

Description of the
Group Life Insurance
and
Pension Plan

(1951 Edition)



*As applicable to Employees in service in the
United States and to Maritime Employees*

The Texas Company
and
Subsidiaries

1951

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and
PENSION PLAN***

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DEFINITIONS

- (a) The word "Company" means The Texas Company or any subsidiary company to which the Plan from time to time may be applied.
- (b) The word "Employee" means any officer or employe designated as such by the Company in its regulations.
- (c) The words "Insurance Companies" mean The Travelers Insurance Company, Hartford, Connecticut; the Aetna Life Insurance Company, Hartford, Connecticut; and The Equitable Life Assurance Society of the United States, New York, New York.
- (d) The words "Insurance Company" mean The Travelers Insurance Company, Hartford, Connecticut.
- (e) Wherever used herein a pronoun in masculine gender shall include the feminine unless the context indicates otherwise.

*Subject to collective bargaining where appropriate.

SECTION I

Effective Date

The Plan became effective on July 1, 1937, and has been amended from time to time.

SECTION II

Scope of Plan

The Benefits under the Plan are available to every Employee who is

- (1) assigned to regular service in the United States, or
- (2) an officer or member of the crew of a vessel documented under the laws of the United States, unless such officer or member of the crew is otherwise provided for.

SECTION III

Eligibility and Membership in the Plan

An Employee will be eligible to become a Member of the Plan on the first day he is actively at work after the completion of one year of continuous service. He will become a Member on his Date of Eligibility, provided he has then returned a signed Acceptance Card to the Company.

An Employee who returns a signed Acceptance Card after his Date of Eligibility, but within three months therefrom, will become a Member on the first day he is actively at work on or after the date of receipt by the Company of his signed Acceptance Card.

An Employee who does not return a signed Acceptance Card within three months from his Date of Eligibility cannot become a Member unless he is approved for Membership by the Insurance Company on the basis of evidence of insurability.

SECTION IV

Benefits and Contributions

1. Benefits for Service Before July 1, 1937

An important feature of the Plan is the arrangement for the purchase, at the expense of the Company, of a Past Service Pension for each Member who was in its employ on June 30, 1937, and who had then completed at least one year of continuous service, provided he returned a signed Acceptance Card within three months from his Date of Eligibility. This monthly Pension, payable for life after age 65 in the case of a male, or age 60 in the case of a female, will be based on the Member's monthly rate of pay on June 30, 1937, and will be the percentage of such pay which corresponds to his length of service in the following TABLE I:

TABLE I (Amended)

Full Years of Service as of June 30, 1937	Percent- age of pay	Full Years of Service as of June 30, 1937	Percent- age of pay	Full Years of Service as of June 30, 1937	Percent- age of pay
1	1.5%	13	19.5%	25	37.5%
2	3.0%	14	21.0%	26	39.0%
3	4.5%	15	22.5%	27	40.5%
4	6.0%	16	24.0%	28	42.0%
5	7.5%	17	25.5%	29	43.5%
6	9.0%	18	27.0%	30	45.0%
7	10.5%	19	28.5%	31	46.5%
8	12.0%	20	30.0%	32	48.0%
9	13.5%	21	31.5%	33	49.5%
10	15.0%	22	33.0%	34	51.0%
11	16.5%	23	34.5%	35	52.5%
12	18.0%	24	36.0%		

Where a period of service includes a portion of a year additional credit will be given for each full month thereof.

NOTE: A Member's length of continuous service as of June 30, 1937, and his rate of pay will be as determined by the Company in accordance with its rules and regulations.

TABLE I as amended does not apply to any Member who retired from service before such amended TABLE became effective as to him.

The Company has arranged to make yearly premium payments to the Insurance Companies

for the purchase of Past Service Pensions, and such payments will be used to purchase Past Service Pensions for Members then nearest their retirement dates. Under this arrangement the Past Service Pension for each Member is to be completely purchased before the date on which his Pension is to commence. When a Member's Past Service Pension is purchased, he will receive a notice stating the amount of such Pension purchased and the rate of pay and length of service on which it is based.

