Improved Annuity Plan

This Booklet Belongs To:

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Keep for Future Reference

Improved Annuity Plan

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for employees of

STANDARD OIL COMPANY OF CALIFORNIA

and PARTICIPATING COMPANIES

Effective December 1, 1933, as amended January 1, 1948

FOREWORD

We Standard Oilers are fortunate in being able to plan ahead for an assured monthly income when we retire. For many years our Annuity Plan, as a supplement to other savings, has provided a retirement fund for us. Now the Plan has been improved to give us even greater advantages.

This booklet explains these changes. The major improvements effective January 1, 1948 are as follows:

1. All annuity credits for service before January 1, 1948 will be figured *without deduction for Social Security.* This liberalization alone provides a definite increase in the annuity for every employee with such credits at normal retirement. The increased cost for this is borne entirely by the participating companies.
2. Annuity credits for service from January 1, 1948 will be figured on the basis of 2% of earnings excluding the first $50 a month of earnings, on which Social Security benefits are liberal.
3. Substantially larger benefits will be provided for early retirement around five years before normal retirement. This involves an additional cost which is borne by the participating companies.

If you were a member of the Annuity Plan on December 31, 1947, you will automatically continue as a member. If you were not a member of the Plan on December 31, 1947, you will become a member after completion of one year of service.

As you read the facts and figures in this booklet and apply them to your own case, you will understand why it is called the Improved Annuity Plan. As a member of the Plan you should be deeply interested in these changes—you'll find that they *increase your retirement income.*

For Easy Reference

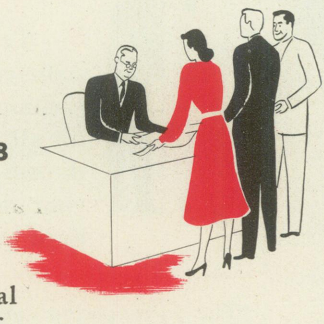
Improved Annuity Plan

1 This Annuity Plan, under which Standard Oilers pay a part of the cost, was started December 1, 1933. It has been liberalized and now is the Improved Annuity Plan, effective January 1, 1948. Annuity credits for service from January 1, 1948 are figured on the Improved Annuity Plan basis. All annuity credits for service before January 1, 1948 will be figured under this Plan as in effect before January 1, 1948, *but without deduction for the Federal Primary Insurance Benefits under the Social Security Act.* All annuity credits are subject to the provisions in this booklet.

Membership

2 Each employee is required to become a member after one year of service by signing the necessary form. His spouse must also sign if he is married.

What you pay



Your Contributions Before January 1, 1948

3 Contributions which you made to the Plan before January 1, 1948 will continue on deposit with the insurance company or trustee. You are not asked to make any additional contributions because of the increased value of annuity credits for service before January 1, 1948. The participating companies will pay the increased cost of those annuity credits.

Your Contributions From January 1, 1948*

4 While you work in the United States (where you pay Federal Old-Age Benefit taxes) as a member you will contribute to the Plan on earnings from January 1, 1948 as follows:

Age (nearest birthday) on initial membership	Percentage on current earnings over $50 a month
Under age 30	4%
30 - 39	5%
40 or more	6%

If you became a member on December 1, 1933, you will contribute at 4%

In applying the percentage, the $50 a month will be prorated to each full pay period.

While you work outside the United States (or where you do *not* pay Federal Old-Age Benefit taxes) as a member you will contribute at the percentage shown on all earnings from January 1, 1948.

Once you become a member, your rate does not change because you grow older, and you continue making the required contributions until termination of service or retirement. You may not withdraw your contributions and interest, in whole or in part, while you are employed by any participating company, or while you are on leave of absence.

What your company pays

5 The participating companies expect to contribute sufficient funds which, when added to the amounts accumulated through your contributions, will provide for all annuities under the Plan. At normal retirement, the money from the participating companies to provide your annuity will be at least twice as much as you then have in the Plan.

*The participating companies have waived the collection of any additional contributions under the Improved Annuity Plan over those made from January 1, 1948 to the first full pay period beginning on or after July 1, 1948. They will absorb the additional cost of this at the time you retire. However, your annuity credits will be figured as if you had made these required contributions.

What you will receive

Normal Retirement

6 When you reach normal retirement date you will be retired and entitled to receive an annuity under the Plan. Your normal retirement date will be the first day of the month after age 65, if a man, or age 60, if a woman. Your annuity will be determined by the sum of your annuity credits as follows:

(a) *For service before January 1, 1948*

Your annuity credits computed under this Plan as in effect before January 1, 1948, *but without deduction for the Federal Primary Insurance Benefits under the Social Security Act;* plus,

(b) *For service from January 1, 1948*

(1) 2% of the earnings on which you contribute thereafter, and

(2) if you have not completed one year of service on that date, or if you begin service after that date, free annuity credits until you complete your first year of service. These will be equal to 2% of the earnings on which you would have contributed had you been a member.

