Sum
- Extended Term-Certain Annuity
- Joint and Survivor Annuity

- **Immediate Straight Life Annuity:** Provides a fixed monthly payment for your life. No monthly payments will be made after your death.
- **Total Lump-Sum Payment**: A single cash payment of your vested balance. The cash payment can be rolled over to an IRA or to a qualified employer plan.
- **Partial Cash Distribution**: A request for a specified dollar portion of your vested balance. The cash payment can be rolled over to an IRA or to a qualified employer plan. Your remaining balance will continue to participate in the fund investment performance.
- **Extended Period Certain Annuity:** Provides fixed monthly payments for 10,15, or 20 years with a guarantee by the insurance company. In the event of your death your designated beneficiary under the annuity will receive the remaining payments.
- **Immediate Joint and Survivor Annuity**: Provides fixed monthly payments for your life. Upon your death, 1%, 25%, 50%, 75% or 100% (depending on the percent you elect) of the original monthly payment will continue for the life of your joint annuitant. If you die, joint annuitant payments are payable only to the individual you name when you select this option. You may not change your joint annuitant after annuity payments begin. If you name your spouse as your joint annuitant, the annuity is payable only to that spouse—not to anyone else you may marry at a later date.

ExxonMobil Pension Plan: Payout Options

Thinking about what to do with your pension is an important part of planning for your retirement at XOM. Should you take the Lump Sum or Annuity? When should you take it? What is best for you and your family? To find out more information readout our "*Lump Sum vs. Annuity*" e-book.

You should routinely use the tools and resources found on The Retirement Group's e-book gallery, such as the *Energykit(*17), to model your pension benefit in retirement and the pension payment options that will be available to you.

You can also contact an XOM dedicated adivsor at The Retirement Group at (800)-900-5867. We will get you in front of an XOM focused advisor to help you start the retirement process and tell you about your payment.

Note: We recommend you read the XOM Summary Plan Description.
The Retirement Group is not affiliated with XOM.

Next Step:

- Determine if you should take the XOM Pension as a Lump Sum or Annuity.
- How do interest rates affect your decision?
- Use the "*EnergyKit"* (17) to understand cash flow, interest rates, and explore which pension option might be the best fit for you during retirement.
- As you get closer to your retirement date, contact an XOM focused advisor at The Retirement Group and also read the applicable SPD Summary(4) to start your retirement process.
- XOM will need you to provide documents that show proof of birth, marriage, divorce, Social Security number, etc., for you and your spouse/legally recognized partner.
- XOM has Beneficiary Designation online to make updates to your beneficiary designations, if applicable to your pension program. Please read your SPD for more details(4)

Do you know how much you need in retirement? Click here to read our ebook.

"Determining Cash Flow"

Lump-Sum vs. Annuity

Retirees who are eligible for a pension are often offered the choice of whether to actually take the pension payments for life, or receive a lump-sum dollar amount for the "equivalent" value of the pension – with the idea that you could then take the money (rolling it over to an IRA), invest it, and generate your own cash flows by taking systematic withdrawals throughout retirement.

The upside of keeping the pension itself is that the payments are guaranteed to continue for life (at least to the extent that the pension plan itself remains solvent and doesn't default). Thus, whether you live 10, 20, or 30 (or more!) years in retirement, you don't have to worry about the risk of outliving the money.

By contrast, selecting the lump-sum gives you the potential to invest, earn more growth, and potentially generate even greater retirement cash flow. Additionally, if something happens to you, any unused account balance will be available to a surviving spouse or heirs. However, if you fail to invest the funds for sufficient growth, there's a danger that the money could run out altogether, and that you may regret not having held onto the pension's "income for life" guarantee.

Ultimately, though, whether it is really a "risk" to outlive the guaranteed lifetime payments that the pension offers, by taking a lump-sum, depends on what kind of return must be generated on that lump-sum to replicate the payments. After all, if the reality is that it would only take a return of 1% to 2% on that lump sum to create the same pension cash flows for a lifetime, there is little risk that you will outlive the lump-sum even if you withdraw from it for life(10). However, if the pension payments can only be replaced with a higher and much riskier rate of return, there's also a greater risk those returns won't manifest and you could run out of money.

Interest Rates and Life Expectancy

Current interest rates, as well as your life expectancy at retirement, have a large impact on lump sum payouts of defined benefit pension plans. The recent drop in interest rates in 2020 means that we're currently seeing record low interest rates for retirees commencing their ExxonMobil Pension in Q1 of 2021.

Interest rates are important for determining your lump sum option within the pension plan. They have no impact on the annuity options. The Retirement Group believes all ExxonMobil employees should run a detailed cash flow analysis comparing their lump sum and annuity before making their pension elections. As enticing as a high lump sum is, the annuity for all or a portion of the pension may still be the superior option. Every person's situation is different, and a cash flow analysis will show you how your pension choices now may play out in 30 years.

If interest rates are lower, they generate a higher lump sum payment. For Q1 2021, the pension rates for grandfathered employees will be 1.25% which is the all-time record low. This is a 1.50% drop from the 2.75% rate of Q4 2019. That means most lump sums may go up by as much as 15% from Q4 2019 to Q1 2021.

For employees not grandfathered and under the segment rates, you will see new record lows in Q1 2021 as well. The short-term, mid-term, and long-term rates are 1.52%, 2.27%, and 3.09%. These low rates will help generate higher lump sum options for retirees commencing their pensions in Q1 2021.

