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MASTER RETIREMENT PLAN FREQUENTLY ASKED QUESTIONS

Master Retirement Plan Basics

Q: What is the difference between the Master Retirement Plan and the Deseret 401(k) Plan?

A: The Master Retirement Plan is a 401(a) plan, which is funded 100% by your employer. It is a defined benefit plan. The benefit is based on your age, years of service, and final average salary when you retire. Enrollment in this plan is automatic for those employees who are eligible.

The Deseret 401(k) Plan is a 401(k) savings plan. When you contribute a percentage of your salary, your employer makes a matching contribution to your account. This plan is a defined contribution plan.

Q: How do I know if I have a Master Retirement Plan benefit?

A: Go to www.dmba.com to see your specific information, or contact DMBA Member Services or your employer.

Q: Is my Master Retirement Plan benefit in an individual account?

A: No, your Master Retirement Plan benefit is not in a separate account like your Deseret 401(k) Plan account. Rather, your benefit is determined by a specific formula and paid to you from a general fund.

Q: Can I borrow from the Master Retirement Plan?

A: No. Defined benefit plans, such as the Master Retirement Plan, cannot offer loans.

Q: Can I use my Master Retirement Plan benefit as collateral?

A: No. The money does not belong to you until you start receiving your benefit. Until that time, it still belongs to your employer.

Q: Is the Master Retirement Plan linked to the stock markets?

A: Yes and no. The amount your employer pays DMBA each year to fund the plan is linked to the stock market. But the benefit amount you receive is not dependent upon the stock market. Your employer bears all risk associated with the stock market.

Q: What do I need to do to begin receiving my retirement benefit?

A: At least 90 days before your desired benefit start date, contact DMBA Member Services to request a calculation of your Master Retirement Plan benefit. Then submit your online retirement application to DMBA 60 days before your benefit start date.

If your application is not complete, including needed documents and signatures, your first payment(s) may be delayed.

Q: How can my spouse get authorization to access my confidential information?

A: You must complete the *Authorization to Disclose Retirement or Life & Accident Benefit Information* to tell us what information your spouse can access. This does not give your spouse the right to make any changes.

Another person must have a Power of Attorney to make changes in your behalf. We need a copy of the Power of Attorney on file in our office before we can make any changes signed by your Power of Attorney.

When You Can Retire

Q: What is the youngest age I can retire and receive my Master Retirement Plan benefit?

A: You can begin receiving a monthly benefit payment when you reach early retirement age if you have ended employment. Early retirement age is 55 for participants who became eligible before January 1, 2010 and 60 for participants who became eligible on or after January 1, 2010. The benefit payments will be smaller than if you wait until you are normal retirement age because payments may be paid for a longer time.

If you end employment and the present value of your benefit is less than \$100,000, you may take it as a lump sum even if you are younger than early retirement age.

Q: Can I receive my Master Retirement Plan benefit if I am working for an employer other than a participating employer?

A: Yes you can. If you have reached early retirement age, you may begin your benefit payments. If you are younger than early retirement age and are eligible for a lump sum, you may take it.

Q: Can I receive my Master Retirement Plan benefit if I am working for a participating employer?

A: You must end your employment with your participating employer before you begin receiving your benefit. If you go part time or just reduce your hours, you may not retire. However, if you are working in an excluded class of employment as defined by your employer and if you are 62 or older, you may receive your retirement benefit.

Q: Do I have to start my Master Retirement Plan benefit payments at the same time I enroll in the retiree medical benefit or vice versa?

A: Your birth date is used to determine when you can begin to receive your benefit payments. You don't have to start your Master Retirement Plan benefit payments and retiree medical at the same time. You may take one and delay the start of the other until a later time.

If you choose to delay your medical and/or dental benefits, you must waive coverage at the time you end employment and you can only pick it up later if you were covered continuously by another group employer plan. If you drop life coverage, you cannot pick it up at a later date.

Master Retirement Plan Terms

Q: What is the difference between a termination date and the benefit start date?

A: Your termination date is the day your employment ends. Your benefit start date is the day you begin receiving your benefit payments from DMBA. Payments always begin on the first day of a month.

Q: What is vesting credit and how does it work?

A: Vesting refers to ownership in the plan. Vesting credit is all months of eligible service with a participating employer after the later of your 18th birthday or your hire date. You are 100% vested with at least 60 months (five years) of vesting credit.