Early Retirement

7 When you have completed 25 years or more of service you may retire before your normal retirement date if you wish. If you do so your annuity will be determined by multiplying the annuity credits you have accumulated before your early retirement date by the discount factor for your age at the time of retirement. The discount factors for men retiring at ages up to eleven years before normal retirement are as follows: ⟶

Age at retirement	Discount factors
65	100 %
64	97 %
63	94 %
62	91 %
61	88 %
60	85 %
59	78 %
58	71 %
57	64 %
56	57 %
55	50 %
54	43 %

If you retire early, these factors will be increased for each completed month that you are older than any age shown by one-twelfth of the difference between the factor for your age and the next higher factor.

So you will know how annuity credits under (a) above are figured, see Annuity Credits for Service before January 1, 1948 on page 16. To help you see how (b) above works, your future annuity credits for various salary levels are shown on Table A, page 17.

After you have 10 years of service you will receive an Annual Statement showing your accumulated monthly annuity credits.

These discount factors, which are more favorable to you than those formerly used, involve an additional cost which will be paid by the participating companies.

For ages before 54 the discount factors will be at least as favorable as those computed in accordance with customary insurance company procedure, taking into account, among other things, the payment of your annuity before normal retirement date and the longer life expectancy at early retirement.*

Discount factors for women will follow the same pattern as for men but beginning at age 60 instead of 65; in no event will the factor be less favorable than the customary insurance company discount factor.

The above discount factors are effective for retirements on and after January 1, 1948.

To Request Early Retirement

8 If you wish early retirement you shall give at least 31 days' prior written notice to the Committee. Your retirement date will be the first day of a calendar month.

Special Retirement

9 When you have completed 15 years of service, or when you are age 55 or more, if a man, or 50 or more, if a woman, you may be retired on a special annuity. This may be done whenever the Committee has determined that you are totally or partially disabled, or that such retirement is for a justifiable cause. Such annuity will be based on your annuity credits and will be computed as if it were an early retirement.

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*If you are considering retirement at an age younger than those covered by the table on page 3, please write to the Annuities Committee for estimates. The address is 225 Bush Street, San Francisco.

Tailoring payments to fit your case

Your Annuity

10 When an individual annuity is granted to you, it will be payable to you by an insurance company or trustee in monthly installments as long as you live. If you die before the total of these payments equals your total contributions and interest to retirement date, the difference will be payable to your beneficiary under paragraph 17.

Sharing Your Annuity with Someone Else

11 An individual annuity ceases when you die. However, you may choose a joint and survivor annuity before retirement if you wish to have an annuity continued after your death to your spouse or to a relative who is wholly or partially dependent upon you for support. By doing this your individual annuity will be reduced so that your survivor (joint annuitant) will continue to have an income. If you decide to do this, the smaller monthly annuity shall be payable to you for life and thereafter for the life of one other person (your joint annuitant) in either of the following forms:

(a) Full Joint and Survivor Annuity: This provides a life income to you which is continued in the same amount to your joint annuitant if she outlives you; or

(b) Modified Joint and Survivor Annuity: This provides a life income to you, one-half of which is continued to your joint annuitant if she outlives you.

If you desire some other form of joint and survivor annuity, please mail a detailed request to the Committee. It will be glad to furnish you with estimates to help you make your choice.

A joint and survivor annuity will be of the same actuarial value as the individual annuity which would otherwise have been paid to you throughout your life.

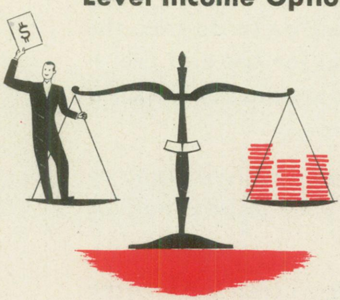
At any time 31 days or more before you retire you may elect to take a joint and survivor annuity. To do so, you must notify the Committee by filling out the required forms. If you are married, your spouse must also sign the forms. To satisfy insurance company or trustee requirements, the Committee may require proof that you and your joint annuitant are in good health. You will not have to furnish this proof if:

(1) You notify the Committee five years or more before you retire, or

(2) You elect a Modified Joint and Survivor Annuity and the joint annuitant is your spouse.

Once you select a joint and survivor annuity and a joint annuitant, you may not revoke or change either except with the written consent of the Committee. If the joint annuitant named by you should die before you retire, this election becomes inoperative, and you will receive an individual annuity.