2. Benefits and Contributions for Current Service.

A monthly Current Service Pension, payable for life after age 65 in the case of a male, or age 60 in the case of a female, will be purchased for a Member who makes the required Contributions and such Member will be covered by Group Life Insurance. The Contributions to be made by him, the monthly Pension to be purchased for each full year of Contribution, and the amount of his Group Life Insurance, will be determined by his Pay Class as shown in TABLE II on Page 5.

In the aggregate, the Company's contributions toward the cost of these Benefits are considerably in excess of the Members' Contributions.

The Life Insurance becomes effective on the day an Employee becomes a Member, but service for which Current Service Pension is purchased will date from the first day of the following month if he becomes a Member on any day other than the first day of a month.

The amount of Current Service Pension purchased for less than a full year of service and Contribution will be proportionate to the amount for a full year.

TABLE II*
BENEFITS AND CONTRIBUTIONS, FOR MEMBERS WHO PAY TAXES FOR PENSION BENEFITS
UNDER THE SOCIAL SECURITY ACT

Pay Class No.	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
	Rate of Pay	Group Life Insurance For Active Employees	Life Insurance For Retired Employees	Monthly Pension to be purchased for each full Year of Contribution	Life Insurance Contribution (See Note 1)	Pension Contribution	Total Contributions	
1	\$ 62.49 and under	\$1,500	\$1,000	\$.50	Free	\$1.24	\$1.24	\$1.24
2	62.50 to \$ 87.49	1,500	1,000	.75	Free	1.88	1.88	1.88
3	87.50 to 112.49	1,800	1,200	1.00	Free	2.50	2.50	2.50
4	112.50 to 124.99	2,100	1,400	1.20	Free	3.00	3.00	3.00
5	125.00 to 137.49	2,400	1,600	1.30	Free	3.24	3.24	3.24
6	137.50 to 162.49	2,700	1,800	1.50	\$ 1.08	3.74	3.74	4.20
7	162.50 to 187.49	3,150	2,100	1.85	1.26	4.62	4.62	4.82
8	187.50 to 212.49	3,600	2,400	2.20	1.44	5.56	5.56	5.88
9	212.50 to 237.49	4,050	2,700	2.50	1.62	6.24	6.24	6.94
10	237.50 to 262.49	4,500	3,000	2.85	1.80	7.12	7.12	7.86
11	262.50 to 287.49	4,950	3,300	3.25	1.98	8.12	8.12	8.92
12	287.50 to 312.49	5,400	3,600	3.70	2.16	9.24	9.24	10.10
13	312.50 to 337.49	5,850	3,900	4.15	2.34	10.38	10.38	11.40
14	337.50 to 362.49	6,300	4,200	4.60	2.52	11.50	11.50	12.72
15	362.50 to 387.49	6,750	4,500	5.00	2.70	12.50	12.50	14.02
16	387.50 to 412.49	7,200	4,800	5.45	2.88	13.62	13.62	15.20
17	412.50 to 474.99	8,100	5,400	6.35	3.24	15.88	15.88	16.50
18	475.00 to 524.99	9,000	6,000	7.20	3.60	18.00	18.00	19.12
19	525.00 to 574.99	9,900	6,600	8.10	3.96	20.24	20.24	21.60
20	575.00 to 624.99	10,800	7,200	8.95	4.32	22.38	22.38	24.20
21	625.00 to 674.99	11,700	7,800	9.85	4.68	24.62	24.62	26.70
22	675.00 to 724.99	12,600	8,400	10.70	5.04	26.74	26.74	29.30
23	725.00 to 774.99	13,500	9,000	11.60	5.40	29.00	29.00	31.78
24	775.00 to 824.99	14,400	9,600	12.50	5.76	31.24	31.24	34.40
25	825.00 to 949.99	16,200	10,800	14.25	6.48	35.62	35.62	37.00
26	950.00 to 1049.99	18,000	12,000	16.00	7.20	40.00	40.00	42.10
	1050.00 and over	One and one-half Year's Salary Maximum \$40,000	One Year's Salary Maximum \$40,000	1.65% of Monthly Salary	(See Note 2)	4.125% of Monthly Salary		47.20