You may earn vesting credit even if you are not earning benefit credit.

If you left employment with a participating employer before January 1, 1989, different vesting rules may apply. Please contact DMBA for more information.

Q: What is benefit credit and how does it work?

A: Benefit credit is all months of eligible service with a participating employer that you earn in an eligible class of employment as defined by your employer. Benefit credit begins accruing at age 21 or your hire date if later, and usually has a maximum of 396 months (33 years).

Benefit credit is used in calculating both your Master Retirement Plan benefit and your eligibility for DMBA's retiree medical benefit.

Q: What is a final average salary?

A: It is your end average monthly salary, based on your considered earnings, for the average of the highest five years of eligible employment with a participating employer.

Q: How is my benefit calculated?

A: Your benefit is based on your age, years of service, and your final average salary.

Please refer to the Master Retirement Plan summary plan description for more information. If you reduce your hours or are considering part-time employment, this may reduce the payment amount you receive. Contact Member Services for more information.

Payment Options—Lump Sums

Q: When is a lump sum available?

A: As long as the present value of your Master Retirement Plan benefit is less than \$100,000 at the time you would like to receive it and you have ended all employment, you may elect to receive a lump sum benefit.

Q: If I take the lump sum payment option, can I roll over my Master Retirement Plan benefits to another qualified plan?

A: Yes. You can roll all of your retirement benefits into your active Deseret 401(k) Plan account, into an IRA, or into another qualified plan.

Q: What determines what the lump sum will be?

A: Each year the U.S. government sets the interest rate that determines the value of the lump sum payment option.

Q: Can I just take the \$100,000 lump sum and waive my right to the rest of it?

A: No. Federal law does not allow DMBA to withhold any benefit you have earned.

Payment Options—Annuity Payments

Q: What kind of payment options are available to me from the Master Retirement Plan?

A: You have several payment options from which to choose. These include joint and survivor annuity options, term-certain options, and lump sum options. Eleven payment options are currently available to married participants. If you are single, five options are available to you. Please refer to the Master Retirement Plan summary plan description for more information about the payment options.

Q: What is a joint annuitant and can I change my joint annuitant at any time?

A: A joint annuitant is the spouse to whom you are legally married at the time you begin receiving your benefit payments. You cannot change your joint annuitant, even if you later divorce, become widowed, or remarry.

Q: Some of the joint and survivor options have a term certain. What does this mean?

A: It means that if both you and your spouse (joint annuitant) died within 10 years from your benefit start date, the benefit payments will be paid to your beneficiary(ies) for the remainder of the 10 years.

Q: When does the term-certain period begin?

A: The term certain begins on your benefit start date.

Q: Which of the Master Retirement Plan payment options would be best for me?

A: The Master Retirement Plan offers a variety of payment options because no one payment option will satisfy the financial needs of all retirees. The best option for you depends on your individual financial needs and your circumstances.

Please make sure you understand the different payment options before you select one. DMBA has financial planners on staff to help you with this decision. They are available at no charge to you. Remember that once you receive your first check, you cannot change your payment option.

Q: What payment option do most people take?

A: It depends on each financial situation and your health. If you have questions, please contact a financial planner at DMBA.

Q: What is the Qualified Joint & Survivor Annuity (QJSA) payment option?

A: As required by law, the QJSA option is a Joint & Survivor payment option that provides monthly payments to you for your lifetime. If you die before your spouse (joint annuitant), your spouse will receive 50% of the amount of your payments before you died.

The law allows DMBA to offer other payment options that you will want to consider. Compare the QJSA payment option to the Joint & Survivor 50% Annuity (10-year Certain) option. If you choose any other payment option, your spouse must waive the rights to the QJSA option in writing.

Q: What is the Qualified Optional Survivor Annuity (QOSA) payment option?

A: As required by law, the QOSA option is a Joint & Survivor payment option that provides monthly payments to you for your lifetime. If you die before your spouse (joint annuitant), your spouse will receive 75% of the amount of your payments before you died.

The law allows DMBA to offer other payment options that you will want to consider. Compare the QOSA payment option to the Joint & Survivor 75% Annuity (10-year Certain) option. If you choose any other payment option, your spouse must waive rights to the QOSA option in writing.