Level Income Option



12 If you retire before age 65, your retirement annuity will normally be payable in equal monthly installments as long as you live. After you reach age 65 you may be eligible for additional income from Social Security benefits. If you wish to have your income approximately level before and after age 65, subject to certain conditions you may have your annuity adjusted to provide for larger monthly payments until you reach age 65 and smaller payments thereafter. You may obtain these conditions by writing to the Committee.

How annuities are paid

13 Your annuity will be payable by check in monthly installments by an insurance company or trustee starting one month after your retirement date and thereafter on the first of each month as long as either you or your joint annuitant, if any, is alive on that date.

If you leave the company

Layoff

14 If you are laid off, you will not contribute and you will not receive any annuity credits during your absence. If you return to active service within the period required to protect your service for Annuity Plan purposes under the Company's policy as stated from time to time, you will not lose your accumulated annuity credits if you have not withdrawn your contributions. When you return to active service you will immediately resume making your contributions. If you do not return to service within the prescribed period, your membership in the Plan automatically terminates. You then have the options in paragraph 15.

Resignation or Discharge

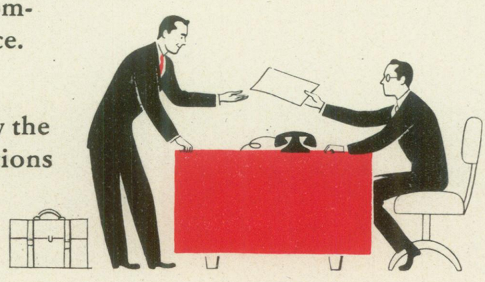
15 If you resign or are discharged from the service of a participating company before retirement, you will cease making contributions under the Plan. At that time if your contributions total $100 or less, they will be refunded with interest without action by you. If your contributions are then over $100, you should notify the Committee, on the proper form, of your choice of one of the following:

(a) To receive within 31 days, or as soon thereafter as practicable, your contributions with interest; or

(b) To leave your contributions with the insurance company or trustee and receive at your normal retirement date whatever paid-up annuity your own contributions with interest will provide; or

(c) To receive a reduced annuity for early retirement if you have completed 25 years or more of service.

If you have less than 25 years of service and fail to notify the Committee of your choice of options (a) or (b) above within sixty days after leaving service, you shall be considered as having



elected option (b). If you have 25 years or more of service, you shall be considered as having chosen option (c), unless within sixty days after date of leaving service you elect option (a) or (b). This choice will be effective on the first day of the calendar month after the end of that sixty day period. If you choose option (b) of this section, you shall have the right, after six months from date of leaving service, to withdraw your contributions at any time with interest if you give written notice to the Committee not less than 31 days prior to your normal retirement date.

If you die

If You Die Before Retirement

16 If you die before retirement, the total of your contributions and interest will be paid, subject to paragraph 24, through the participating companies to the beneficiary named by you.

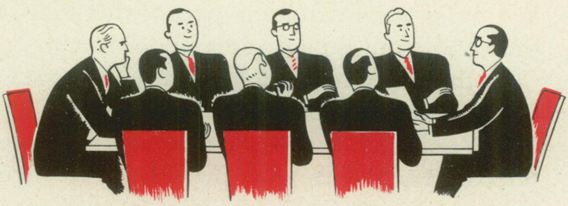
If You Die After Retirement

17 If you die after retirement (or both you and your joint annuitant die, where a joint and survivor annuity is being paid) and before the annuity payments equal your total contributions and interest to the date you retired, the difference will be paid, subject to paragraph 24, to the beneficiary named by you.

General provisions

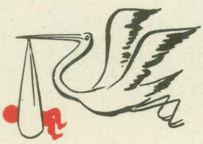
Administration

18 This Plan is administered by the "Annuities Committee" appointed by the Board of Directors of the Company, and referred to as the "Committee". The decisions of the Committee shall be on a nondiscriminatory basis and shall be conclusive on all individual questions arising in the administration of the Plan.



Proof of Age

19 You and your joint annuitant may be required to furnish proof of age satisfactory to the Committee. After date of birth has once been established, no change shall be permitted without approval of the Committee. Any such correction shall require actuarial adjustment of annuity credits or annuity being paid.



Transferred Members

20 If you are transferred to service with an employer not covered under this Plan, you may continue as a member if, at the time of transfer, the Committee determines that your anticipated absence is:

(a) due to transfer to a governmental agency, or

(b) for less than one year, or

(c) for one year or more and your new employer agrees to pay his share for your annuity credits while so employed.

No Assignment of Benefits

21 The interest of any member, beneficiary or joint annuitant in retirement funds accumulated under this Plan and annuities being paid therefrom shall not be assignable either by voluntary or involuntary assignment, or by operation of law.