NOTE 1—Applicable only to Insurance in Column 3. There are no Contributions by Members for Insurance in Column 4.
 NOTE 2—6¢ per \$100 on that part of the Insurance which does not exceed one year's salary.
 *Information as to Benefits and Contributions during period from July 1, 1937 to July 1, 1940 is available upon request.

A Member may contribute only for the "Pay Class" in which he is placed according to his monthly rate of pay. Changes in Pay Classes (and changes in the rates of Benefits and Contributions) as a result of changes in pay rates will be made on the July 1st following the changes in pay rates, but if a change in pay rate is effective on a July 1st, the resulting Pay Class change will be made on the same date.

The Member's Contributions will be discontinued when his Pension commences or prior thereto if the Company shall have determined that he is permanently and totally disabled. Group Life Insurance is to be continued for him entirely at the Company's expense in the amount specified in Column 4 of TABLE II for the Pay Class which applied to the Member on the day before his Pension commenced, or on the day before the effective date of the Company's determination of permanent total disability, whichever first occurs.

SECTION V

Pension Benefits and Retirement Provisions

1. Normal Retirement: Males at age 65; Females at age 60

A Member will automatically retire from service on the Normal Retirement Date which will be the first day of the month next following his 65th birthday, if a male, or her 60th birthday, if a female.

Commencing on the Normal Retirement Date, the Insurance Companies will pay to the Member each month, as long as he lives, the total of the amounts of monthly Pension in force which shall have been purchased for him by his own and the Company's Contributions, including the Past Service Pension, if any, purchased for service before July 1, 1937.

The Company, however, may request a Member to continue in active service beyond his

Normal Retirement Date for a period not exceeding two years.

2. Optional Early Retirement

A Member may retire from service on an Optional Retirement Date which may be the first day of any month after his 55th birthday, if a male, or her 50th birthday, if a female, but the Company's consent will be required unless the Member has then completed at least 20 years of continuous service. If the Member so retires, the total amount of monthly Pension purchased up to his Optional Retirement Date will be reduced and he will receive the percentage of such Pension which corresponds to his retirement age in the following TABLE III:

TABLE III

MALES		FEMALES	
Age at Retirement	Percent-age*	Age at Retirement	Percent-age*
64	90.7%	59	92.7%
63	82.5%	58	86.0%
62	75.2%	57	80.0%
61	68.8%	56	74.5%
60	63.1%	55	69.5%
59	57.9%	54	64.9%
58	53.4%	53	60.7%
57	49.3%	52	56.9%
56	45.5%	51	53.3%
55	42.2%	50	50.0%

*See Section XI, Paragraph 6.

3. Uniform Income Option for Members

Upon request to the Company prior to the actual retirement date, a Member retiring from service before his or her 65th birthday may have his or her Pension appropriately adjusted to provide for larger monthly payments until age 65, such payments to be reduced after age 65 by the estimated monthly Primary Insurance Amount under the Social Security Act, in order to produce so far as practicable a uniform amount of income from actual retirement date throughout his or her lifetime. Details in any case will be furnished upon request to the Company.

This Option is not available in conjunction with the Optional Dependent's Pension described in Section VII.

SECTION VI

Benefits Payable at Death

1. Life Insurance

At the death of an insured Member, either before or after his Pension commences, there will be payable to his beneficiary the amount of his Life Insurance then in force.