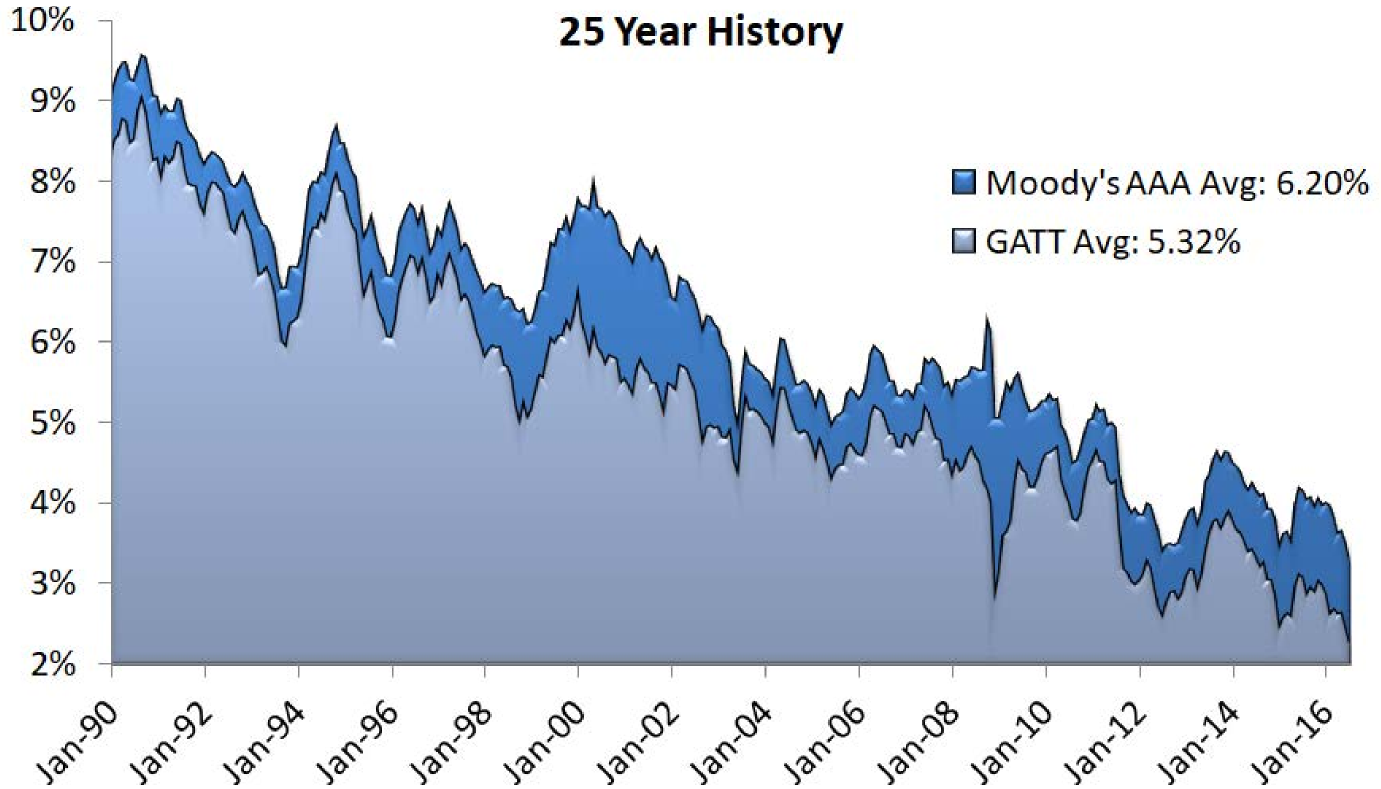
We continue to monitor interest rates and the rates from November to December will tell us what Q2 2021 will look like. If rates go higher, then lump sums will go lower. If rates stay the same or go lower, lump sums will likely go up again. If you need help determining whether or not you are grandfathered, let us know. Don’t hesitate to reach out if you need help calculating your pension options including the annuity or lump sum. Once you have your numbers, we will be happy to provide a complimentary cash flow analysis or update an existing one.

By knowing where you stand, you can determine if Q1 2021 is the best time to retire or if you are better off working longer or delaying the commencement of your pension benefit. If rates go up, how much are you okay with losing in your lump sum? Working longer will almost always generate more income, but a reduction in future lump sum payments could mean working for less money.

For more information on rising interest rates, read our ebook

"Rising Interest Rates"

GATT Rate vs Moody's Aaa Corp Bond Rate



Corporate Bonds are more risky than Government Bonds. Over the past 30 years, Corporate bonds have been around 1% higher. Why does this matter? Because your pension Lump Sum under the PPA is switching from the Government Bond rate (GATT) to the Corp Bond Rate.

Sources:

GATT history (30 years)

http://www.federalreserve.gov/releases/h15/data/Monthly/H15_TCMNOM_Y30.txt

2002-2006 GATT with extrapolation factors

http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=longtermrateYear&year=2002

Moody's Aaa Corp Bond history (30 years)

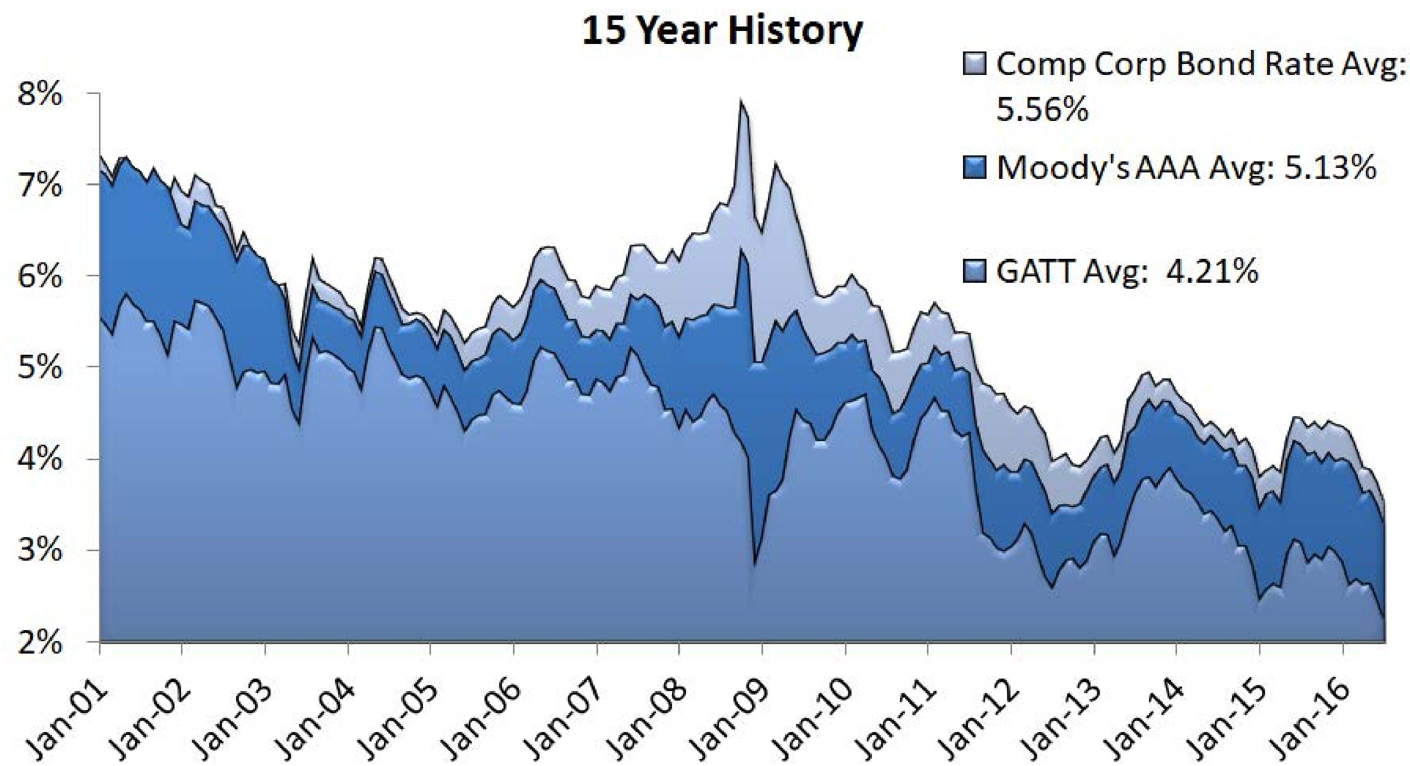
http://research.stlouisfed.org/fred2/series/AAA/downloaddata?cid=119

Composite Corp Bond Rate history (10 years)

http://www.irs.gov/retirement/article/0,,id=123229,00.html

https://www.irs.gov/retirement-plans/composite-corporate-bond-rate-table

GATT Rate vs Moody's Aaa Corp Bond Rate



The new Composite Corp Bond Rate that your company is using to calculate the lump sum amount has been trending even higher. In fact, over the last 10 years, the CCBR has been closer to 2% higher in some instances. This will have an affect on the lump sum's portion of your pension as companies transition into the CCBR over the next few years.