Incompetency

22 If, in the opinion of the Committee, anyone becomes incompetent to handle properly any money payable to him under this Plan, the Committee may make any arrangements for payment on his behalf that it determines will be beneficial.

Appointment or Substitution of Life Insurance Company or Trustee

23 To administer any part of this Plan, the Company may at any time and from time to time appoint and/or substitute:
(a) a life insurance company or companies (each having total assets of not less than $200,000,000), and/or
(b) a corporate trustee or trustees (each of which shall be an incorporated bank with trust powers or an incorporated trust company having a capital and a capital surplus of not less than $5,000,000 and the terms of the trust instrument covering the transfer of such funds shall qualify the trust under Section 165(a) of the Internal Revenue Code).

In any such event, the Company may transfer all or any part of the participating companies' and/or employees' funds on deposit to any such appointed life insurance company and/or trustee.

Guarantees

24 **(a) Your Contributions**

Your contributions will be deposited (until a change of depositary is made) with a life insurance company, which assumes all responsibility for such funds upon receipt thereof and which thereafter guarantees your principal and interest and repayment to the participating companies for refund to you in accordance with this Plan. Any of your contributions with interest which are on deposit with an insurance company when you retire under the Plan will be used to purchase an annuity. Any of your contributions with interest which are on deposit with a trustee when you retire under the Plan will be used to provide an annuity through an insurance company or trustee and if your service commenced prior to July 1, 1948 you are entitled to require purchase from an insurance company if you wish.

(b) Your Company's Contributions

All participating companies' funds on deposit with a life insurance company or a trustee shall be used for the sole purpose of providing benefits under this Plan or some other plan on a nondiscriminatory basis for members of the participating companies and their beneficiaries. If you have completed 25 years or more of service, the Company guarantees to provide funds which, when added to the total of your contributions and interest, will secure the payment of your annuity. While the Company expects to provide similar funds if you have not completed 25 years of service, it does not guarantee to do so. If, at any time after termination of this Plan, it shall be determined that participating companies' funds on deposit are in excess of the amount required fully to fund the Plan, and that such excessive funding was due to an actuarial mistake, then the Company may withdraw any such excess funds.

(c) Providing Your Annuity

The Company guarantees to purchase from a life insurance company or provide through a trustee any annuity granted to you (including any payments due under paragraph 17), on and after December 28, 1943, to the full extent that the Company has funds on deposit for that purpose. The life insurance company guarantees all annuities purchased from it under the Plan. If sufficient funds to secure the payment of your annuity are not on deposit, then the Company guarantees that any part of your annuity not provided for shall be continued as fixed at time of granting and that any payments due under paragraph 17 shall be made.

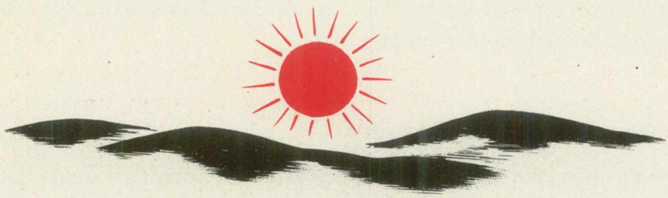
Withdrawal of Participating Company or Sale of Plant

25 If your membership in the Plan ends because a participating company withdraws from the Plan, or because a plant or property is sold or otherwise disposed of, then you will have the options in paragraph 15. In this event the Company shall allocate the funds which are on deposit on account of these members in accordance with a nondiscriminatory formula taking into consideration age, sex, length of service and annuity credits, for the benefit of every such member who elects to have his contributions with interest used for a deferred annuity. In no event shall the allocated funds exceed the amount required to provide for the annuity credits accrued to that date. This amount with the money you then have in the Plan shall be used to provide you with a deferred annuity. This annuity will begin on:

Your normal retirement date, or

Any other date the Company may select, or

At any time you may elect, if you have 25 years or more of service at the time your membership terminates under this paragraph.



The Plan's Future

26 **(a)** The Company expects to continue this Plan indefinitely, but as future conditions cannot be foreseen, the Board of Directors of the Company may at any time amend or terminate this Plan subject to the provisions in paragraphs 24 and 26. Any amendment or termination shall take effect when the Board notifies the Committee.