2. Pension Death Benefit

- (a) At the death of a Member before he commences to receive his Pension, there will be payable to his beneficiary the total amount of his Pension Contributions with 2% compound interest*.
- (b) At the death of a Member after he commences to receive his Pension, there will be payable to his beneficiary the amount, if any, by which his Pension Contributions with 2% compound interest* exceed the total amount of Pension received.

*Interest will be credited as to each Contribution from the July 1 next following the date of such Contribution but not beyond the date on which the Member's Pension commences. See Section XI, Paragraph 6, and footnote thereto.

SECTION VII

Optional Dependent's Pension

Instead of the Pension normally payable to the Member, he may elect (subject to rules and restrictions outlined below) to receive a Pension which will provide lower monthly payments to him during his lifetime but which will also provide further monthly payments after his death to a designated Dependent so long as that Dependent may live.

When electing this Option, the Member must specify that payments after his death to the De-

pendent shall be equal to, say, 50%, 75%, or some other desired percentage, not exceeding 100%, of the amount of his own reduced monthly Pension. The amount of his own reduced monthly Pension will depend upon the specified percentage which is to be payable to the Dependent, and will depend also upon the sex of the Member and of the Dependent, as well as upon the age of the Member and of the Dependent when the Member's Pension commences.

Details will be furnished upon request to the Company.

The rules and restrictions governing this Option are:

- (1) The request for the Option should be made at least five years before the date the Member's Pension is to commence. If the request is made later, the Insurance Companies will require evidence satisfactory to them of the Member's good health before granting the request.
- (2) When requesting the Option the Member must designate the Dependent, and also must specify the date his own Pension is to commence, which may be either his Normal Retirement Date, or, subject to Section V, Paragraph 2, an Optional Retirement Date: He must specify the percentage of Pension to be continued to the Dependent.
- (3) Evidence satisfactory to the Insurance Companies as to the Member's and the Dependent's ages must be furnished.
- (4) Once the Option is elected, the Member may cancel it if he makes a request for such cancelation at least five years before the date his Pension is to commence. If such request is made later, the Insurance Companies will require evidence satisfactory to them of the good health of the

Member or the Dependent, or both, before granting the request.

- (5) If this Option is elected and the Member dies before his Pension commences, no Pension will be payable to the Dependent, but the Member's Pension Death Benefit described in Section VI, Paragraph 2, will be payable as though the Option had not been elected.
- (6) If this Option is elected and the Dependent dies before the Member's Pension commences, the Member's Pension will be payable as though the Option had not been elected.
- (7) If this Option is elected and the Member dies after his Pension has commenced and the Dependent survives him, the Pension Death Benefit will not be payable, but at the later death of the Dependent there will be payable to the Member's beneficiary any excess of the Member's Pension Contributions with interest over the total amount of Pension received by the Member and the Dependent.
- (8) If this Option is elected and the Dependent dies after the Member's Pension has commenced, but before the Member dies, the Member's Pension will continue to be paid in its reduced amount.

SECTION VIII

Effect of Absences, Layoffs, etc., on Benefits and Contributions

1. Absence due to any cause—with Full Pay

The Member's Contributions will be continued, his Life Insurance will remain in force and his Pension will be purchased just as though he were actively at work. A Member who had free Life Insurance prior to his absence will con-

tinue to have such free Insurance during absence with full pay.

2. Absence due to any cause—with Part Pay

The Member's Life Insurance Contributions will be continued and his Life Insurance will remain in force. His Pension Contributions will be discontinued and no further Current Service Pension will be purchased until Pension Contributions are resumed. A Member who had free Life Insurance prior to his absence will continue to have such free Insurance during absence with part pay.

3. Absence due to Accident or Sickness—without Pay

As long as the Company considers such absence to be temporary, the Member's Life Insurance will be continued in force at no expense to him, but his Pension Contributions will be discontinued and no further Current Service Pension will be purchased until Pension Contributions are resumed.