Year	Interest Rate Component	Value Lost from 2007
2007	95% 30 Year Treasury Bond	0
2008	20% Corp Bond Yield Curve + 80% 30-YTB	2-3%
2009	40% Corp Bond Yield Curve + 60% 30-YTB	4-6%
2010	60% Corp Bond Yield Curve + 40% 30-YTB	6-9%
2011	80% Corp Bond Yield Curve + 20% 30-YTB	8-12%
2012 - on	100% Corp Bond Yield Curve	10-15%

*This is the population that was not 50 years of age with at least 10 years of service by end of 2007 and would not be 55+15 by 2012. They **WILL** be affected by the PPA rate change. How bad? It's hard to tell.

This is the scheduled implementation of the pension reform act, in terms of, the changing of the rate to the corporate bond index. The key item to note is the potential drop in value of lump sum…but also keep in mind, we are at historical lows in interests rates. If interests rates climb, the effect to the lump sum could be more dramatic. Something that may give you a good indication in what the effect the change could have on the lump sum is to use the calculator and raise your interest rate by 2 – 3%, this will give you an indication of what could happen.

Keep in mind this is assuming a flat rate market and is not taking into account the effects of a rising interest rate market, which could reduce the value further. Remember a 1% move in rates lowers your lump by about 10%(Ex. $30 on $300k lump)

*Interactive calculators are made available to you as self-help tools for your independent use and are not intended to provide investment advice. We cannot and do not guarantee their applicability or accuracy in regards to your individual circumstances. All examples are hypothetical and are for illustrative purposes. We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues.

Investment Period	Months	Start Year	End Year	Change
Apr. 1983 to June 1984	14	11.5%	13.6%	+2.1%
Aug. 1986 to Sept 1987	13	8.7%	10.2%	+1.5%
Oct. 1993 to Nov. 1994	13	6.7%	8.7%	+2.0%
Sept. 1998 to Jan. 2000	16	6.4%	7.8%	+1.4%

Lump Sum vs. Annuity: With decreasing interest rates, your lump sum payout will increase.If you are close to retirement, you should really be keeping a close eye on rates and understand how changes in the rate can affect your lump sum pension. Here are some different times in the past 30 years that have shown significant increase in corporate bond rates in short periods of time. Having the rate move up 1% or 2% could show decreases in your pension lump sum as high as 10-30% in calculations we have done. That can be tens of thousands of dollars for long service employees.

Attend a Retirement Group Webinar on your XOM Pension Plan. Click here to reserve your spot!

XOM Webinar

XOM 401(k) Savings Plan

Employees are encouraged to enroll in a 401(k) savings plan right away. You may invest on a before-tax and/or an after-tax basis (regular or Roth) and choose out of seven investment options, with varying degrees of risk. You can also roll over pre-tax and Roth amounts from other eligible plans. Your contribution: 6% to 20% of your pay + Company contribution (If you contribute at least 6%): 7% of your pay = Total Savings: 13% to 27% of your pay

Vesting
As a participant, you vest in the company match after three years of vesting service, at age 65, or at death. If you terminate employment with less than three years of service, you forfeit the company match, but keep the remainder.

In addition, if you have an account in an eligible plan of a former employer, you may be eligible to roll over a distribution from that account to the Savings Plan.

Note: If you contribute at least 6 percent of your pay, you will receive a company match of 7 percent of your pay.

When you retire, if you have balances in your 401(k) plan, you will receive a Participant Distribution Notice in the mail. This notice will show the current value that you are eligible to receive from each plan and explain your distribution options. It will also tell you what you need to do to receive your final distribution. Please call The Retirement Group at (800)-900-5867 for more information and we can get you in front of an XOM-focused advisor.

Next Step:
- Watch for your Participant Distribution Notice and Special Tax Notice Regarding Plan Payments. These notices will help explain your options and what the federal tax implications may be for your vested account balance.
- "*What has Worked in Investing*"[18] & "*8 Tenets when picking a Mutual Fund*"[7].
- To learn about your distribution options, call The Retirement Group at (800)-900-5867. Click our e-brochure for more information on "*Rollover Strategies for 401(k)s*"[14]
- Use the XOM Online Beneficiary Designation to make updates to your beneficiary designations, if needed.

Company Match

ExxonMobil has recently announced they will no longer match their employee's contributions to their retirement savings plans. These benefits will officially be suspended starting October 1st, 2020.

Right now, ExxonMobil has two savings plans available to employees:

1. The U.S. ExxonMobil Savings Plan (EMSP)
   a. The company's current policy for the EMSP is to match, "a 6% minimum employee contribution with 7% of the participant's pay."
2. The U.S. Supplement Savings Plan (SSP)
   a. The SSP is a separate plan which, "provides the continuation of the company match amounts beyond certain IRS-prescribed dollar contribution figues," ("U.S. ExxonMobil Savings Plan Changes").

The matching program for both of these plans will be suspended indefinitely October 1st, 2020.

Sources: (39-46)

When is the last time you reviewed your 401(k) plan account or made any changes to it? If it's been a while, you're not alone. 73% of plan participants spend less than five hours researching their 401(k) investment choices each year, and when it comes to making account changes, the story is even worse.

When faced with a problem or challenge, many of us are programmed to try to figure it out on our own rather than ask for help. The Christmas Eve ritual of assembling toys without looking at the instructions and that road trip when we refused to stop to ask for directions come to mind. But when we're talking about 401(k) investing, choosing to go at it alone rather than get help can hurt.

Over half of plan participants admit they don't have the time, interest or knowledge needed to manage their 401(k) portfolio. But the benefits of getting help go beyond convenience. Studies like this one, from Charles Schwab, show those plan participants who get help with their investments tend to have portfolios that perform better: The annual performance gap between those who get help and those who do not is 3.32% net of fees. This means a 45-year-old participant could see a 79% boost in wealth at age 65 simply by contacting an advisor. That's a pretty big difference.