Q: Why are the QJSA and QOSA options offered when other options seem to be better? Why would any one elect one of them?

A: We are required by federal law to offer these payment options. And you may have extenuating circumstances in which the QJSA or the QOSA option may meet your needs.

Q: What is the increasing payment alternative and how does it work?

A: The increasing payment alternative, available for all annuity payment options, provides a lower monthly payment in the beginning and then the payment increases 4% annually.

The first payments start about a third lower than a level payment alternative. But then you'll receive a 4% increase every January. (Your first increase will be prorated on the number of months you have received your benefit.)

This alternative was designed as a way to help you with inflation. It takes about eight years to see monthly payments equivalent to the monthly level payments. It takes 16 to 18 years for your total payments to equal what you would have received during the same time with the level payment. But if you live longer than 18 years, your payments will continue to increase at 4% a year.

Death Before Retirement

Q: What happens to my Master Retirement Plan benefit if I die while I'm actively employed?

A: If you are vested in the plan, your spouse will be eligible to receive the Qualified Preretirement Survivor Annuity (QPSA) benefit. If you have submitted your retirement application, have not received your first check, but live to your benefit start date, we will honor the payment option you chose.

If you are single, no one will receive your benefit. If you have any unmarried orphaned children under the age of 18, the QPSA benefit amount will be split between them until they turn 18. Refer to the Master Retirement Plan summary plan description for more information.

Q: Why is the benefit not payable to anyone if I'm single and die before receiving a benefit payment?

A: This is a benefit provided by your employer for your retirement. It also provides for your spouse if you die. It is not meant to be used as a life coverage benefit.

Master Retirement Plan Application Information

Q: What changes can I make online? Why is a signature required for other changes?

A: You can change your address, direct deposit information, federal tax withholding, and state tax withholding online through our secure website. Also, you can change direct deposit information over the phone once we've verified your identity. Otherwise, if you don't make your changes online, we

require your signature for your protection. We want to make sure you are making the change and not someone else.

Q: When can I elect or change the beneficiary(ies) for my Master Retirement Plan benefit?

A: You may designate a beneficiary(ies) with your online retirement application at the time you apply to begin receiving your benefit. You can change your beneficiary(ies) in writing at any time after that by completing a *Beneficiary Form*. You cannot designate a beneficiary before you apply for your benefit.

Who your beneficiary is depends on which payment option you chose. The payment options available to you are based on your marital status at the time you retire. Because your marital status may change before your retirement, you cannot predesignate your payment option. For more information, refer to the Master Retirement Plan summary plan description.

Q: Where can I go to find a breakdown or verification of my retirement benefit?

A: You can find a breakdown or verification at www.dmba.com, or you can call Member Services and we will give you a quote over the phone.

Benefit Payments

Q: How does the Master Retirement Plan benefit affect my Social Security benefit?

A: The Master Retirement Plan benefit will not affect your Social Security benefit.

Q: What is deducted from my retirement check?

A: We deduct any taxes you ask us to withhold along with medical, dental, life, and vision plan premiums. If your benefit payment is not large enough to cover your premiums, we will send you a monthly bill for the premiums.

Q: Do I have to pay taxes on all of my Master Retirement Plan benefits?

A: Yes. Your employer contributed 100% of the money to fund your benefit. You have not paid taxes on this money and so it is taxable income to you. We'll send you an IRS *Form 1099R* after the end of each year that you can file with your taxes.

Q: If I do not receive my check, can I have it re-issued?

A: If you do not receive your check, we cannot reissue it until after the 15th of the month.

We strongly suggest that you sign up for direct deposit, which will ensure you receive your money by the first working day of every month and protect you from having your checks lost or stolen.

Re-employment After Retirement (Return to Work)

Q: What happens to my benefits if I return to work after starting my retirement benefit?

A: You continue to receive your monthly benefit payments during your period of re-employment, which may or may not increase upon re-retirement.

Q: What happens if take a lump sum cashout from my Master Retirement Plan benefit and then return to work?

A: You start over with the benefits offered by your new employer, which may or may not be the same as the benefit you have now.

Q: What happens if I've been gone for more than five years before I return to work?

A: If you leave employment for more than five years and then you're rehired by a participating employer, you'll receive the benefits offered by your new employer, which may or may not be the same as the benefits you have now.