(b) In the event of termination, all contributions by participating companies shall cease. Those funds then on deposit, which are not required for the payment of annuities previously granted under this Plan and being provided for by a trustee, with all interest on such funds that accumulates shall remain on deposit (subject to the right of substitution) and shall be applied in the following order:

(1) annuities being paid directly by any participating company to former employees eligible to benefits under this Plan;

(2) annuities for members under the Plan who have completed 25 years or more of service at the date of its termination; and

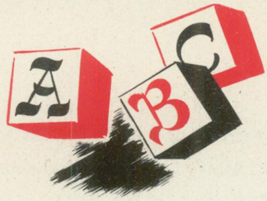
(3) annuities for other members under the Plan at the date of its termination, who remain in the employ of a participating company until their retirement date and are then eligible under (c).

Funds and interest shall be allocated for the benefit of employees in the above three classes in accordance with a nondiscriminatory formula taking into consideration age, sex, length of service and annuity credits of each employee. The portion of the reserves so allocated for the benefit of any member under (2) or (3) shall in no event exceed the amount required to provide for the participating companies' portion of the annuity credits accrued to date of termination of the Plan. Subject to these limitations, the allocation of such funds with interest shall be made by the Board of Directors of the Company.

(c) In the event of termination, every member shall leave his own contributions and interest with the insurance company or trustee as long as he is employed by any participating company, continuing or discontinuing contributions as he desires. The member shall be entitled to the annuity provided by the funds allocated to him under section (b) at retirement date under this Plan only if he has continued in the employ of a participating company to retirement and his contributions with interest are also used to provide an annuity.

(d) Amendment of this Plan shall not be considered as "termination" as used in (b) and (c). No amendment shall reduce the rights of members in participating companies' funds then on deposit below what such rights would be in accordance with (b) and (c) if the Plan were terminated at the time of such amendment.

Definitions



Annuitant

Anyone who receives an annuity upon retirement.

Annuity

The yearly income payable upon retirement. This will be paid in equal monthly installments.

Annuity Credits

The amount of deferred annuity you accumulate. The amount of the individual annuity payable at normal retirement date is the sum of the annuity credits.

Beneficiary

A person named by the member or annuitant to receive any of his contributions with interest due to be refunded if the member or annuitant dies.

Company

The word "Company" means Standard Oil Company of California.

Earnings

Earnings shall include only regular salary or wages for the regular work schedule under Company policy as determined from time to time and such other regular remuneration as the Committee may decide. It excludes the one-half or premium portion of overtime and any pay for time worked outside the regular work schedules, also any other extra pay in excess of straight time earnings. Earnings for the purpose of this Plan shall be allocated to calendar years in the same manner as for Federal Income Tax purposes. The regular work schedule is not necessarily the same as the total weekly hours worked. The regular work schedule may be determined in any instance from the local payroll offices.

Employee

The word "Employee" means any regular employee of a participating company who is not classed as a casual or part-time employee under the Company's policy for Annuity Plan purposes, as determined from time to time.

Gender

Words such as "he" and "his" shall refer to women as well as men unless the wording indicates otherwise.

Interest

Interest on your contributions will be computed at the rate of 3½% per year compounded annually to December 1, 1958. The rate of interest from December 1, 1958 has not yet been determined.

Member

An employee who has joined the Plan and is making the required contributions.

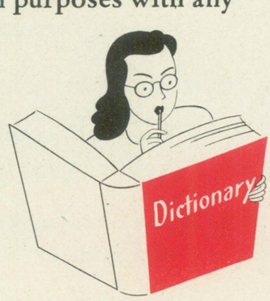
Participating Company

Standard Oil Company of California or any other company which may be included under this Plan by the Board of Directors of the Company.

Service

Service shall include all continuous service before December 1, 1933, with the Company and its predecessor companies, and with subsidiaries which were designated as participating companies before December 1, 1933; also all continuous service which is recognized from time to time for Annuity Plan purposes after December 1, 1933, with the Company or with any participating company after that company becomes a participating company; and any other service recognized or determined by the Committee on a nondiscriminatory basis.

Any past service recognized for Annuity Plan purposes with any company which becomes a participating company after December 1, 1933, or with any plant or property acquired after that date, shall be determined by the Board of Directors of the Company. Such service will be credited to all regular employees of such company or plant on a nondiscriminatory basis.



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If you have any questions about the Plan, you are invited to ask your Supervisor to help you find the answers in the booklet.

Annuity credits for service before January 1, 1948

The following is a summary of the provisions of the Plan as in effect before January 1, 1948 on figuring annuity credits before that date, *but without deduction for the Federal Primary Insurance Benefits under the Social Security Act.*

1 If you had one or more years of service on December 1, 1933:

(a) You will receive annuity credits for service prior to December 1, 1933 equal to 2% of your "average annual" earnings multiplied by the number of years of service (including fraction of a year) prior to December 1, 1933. "Average annual" earnings are computed by dividing the sum of your earnings during the calendar years 1928 to 1932 inclusive by the years (including fraction of a year) of service during the 5-year period less time off because of industrial injury or time off without pay because of layoff or leave of absence during that period.