Getting help can be the key to better results across the 401(k) board. A Charles Schwab study found several positive outcomes common to those using independent professional advice. They include:

- **Improved savings rates** – 70% of participants who used 401(k) advice increased their contributions.
- **Increased diversification** – Participants who managed their own portfolios invested in an average of just under four asset classes, while participants in advice-based portfolios invested in a minimum of eight asset classes.
- **Increased likelihood of staying the course** – Getting advice increased the chances of participants staying true to their investment objectives, making them less reactive during volatile market conditions and more likely to remain in their original 401(k) investments during a downturn. Don't try to do it alone.

Get help with your 401(k) investments. Your nest egg will thank you.

Source: 26

In-Service Withdrawals

General Rules: You may withdraw amounts from your account while still employed by an employer under the circumstances described. Certain withdrawals are subject to regular federal income tax and if you are under age 59 ½ you may also be subject to an additional 10% penalty tax. You can determine whether you are eligible for a withdrawal, and request one, via internet access or by calling Voya.

Rolling Over Your 401(k)
As long as the participant is younger than age 72, an in-service distribution can be rolled over to an IRA. A direct rollover would avoid the 10% early withdrawal penalty as well as the mandatory 20% tax withholding. Refer to your SPD for more information & possible restrictions on rollovers/withdrawals.

Because a withdrawal permanently reduces your retirement savings and is subject to tax, you should always consider taking a loan from the plan instead of a withdrawal to meet your financial needs. Unlike withdrawals, loans must be repaid, and are not taxable (unless you fail to repay them). In some cases, as with hardship withdrawals, you are not allowed to make a withdrawal unless you have also taken out the maximum available plan loan.

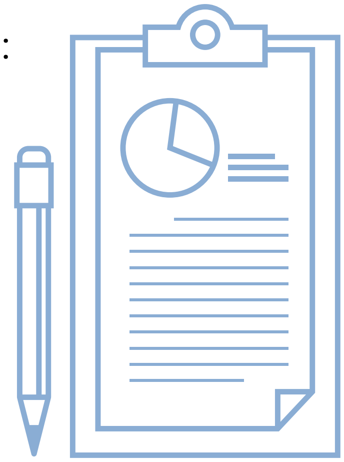
Note: The Plan Administrator reserves the right to modify the rules regarding withdrawals at any time, and may further restrict or limit the availability of withdrawals for administrative or other reasons, in its sole discretion. All participants will be advised of any such restrictions, which will apply equally to all employees.

Borrowing from your 401(k)

Should you borrow from your 401(k)? Maybe you lose your job, have a serious health emergency, or face some other reason that you need a lot of cash. Banks make you jump through too many hoops for a personal loan, credit cards charge too much interest ... and suddenly, you start looking at your 401(k) account and doing some quick calculations about pushing your retirement off a few years to make up for taking some money out.

It's your money, and you need it now. But take a second to see how this could adversely affect your retirement plans.

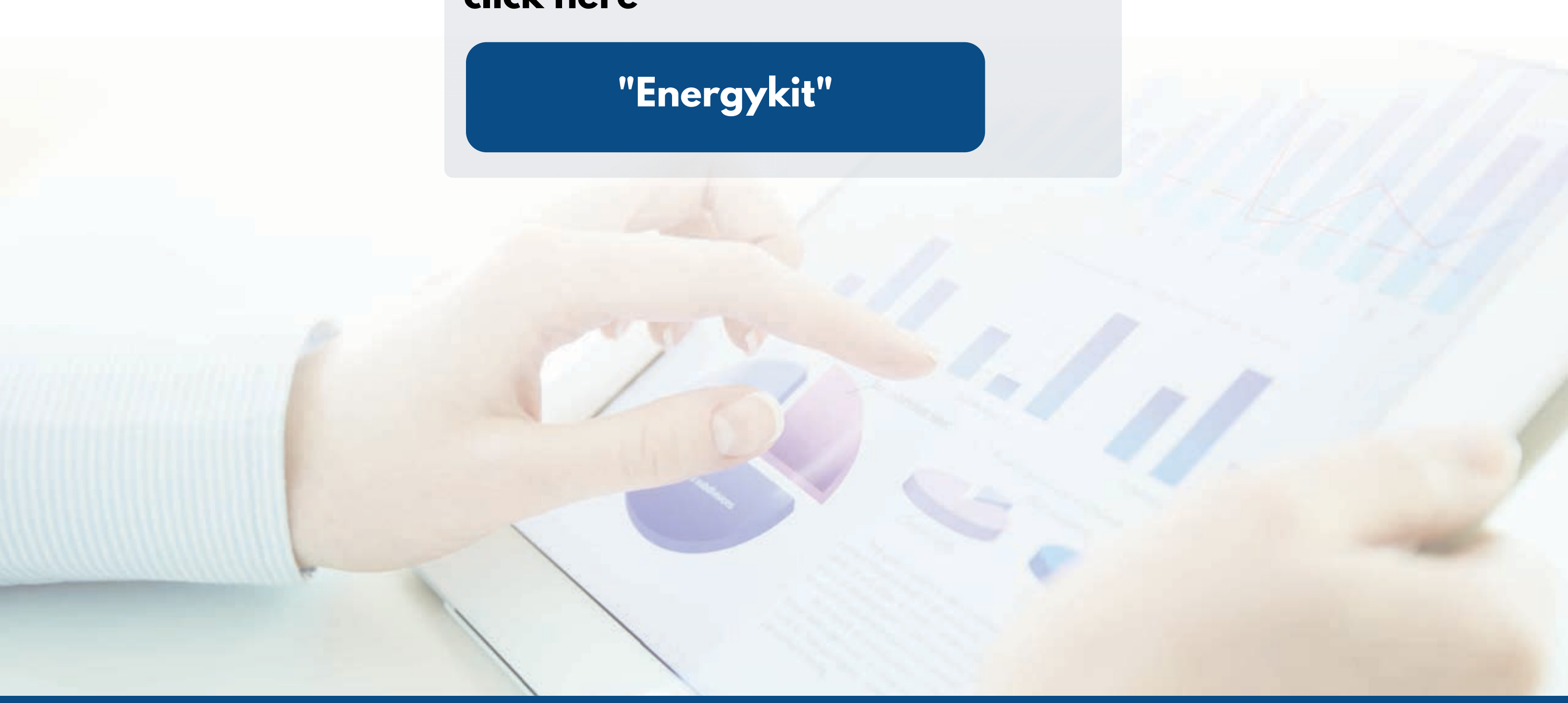
Remember: Borrowing from your 401(k) may result in the following:



- **Losing growth potential on the money you borrowed**
- **Repayment and tax issues, if you leave your employer**

To find more in-depth information on our Energykit,
click here

"Energykit"



Net Unrealized Appreciation (NUA)

When a ExxonMobil employee qualifies for a distribution they have three options:

- Roll-over your qualified plan to an IRA and continue deferring taxes
- Take a distribution and pay ordinary income tax on the full amount
- Take advantage of NUA and reap the benefits of a more favorable tax structure on gains.