(b) For service from December 1, 1933 to January 1, 1948, you will receive annuity credits equal to 2% of the earnings on which you contributed during this period.

2 If you had less than one year of service on December 1, 1933, or if your service began after December 1, 1933 but before January 2, 1947:

(a) You will receive for your first year of service free annuity credits equal to 2% of your earnings during your first year.

(b) For service after completion of one year of service, to January 1, 1948, you will receive annuity credits equal to 2% of the earnings on which you contributed during this period.

3 If your service began on or after January 2, 1947:

You will receive for service to January 1, 1948 free annuity credits equal to 2% of your earnings during that period.

4 If you were in active military or naval service between May 1, 1940 and January 1, 1948:

You will receive annuity credits equal to 2% of the earnings which you would have received from the participating companies if you had not been absent in active military or naval service, provided you met the following conditions:

(a) You had one or more years of service when leaving to enter directly into military or naval service of the United States after May 1, 1940, and

(b) You returned, with service under the Plan, to the employ of a participating company before January 1, 1948 (by returning in accordance with the Selective Service Act), and

(c) You had not voluntarily withdrawn your annuity contributions.

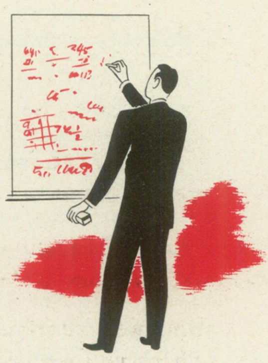
Table A

Examples of Annuity Credits on Earnings
From January 1, 1948 for Members Who Work in the United States

Annuity credits are figured below at 2% on monthly earnings over $50 (or its equivalent for members paid bi-weekly).

FOR EMPLOYEES PAID SEMI-MONTHLY — Monthly earnings rate	Monthly annuity credits at normal retirement for each full year of contributions from 1-1-48	FOR EMPLOYEES PAID BI-WEEKLY — Bi-weekly earnings rate
$150	$2.00	$ 69.04
175	2.50	80.55
200	3.00	92.05
225	3.50	103.56
250	4.00	115.07
275	4.50	126.58
300	5.00	138.08
325	5.50	149.59
350	6.00	161.10
375	6.50	172.60
400	7.00	184.11
425	7.50	195.62
450	8.00	207.12
475	8.50	218.63
500	9.00	230.14

For example, if your earnings rate is $250 monthly, or $115.07 bi-weekly, you get $4 of monthly annuity for each full year you contribute after January 1, 1948; or $100 monthly at normal retirement date for 25 years' future service.



NORMAL RETIREMENT . . . *How to*

After you have 10 years of service you will receive an Annual Statement a few months after the close of each calendar year. It will show your contributions and your accumulated monthly annuity credits under the Plan.

In the example below, we've assumed a man 56 years old on January 1, 1948 who has worked 25 years for the Company. His "average monthly earnings" for Annuity Plan purposes were $180 a month. So

1 **Your monthly annuity credits at normal retirement date already accumulated**

From your last Annual Statement, dated . . . .

2 **Your monthly annuity credits for future service**

(a) Your estimated average earnings rate from the date of your last Annual Statement to your normal retirement date is . . . . .

(b) From Table A, page 17, the monthly annuity credits you accumulate for each full year, at the earnings rate in (a) above, are . . .

(c) The number of years* from the date of your last Annual Statement to your normal retirement date is . . . .

(d) Multiply (b) by (c) to get your total monthly annuity credits for future service and copy opposite (2) at the right . . . .

3 **Your estimated individual monthly annuity under Plan from normal retirement date**

Add (1) and (2) to get (3) . . . .

4 **Monthly retirement benefits under Social Security Act**

From page 22, your estimated monthly Social Security benefits after age 65 are . . . .

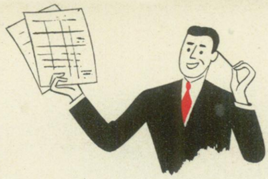
(In the example we assumed an "average monthly wage" of $225 and 20 years of "covered employment.")

5 **Total monthly retirement income after age 65**

Add (3) and (4) to get (5) . . . .

NOTE: UNDER THE SOCIAL SECURITY ACT, YOUR WIFE, AFTER AGE 65, MAY ALSO QUALIFY FOR ONE-HALF OF YOUR SOCIAL SECURITY BENEFITS IN ADDITION TO WHAT YOU RECEIVE. THIS WOULD BE, MONTHLY

*You may omit fractions of a year for simplicity, as this is an estimate. However, if you wish to figure more exactly in 2(c) above, include completed months expressed as fractions of a year.