How does Net Unrealized Appreciation work?

First an employee must be eligible for a distribution from their qualified plan; generally at retirement or age 59 ½, the employee takes a "lump-sum" distribution from the plan, distributing all assets from the plan during a 1 year period. The portion of the plan that is made up of mutual funds and other investments can be rolled into an IRA for further tax deferral. The highly appreciated company stock is then transferred to a non-retirement account.

The tax benefit comes when you transfer the company stock from a tax-deferred account to a taxable account. At this time you apply the NUA and you incur an ordinary income tax liability on only the cost basis of your stock. The appreciated value of the stock above its basis is not taxed at the higher ordinary income tax but at the lower long-term capital gains rate, currently 15%, for most individuals. This could mean a potential savings of over 30%. Let's take a look at an example.

For more information about Net Unrealized Appreciation, read our e-book

"Net Unrealized Appreciation"

Net Unrealized Appreciation Example

Let's assume the value of ExxonMobil stock within your account is $500,000. The price you paid for the stock is $75,000. If you roll the entire amount to an IRA you will owe nothing in taxes presently. Over time if you were in the 24% federal tax bracket you will pay $120,000 in taxes for distributions.

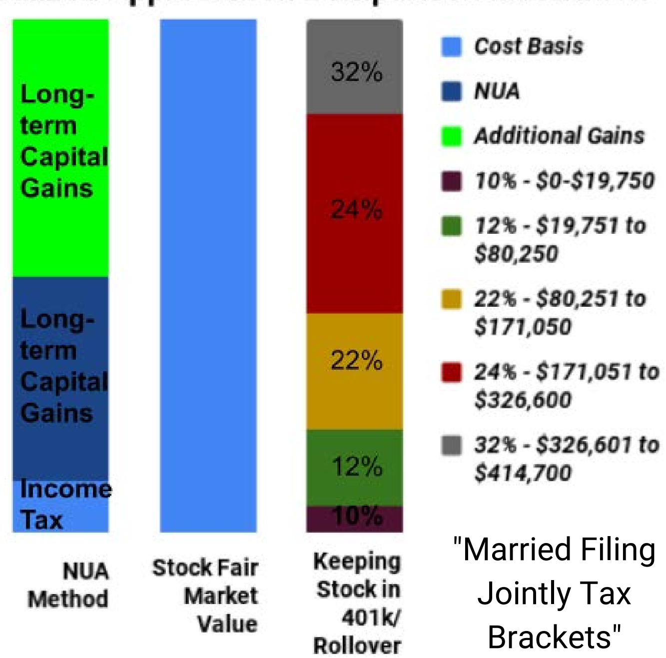
If you were to take advantage of NUA you will pay ordinary income tax on the cost basis at the time of distribution. This totals $18,000 in taxes today. The tax on the Net Unrealized Appreciation would be 15% of the gain, or $63,750. Your total tax liability is $81,750.

In this example, NUA saved nearly $40,000 in taxes! A few things to keep in mind:

- ExxonMobil employees taking a distribution prior to age 59 ½ may be subject to a 10% penalty.
- NUA makes more sense when employees have a low cost basis.
- It is important to take advantage of NUA prior to a rollover. Once you roll retirement assets to an IRA it is too late to take advantage of the potential savings.To qualify, you must be eligible for a lump-sum distribution of your entire qualified account.
- Stock shares must transfer in-kind to a taxable account. This means that the shares must not sell but must move from your qualified account into your new taxable account.

Net Unrealized Appreciation can be used in certain circumstances to save a substantial amount in taxes. Make sure that you consult with your tax and financial professionals to ensure that this is a good fit.

Net Unrealized Appreciation Comparison Illustration



IRA Withdrawal

What is the most efficient way to take my retirement income? Your retirement assets may consist of several retirement accounts — IRAs, 401(k)s, taxable accounts, and others. You may want to consider meeting your income needs in retirement by first drawing down taxable accounts rather than tax-deferred accounts. This may help your retirement assets last longer as they continue to potentially grow tax deferred. You will also need to plan to take the required minimum distributions (RMDs) from any employer-sponsored retirement plans and traditional or Rollover IRA accounts. That's because the IRS requires that you begin taking distributions from these types of accounts when you reach age 72 as for 2020. If you do not, the IRS may assess a 50% penalty on the amount you should have taken.
Note: New legislation allows individuals who did not turn 70 ¹⁄₂ by the end of 2019 to take RMDs on April 1 of the year in which you turn age 72.

Two flexible distribution options for your IRA

When you need to draw on your IRA for income or take your RMDs, you will find two flexible options. Please note that distributions from your IRA are subject to income taxes and may be subject to penalties and other conditions if your are under 59 ¹⁄₂.

- Partial withdrawals: Withdraw any amount from your IRA at any time. If you are age 72 or over, you will have to take at least enough from one or more IRAs to meet your annual RMD.
- Systematic withdrawal plans: Structure regular, automatic withdrawals from your IRA; choose the amount and frequency to meet your retirement income needs. If you are under age 59 ¹⁄₂, you may be subject to a 10% early withdrawal penalty unless your withdrawal plan meets Code Section 72(t) rules discussed[20].

Note: New legislation allows individuals who did not turn 70 ¹⁄₂ by the end of 2019 to take RMDs on April 1 of the year in which you turn age 72.

Your tax advisor can help you understand distribution options, determine RMD requirements, calculate RMDs, and set up a systematic withdrawal plan. Neither FSC nor its representatives provide tax or legal advice. Please consult your attorney or tax advisor for answers to your specific questions. Remember, The Retirement Group is not affiliated with XOM.

When you retire, you may be eligible for company-paid retiree basic life insurance. Coverage will depend on the plan you're covered under, and some employees are not eligible for this benefit. Refer to your summary plan description (SPD) [4] for the rules that apply to you.

Supplementary Life Insurance Coverage

At XOM, if you are younger than 65 when you retire, you may be able to continue your supplementary employee-paid coverage until the first day of the month after your 65th birthday. No action is required by you to continue your coverage but check with XOM. The cost of your coverage, however, could increase. Generally, your contributions as a retiree will be higher than those you pay as an employee.

After you retire, you can reduce the amount of supplementary coverage you have at any time. The change will take effect on the first of the following month. In some cases, you may be able to purchase additional supplementary coverage of one times pay (within 31 days of retirement) if your retiree basic life insurance is less than one times your active pay.

Note: If you stop paying supplementary contributions, your coverage will end. You will not be able to reinstate it. Please read the XOM SPD[4] for more details.

Things to keep in mind :

- 47% of Americans cite health care as their greatest economic concern.(27)
- Medical bills are the No. 1 cause of bankruptcy in the United States. (28)
- For older Americans, healthcare costs represent the second-largest expense, behind housing.(29)

Basic Life Employees

- Will have 2X annual pay coverage
- No reduction in retirement eligibility and being age 65+

Basic Life Retirees

- Those eligible or those within 5 years of retirement eligibility will have 5 years of Basic Life coverage at 1.5X annual pay
- Basic Life coverage will end at termination or retirement for other employees

Group Universal Life (GUL)

- Increased max coverage to 2X annual pay
- Future retirees can continue to participate until age 95

Employees beginning on or after December 1, 2015 (Basic Life Employees/Retirees)

Employees beginning December 1, 2015 and future retirees who retire after December 1 (Group Universal Life)

With the XOM Group Plan, if you are at least 65 when you retire or reach age 65 during retirement, and you continue to pay for your supplementary life insurance, you may be able to convert or port your supplementary life insurance to an individual policy. Check with XOM for more details. You must do this within 31 days of retiring or reaching age 65. MetLife (the insurance company) will send you information about this option shortly after you retire or reach age 65.

Any spouse and/or child life and dependent accidental death and dismemberment (AD&D) insurance, and any supplementary AD&D insurance, will end at the end of the month in which you retire. You may be able to convert your spouse and/or child life coverage within 31 days of retiring. However, your AD&D coverage may not be converted.

Next Step:

- If you are at least 65 and you pay for supplemental life insurance, you should receive information in the mail from the insurance company that explains your options. To convert or port your coverage, you must respond to the mailing by the required deadline. If you do not hear from the insurance company within two weeks of your supplemental life insurance ending (or the end of the month in which you retire), contact the XOM Benefits Center.
- If you have questions about your coverage during retirement, review your summary plan description on the XOM Benefits Center website. You also can call the XOM Benefits Center.
- Make sure to update your beneficiaries. See the SPD[4] for more details.

Disability Plan

The disability plan provides various levels of income replacement during periods of both short-term and long-term absences from work caused by illness or injury. You are eligible immediately when you start work for short-term disability benefits and, after one year of service, for long-term disability benefits. You do not have to pay for coverage under this plan.

Short-Term Disability

This benefit provides for continuation of your pay while you are unable to work due to illness or injury.

If you are disabled due to an ExxonMobil work-related illness or injury, you are eligible for up to 52 weeks of full pay, regardless of how long you've worked for the Company.

If the illness or injury is not related to your work, benefits continue for a period of time determined by your years of service, as shown in the table at right.

You can re-qualify for your full schedule of short-term disability benefits by working 26 weeks after last having received full-pay benefits.

The plan also provides a voluntary rehabilitation program to help when rehabilitation and retraining is a realistic goal to return you to employment.

Short-Term Non-Industrial Disability Eligibility Benefits

Years of Benefit Service	Maximum Weeks of	
	Full Pay	Half Pay
<1	6	0
1	6	4
2	8	6
3	10	6
4	12	8
5	16	10
6	16	15
7	16	20
8	16	25
9	16	30
10 or more	26	26

Long-Term Disability

After one year of service, you are eligible for long-term disability benefits if you become incapacitated, you are no longer receiving short-term disability benefits, and your employment ends as a result of your disability.

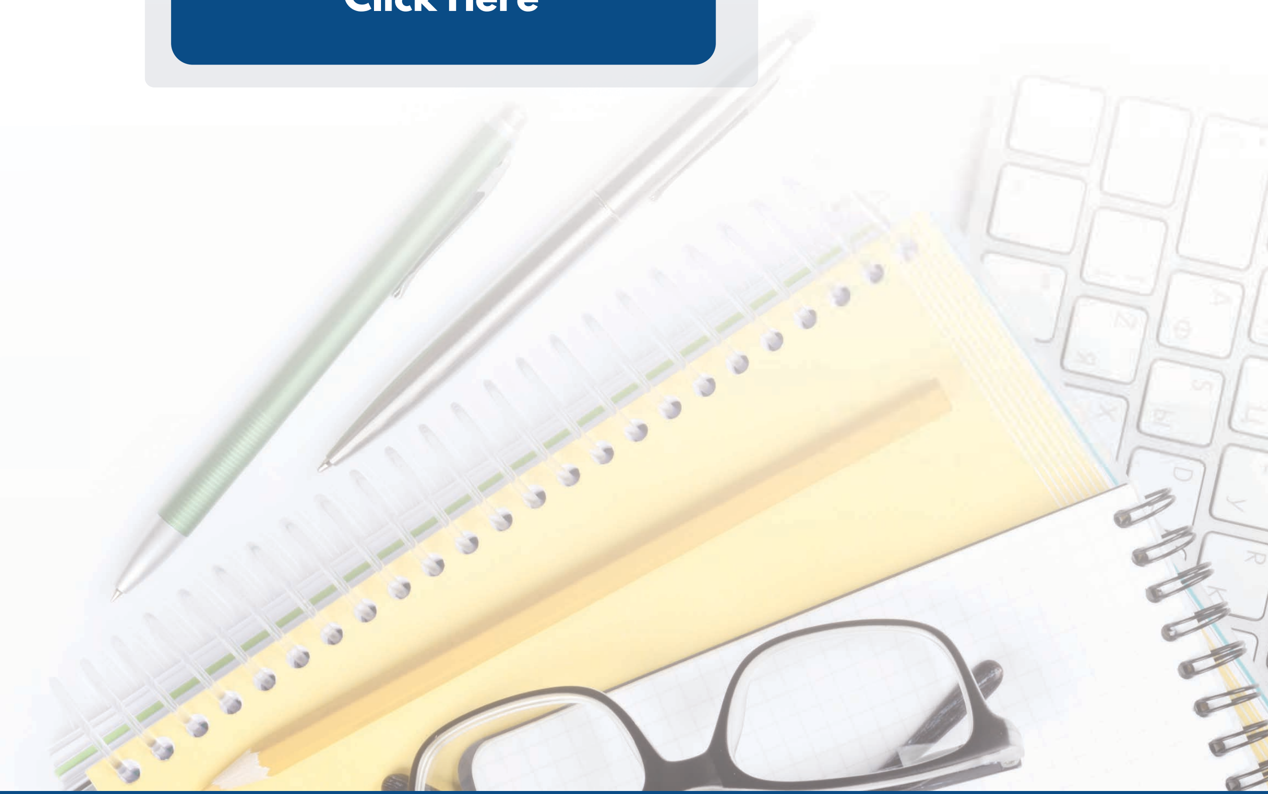
This benefit insures that along with other income replacement amounts, you receive the equivalent of 50 percent of your last monthly benefit pay for as long as you remain disabled.