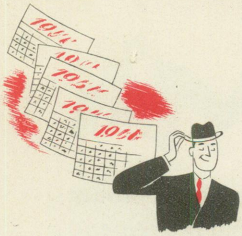


estimate your monthly annuity

his monthly annuity credits (as shown on his Annual Statement) amount to \$90. We also assume he averages \$325 a month to normal retirement. You may do better than this, but we figured the example on a conservative basis.

Now the important question! What do *YOU* get under the Improved Annuity Plan? You can easily estimate what you'll get at normal retirement by filling in the blanks below with figures which fit your own case.

EXAMPLE	FOR YOU TO USE	FOR YOU TO USE
Monthly Amount	Monthly Amount	Monthly Amount
Dec. 31, '47 (Year) is (1) \$ 90.00	Dec. 31, ____ (Year) is (1) \$ ____	Dec. 31 ____ (Year) is (1) \$ ____
(a) \$ 325.00 ~~bi-weekly~~ monthly	(a) \$ ____ bi-weekly monthly	(a) \$ ____ bi-weekly monthly
(b) \$ 5.50 a month	(b) \$ ____ a month	(b) \$ ____ a month
(c) 9 years	(c) ____ years	(c) ____ years
. . . . . (2) \$ 49.50	(2) \$ ____	(2) \$ ____
. . . . . (3) \$ 139.50	(3) \$ ____	(3) \$ ____
. . . . . (4) \$ 45.00	(4) \$ ____	(4) \$ ____
. . . . . (5) \$ 184.50	(5) \$ ____	(5) \$ ____
. . . . . . \$ 22.50	\$.	\$. . . . .



EARLY RETIREMENT . . . *How to*

In the example below, we've assumed, as in the preceding example, a man 56 years old on January 1, 1948 who has worked 25 years for the Company. His "average monthly earnings" for Annuity Plan purposes were $180 a month. So his monthly annuity credits (as shown on his Annual Statement) amount to $90. We also assume he averages $325 a month to age 60, at which time he decides to

1 **Your monthly annuity credits at normal retirement date already accumulated**
From your last Annual Statement, dated . . . .

2 **Your monthly annuity credits for future service**
(a) Your estimated average earnings rate from the date of your last Annual Statement to your anticipated early retirement date is . .
(b) From Table A, page 17, the monthly annuity credits you accumulate for each full year, at the earnings rate in (a) above, are . . .
(c) The number of years* from the date of your last Annual Statement to your anticipated early retirement date is . . . .
(d) Multiply (b) by (c) to get your total monthly annuity credits for future service and copy opposite (2) at the right . . . .

3 **Your total monthly annuity credits**
Add (1) and (2) to get (3) . . . .

4 **Your estimated individual monthly annuity under Plan from early retirement date**
(a) From page 3, the discount factor corresponding to your age at anticipated early retirement date is . . . .
(b) Multiply your total annuity credits (3) by the discount factor (4)(a) to get your estimated monthly annuity under Plan from early retirement date

5 **Monthly retirement benefits under Social Security Act**
From page 22, your estimated monthly Social Security benefits **AFTER AGE 65** are . . . .
(In the example we assumed an "average monthly wage" of $175 and 15 years of "covered employment." See page 23)

6 **Total monthly retirement income AFTER AGE 65**
Add (4)(b) and (5) to get (6) . . . .

NOTE: 1. UNDER THE SOCIAL SECURITY ACT, YOUR WIFE, AFTER AGE 65, MAY ALSO QUALIFY FOR ONE-HALF OF YOUR SOCIAL SECURITY BENEFITS IN ADDITION TO WHAT YOU RECEIVE. THIS WOULD BE, MONTHLY . . . .
NOTE: 2. IF YOU WISH TO HAVE YOUR INCOME APPROXIMATELY LEVEL BEFORE AND AFTER AGE 65 AS PROVIDED IN PARAGRAPH 12 OF THE PLAN, WRITE TO THE ANNUITIES COMMITTEE FOR FURTHER INFORMATION.

*You may omit fractions of a year for simplicity, as this is an estimate. However, if you wish to figure more exactly in 2(c) above, include completed months expressed as fractions of a year.

retire early and take it easy. You may do better than this, but we figured the example on a conservative basis.

Again the important question! What do *YOU* get under the Improved Annuity Plan? You can easily estimate what you'll get at early retirement by filling in the blanks below with figures which fit your own case.