XOM Health Plans cover a variety of other benefits. These include medical, dental, vision, CarePlus, prescription drugs, mental health/substance abuse (MH/SA) and life insurance. Your active coverage ends on the last day of the month in which you terminate your employment. For example, if you retire on April 16, your active benefit coverage ends on April 30. Please see SPD[4] for more details.

Note: The plans and contributions offered to you when you retire depend on many factors. These include your hire/rehire date, retirement date, Medicare eligibility for you or your dependents, the company you hired into and the company you retire from, etc. Please note that your hire date for determining your required contribution, if any, is not necessarily the same as your NCS date or the date used to determine your Term of Employment.

For more information on your insurance plan, click here to speak to a Financial advisor today!

Click Here



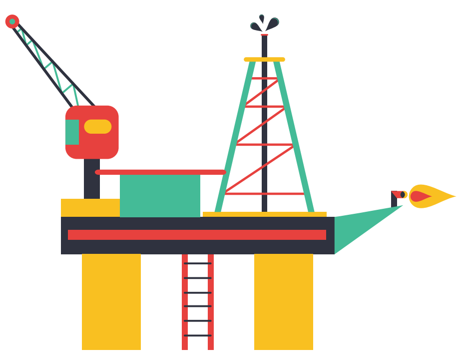
The company will review your eligibility for retiree benefits, and, if you are eligible, enrollment materials will be mailed to the address you have on file within three to four business days from the date the XOM Benefit Center is notified of your new status. The enrollment materials tell you what coverage you and your covered dependents are eligible to receive when you retire*. The enrollment materials also include information on any required current year contribution amounts associated with the benefit options. You can choose to keep the coverage reflected on the enrollment materials or select benefits that better support your needs. If you make changes to your retiree benefits, you will receive a confirmation statement of your changes seven to 10 business days after your election.

*Even if you are eligible for retiree health benefits, you will be notified if you or your dependents are also eligible for COBRA continuation coverage. Please review your SPD Summary.[4]

Next Step:

- Contact the XOM Benefits Center if you have questions regarding your XOM retiree coverage, or if you need to make a new election.
- Online Bill Payment Service. Pay your bill monthly through an online bill-pay service.
- Pay Now Method. Use your bank account to pay your bill online.

The XOM Benefits Center can provide more information on your new contributions, if applicable. Just call if you have questions and/or to make a new election, if required or call The Retirement Group for an advisor who works with XOM. Click here to schedule your appointment today!



*Disclosure: The Retirement Group is not affiliated with XOM

What Happens If Your Employment Ends

Your life insurance coverage and any optional coverage you purchase for your spouse/domestic partner and/or children ends on the date your employment ends, unless your employment ends due to disability. If you die within 31 days of your termination date, benefits are paid to your beneficiary for your basic life insurance, as well as any additional life insurance coverage you elected.

Note:
- You may have the option to convert your life insurance to an individual policy or elect portability on any optional coverage.
- If you stop paying supplementary contributions, your coverage will end.
- If you are at least 65 and you pay for supplemental life insurance, you should receive information in the mail from the insurance company that explains your options.
- Make sure to update your beneficiaries. See the SPD(4) for more details.

If you aren't sure about finances after a job loss, read our e-book

"How to Survive Financially after a Job Loss

XOM Beneficiary Designations

As part of your retirement and estate planning, it's important to name someone to receive the proceeds of your benefits programs in the event of your death. That's how XOM will know whom to send your final compensation and benefits. This can include life insurance payouts and any pension or savings balances you may have.

Next Step:
When you retire, make sure that you update your beneficiaries. XOM has an Online Beneficiary Designation form for life events such as death, marriage, divorce, child birth, adoptions, etc.

Social Security

Identifying optimal ways to claim Social Security is essential to your retirement income planning. For many retirees, understanding and claiming Social Security can be difficult. Social Security benefits are not designed to be the sole source of your retirement income, but rather a part of your overall withdrawal strategy. Knowing the foundation of Social Security and using this knowledge to your ad-vantage can help you claim your maximum benefit.

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960+	67

It is your responsibility to enroll in Medicare parts A and B when you first become eligible — and you must stay enrolled to have coverage for Medicare-eligible expenses. This applies to your Medicare eligible dependents as well.

You should know how your retiree medical plan choices or Medicare eligibility impact your plan options. Before you retire, click on our e-book "*Social Security*" (11) for more information, contact the U.S. Social Security Administration directly at (800) 772-1213, call your local Social Security Office or visit ssa.gov. They can help determine your eligibility, get you and/or your eligible dependents enrolled in Medicare or provide you with other government program information.

For more information on social security, read our e-book

"Social Security"

Next Step:

Check the status of your Social Security benefits before you retire. Contact the U.S. Social Security Administration by calling 800-772-1213. You can also call your local Social Security office or visit ssa.gov. Also review The Retirement Group e-brochure on *Social Security.*(11)

If you or your dependents are currently or will become eligible for Medicare after you leave XOM, Medicare generally becomes the primary coverage for you or any of your dependents as soon as the individual becomes eligible for Medicare. This will affect your company-provided medical benefits. You and your Medicare-eligible dependents must enroll in Medicare Parts A and B when you first become eligible. Medical and MH/SA benefits payable under the company-sponsored plan will be reduced by the amounts Medicare Parts A and B would have paid whether you actually enroll in them or not. For details on coordination of benefits, refer to your summary plan description (SPD)(4).

If you or your eligible dependent do not enroll in Medicare Parts A and B, your provider can bill you for the amounts that are not paid by Medicare or your XOM medical plan, making your out-of-pocket expenses significantly higher.

According to the Employee Benefit Research Institute (EBRI), Medicare will only cover about 60% of an individual's medical expenses. This means a 65-year-old couple, with average prescription-drug expenses for their age, will need $259,000 in savings to have a 90% chance of covering their healthcare expenses. A single male will need $124,000 and a single female, thanks to her longer life expectancy, will need $140,000.

Projected annual Medicare costs for an individual: Part B and Part D premiums[13] >

Year	Age	Part B	Part D	Annual B+D
2020	65	$1,725	$871	$2,596
2030	75	$3,238	$1,636	$4,874
2040	85	$6,078	$3,070	$9,148

Next Step:
Get Medicare prescription drug information by visiting medicare.gov.

Check your SPD Summary(4) to see if you're eligible to enroll in Medicare Parts A and B (4). If you become Medicare eligible for reasons other than age, you must contact the XOM Benefits Center about your status.

How we can help:	Time to Retirement: Several Years	2 Years or Less	In Retirement
Familiarize you with individual healthcare plans	✓	✓	✓
Estimate your healthcare costs in retirement	✓	✓	✓
Design an overall retirement plan for you	✓	✓	✓
Incorporate healthcare costs into your plan	✓	✓	✓
Manage your plan to help you achieve your goals	✓	✓	✓
Explain the basics of Medicare		✓	✓
Familiarize you with the Medicare enrollment process			✓
Help you avoid coverage delays and possible penalties			✓

Divorced or Divorcing?