EXAMPLE	FOR YOU TO USE	FOR YOU TO USE
Monthly Amount	Monthly Amount	Monthly Amount
Dec. 31, 47 (Year) (1) $90.00	Dec. 31, ____ (Year) (1) $____	Dec. 31, ____ (Year) (1) $____
~~bi-weekly~~ (a) $325.00 monthly	bi-weekly (a) $____ monthly	bi-weekly (a) $____ monthly
(b) $5.50 a month	(b) $____ a month	(b) $____ a month
(c) 4 years	(c) ____ years	(c) ____ years
. . . . . (2) $22.00	(2) $____	(2) $____
. . . . . (3) $112.00	(3) $____	(3) $____
. . . (4)(a) 85 %	(4)(a) ____ %	(4)(a) ____ %
. . . (4)(b) $95.20	(4)(b) $____	(4)(b) $____
. . . . . (5) $37.38	(5) $____	(5) $____
. . . . . (6) $132.58	(6) $____	(6) $____
. . . . . . $18.69	$........	$........

Social security benefits in addition

You may be wondering how your Social Security benefits fit into this picture. Your annuity under this Plan will be in addition to the benefits you will receive from the government under the Federal Social Security Act. These are officially named "Primary Insurance Benefits" but are often called "Social Security benefits" or "Federal Old-Age Benefits." That's how we get the name "FOAB" taxes. Social Security benefits normally start at age 65, so that after that age you can be receiving two incomes—one from the Company's Annuity Plan and one from the United States Government. Your company must deduct the Social Security (FOAB) taxes from your earnings and also pay a like amount of FOAB taxes remitting both to the Federal Government.

The following table will illustrate, for various amounts of average monthly wages and years of coverage, the monthly benefits available to you at age 65. If you are receiving these benefits, then after your wife is 65 she may receive one-half of the amounts shown.

TABLE OF MONTHLY RETIREMENT BENEFITS UNDER SOCIAL SECURITY ACT

"Average Monthly Wage"	Years of Covered Employment (Years in which you paid FOAB taxes on $200 or more of pay during the year)						
	10	15	20	25	30	35	40
$100	$27.50	$28.75	$30.00	$31.25	$32.50	$33.75	$35.00
125	30.25	31.63	33.00	34.38	35.75	37.13	38.50
150	33.00	34.50	36.00	37.50	39.00	40.50	42.00
175	35.75	37.38	39.00	40.63	42.25	43.88	45.50
200	38.50	40.25	42.00	43.75	45.50	47.25	49.00
225	41.25	43.13	45.00	46.88	48.75	50.63	52.50
250	44.00	46.00	48.00	50.00	52.00	54.00	56.00

To arrive at the *approximate* amount of the "average monthly wage," add all wages (up to $3,000 a year) on which you paid Social Security taxes from January 1, 1937, when the program began, up to the calendar quarter in which you file your claim. Do not count any wages received on which you did not pay Social Security taxes. Divide this total by the number of months in the same period. In figuring the total number of months, be sure to count *all* months, including those in which you did not pay Social Security taxes and months in which you were ill or unemployed.

For example, suppose you paid Social Security taxes on $42,000 of earnings from January 1, 1937 to January 1, 1952 when you retired at age 60. This averages about $233 a month. Your "average monthly wage" for computing your Social Security benefits at age 65 would be $42,000 divided by 240 months (the number of months from January 1, 1937 to January 1, 1957 when you become 65) or $175.

The actual amount payable to you at 65 will be calculated by the Social Security Administration. Social Security benefits are paid only if the person eligible to receive them makes an application to the local office of the Social Security Administration.

In addition to the benefits you may receive at 65, Social Security also provides, under certain conditions, supplementary benefits. These supplementary benefits may be payable in the following percentages of your Primary Insurance Benefits to:

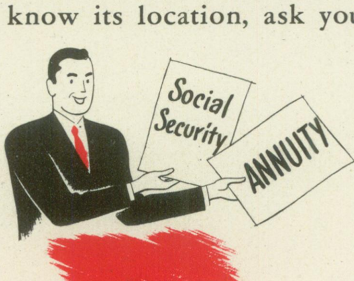
(a) Dependents if you are entitled to Primary Insurance Benefits:
- (1) Wife, over 65, 50%;
- (2) Child, under 18 and unmarried, 50%;

(b) Survivors:
- (1) Widow, over 65 or having care of a child eligible for child's benefits, 75%;
- (2) Child, under 18 and unmarried, 50%;
- (3) Parent, over 65, dependent, and there being no surviving widow or child eligible for benefits, 50%.

Even though you were not eligible for the Primary Insurance Benefits your widow and children may receive similar survivors' benefits under certain conditions.

More than one dependent or survivor may receive benefits, subject to the maximum in the Social Security Act.

For authoritative information in your particular case, you should consult the nearest local office of the Social Security Administration. If you do not know its location, ask your postmaster.



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and Participating Companies

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