XOM and Divorce

Are you divorced or in the process of divorcing? Your former spouse(s) may have an interest in a portion of your XOM retirement benefits.

“Happily ever after” and “until death do us part” won’t happen for 28% of couples over the age of 50.3. Most couples saved together for decades, assuming they would retire together. After a divorce, they face the expenses of a pre-or post-retirement life, but with half their savings.(33)

What's required?

Before you can start your pension—and for each former spouse who may have an interest—you’ll need to provide XOM with the following documentation:

- A copy of the court-filed Judgment of Dissolution or Judgment of Divorce along with any Marital Settlement Agreement (MSA)
- A copy of the court-filed Qualified Domestic Relations Order (QDRO)

You’ll need to submit this documentation to the XOM online Pension Center regardless of how old the divorce or how short the marriage.

IMPORTANT: If you don’t provide XOM with the required documentation, your pension benefit could be delayed or suspended.

For more information on strategies for divorce individuals, read our e-book

"Strategies for Divorced Individuals"

Divorced or Divorcing?

Social Security and Divorce

You can apply for a divorced spouse's benefit if the following criteria are met:

- You are at least 62 years of age
- You were married for at least 10 years prior to the divorce
- You are currently unmarried
- Your ex-spouse is entitled to Social Security benefits
- Your own Social Security benefit amount is less than your spousal benefit amount, which is equal to one-half of what your ex's full benefit amount would be if claimed at Full Retirement Age (FRA)

Unlike with a married couple, your ex-spouse doesn't have to have filed for Social Security before you can apply for your divorced spouse's benefit, but this only applies if you've been divorced for at least two years and your ex is at least 62 years of age. If the divorce was less than two years ago, your ex must already be receiving benefits before you can file as a divorced spouse.

Divorce doesn't even disqualify you from survivor benefits. You can claim a divorced spouse's survivor benefit if the following are true:

- Your ex-spouse is deceased
- You are at least 60 years of age
- You were married for at least 10 years prior to the divorce
- You are single (or you remarried after age 60)

In the process of divorcing?

If your divorce isn't final before your retirement date, you're still considered married. You have two options:

- Retire before your divorce is final and elect a joint pension of at least 50% with your spouse—or get your spouse's signed, notarized consent to a different election or lump sum
- Delay your retirement until after your divorce is final and you can provide the required divorce documentation

Survivor Checklist

What your survivor needs to do

- Report your death. Your spouse, a family member or even a friend should call the XOM Benefits Service Center as soon as possible to report your death.
- Collect life insurance benefits. Your spouse or other named beneficiary will need to call the XOM Benefits Service Center to collect life insurance benefits.

If you have a joint pension

- Start the joint pension payments. The joint pension is not automatic. Your joint pensioner will need to complete and return the paperwork from the XOM Pension Call Center to start receiving joint pension payments.
- Be prepared financially to cover living expenses. Your spouse will need to be prepared with enough savings to bridge at least one month between the end of your pension payments and the beginning of his or her own pension payments.

If your survivor has medical coverage through XOM

- Decide whether to keep medical coverage.
- If your survivor is enrolled as a dependent in XOM-sponsored retiree medical coverage when you die, he or she needs to decide whether to keep it. Survivors have to pay the full monthly premium.

Attend a Retirement Group Webinar on your XOM Pension Plan. Click here to reserve your spot!

XOM Webinar

Life after XOM -- Why would I work?

FINANCIALLY: BENEFITS OF WORKING

Make up for Decreased Value of Savings or Investments.
Low interest rates have made it great for Lump Sums but harder to generate portfolio income. Some people continue to work to make up for poor performance of their savings and investments.

Maybe you took an XOM offer & left earlier than you wanted and less retirement savings than you needed.
Instead of drawing down savings, some decide to work a little longer to pay for extras you've always denied yourself in the past. See our e-book "*Early Retirement Offers*" (9) for more information.

Meet Financial Requirements of day-to-day living.
Expenses can increase during retirement and working can be a logical and effective solution to this problem.

Keep Insurance or Benefits
You may choose to continue working in order to keep your insurance or other benefits. Many employers offer free to low cost health insurance, for part-time workers.

EMOTIONALLY: BENEFITS OF WORKING

Staying Active and Involved
Retaining employment, even if it's just part-time, can be a great way to use the skills you've worked so hard to build over the years and keep up with friends and colleagues.

Enjoy Yourself at Work.
Just because the government has set a retirement age with its Social Security program doesn't mean you have to schedule your own life in such a manner. Many people genuinely enjoy their employment and continue working because their jobs enrich their lives.

A New Job Opportunity comes along.
You might find yourself with very tempting job opportunities at a time when you thought you'd be withdrawing from the workforce.

Notes: Assumes assets are 60% in stocks and 40% in bonds and withdrawals increase each year with inflation. Source: David Blanchett, Morningstar

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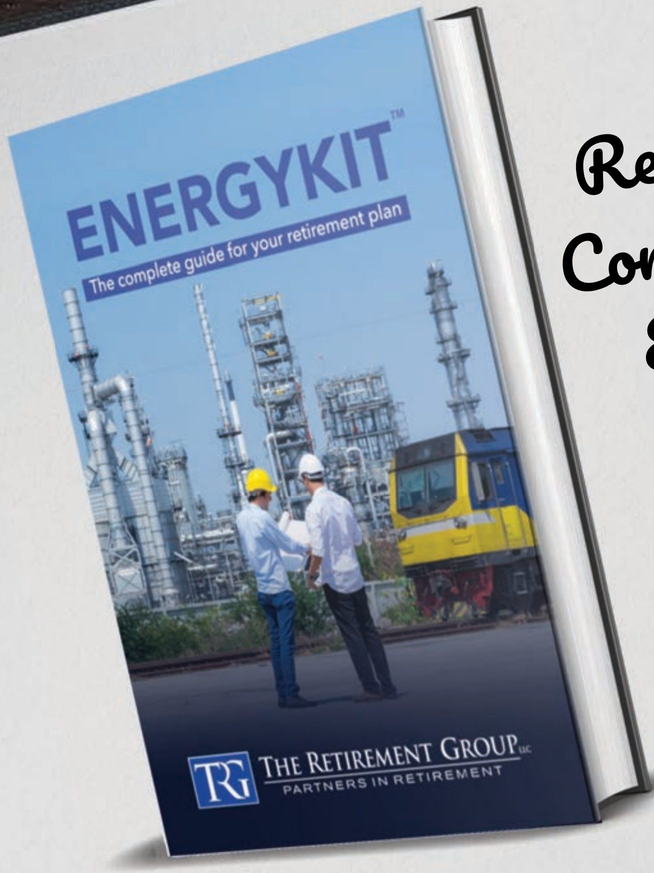

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