4. Absence on leave for reasons other than Accident or Sickness—without Pay

The Member's Life Insurance will remain in force during such absence provided he pays his full Life Insurance Contributions in advance or in some other manner satisfactory to the Company. A Member who had free Life Insurance prior to his absence will not be required to make such payments.

The Member's Pension Contributions will be discontinued and no further Current Service Pension will be purchased until Pension Contributions are resumed.

5. Absence due to Layoff

The Member's Contributions will be discontinued, but his Life Insurance will remain in

force during continuance of the Group Life Policy for 31 days from the date of his layoff, during which period of 31 days he may exercise the conversion privilege outlined in Section IX, Paragraph 1 (b).

If the Member later returns to active service with the Company within the period of time provided in the Company's rules and regulations governing such absences, his Life Insurance will be reinstated and he will lose none of the Pension previously purchased for him by the Company provided he has not withdrawn his Pension Contributions and immediately resumes his regular Contributions under the Plan.

SECTION IX

Privileges at Termination of Employment Other than by Retirement

1. Life Insurance

- (a) The Member's Life Insurance Contributions cease, but his Life Insurance will remain in force during continuance of the Group Life Policy for 31 days from the date of termination of his employment.
- (b) The Member is entitled to have issued to him by the Insurance Company upon termination of his Group Life Insurance due to termination of employment a policy of Life Insurance, without medical examination, in any one of the forms customarily issued by the Insurance Company, except term insurance, in an amount equal to or less than the amount of his Group Life Insurance in force at the time of such termination, provided an application is made to the Insurance Company within 31 days from date of termination of employment. The premium for such Life

Insurance shall be the premium applicable to the class of risk to which he belongs and to the form and amount of the Life Insurance policy at his then attained age.

2. Pension Options at Termination of Employment.

A Member's Pension Contributions cease, and he may elect

- (a) to receive a paid-up Certificate for the amount of Pension which his own Contributions have purchased, or
- (b) to have paid to him the total amount of his Pension Contributions with 2% compound interest*, commencing as to each Contribution on the fourth July 1 following the date of such Contribution. Ordinarily this payment will be made in a lump sum, but the Insurance Companies reserve the right to make the payment in twelve monthly installments.

*See Section XI, Paragraph 6, and footnote thereto.

If a Member is determined by the Company to be permanently and totally disabled and if he elects Option (a) above, there shall be included in his paid-up Certificate the Pension purchased on his behalf by the Company's Contributions.

If the employment of a Member (other than one covered by the Paragraph immediately preceding) terminates after he has completed ten or more years of continuous service, and if he elects Option (a) above, there shall be included in his paid-up Certificate a percentage of the Pension purchased on his behalf by the Company's Contributions, determined in accordance with the following TABLE IV:

TABLE IV

Full Years of Continuous Service	Percentage
10 years	50%
11 years	55%
12 years	60%
13 years	65%
14 years	70%
15 years	75%
16 years	80%
17 years	85%
18 years	90%
19 years	95%
20 years or more	100%

The paid-up Pension is normally payable commencing at age 65 in the case of a male, or age 60 in the case of a female, but the paid-up Certificate will include the privilege of having the Pension commence at an earlier age in a reduced amount as described in Section V, Paragraph 2. The paid-up Certificate will include also the cash withdrawal privilege described in Option (b) above. If such cash withdrawal privilege is exercised by a Member who had not completed 20 years or more of continuous service, he shall not be entitled to any part of the Pension purchased on his behalf by the Company's Contributions.

SECTION X

Dishonesty—Limitation of Benefits

Anything herein to the contrary notwithstanding, and regardless of the Member's length of service and whether or not his Pension has commenced, if the Company shall notify the Insurance Companies, as specified in the Group Pension Contracts, that a Member has committed a dishonest act, causing loss of money or property to the Company, or to a company affiliated with the Company, or to an organization whose membership is limited principally to employes of one or more of the foregoing or such employes and their families, such Member's

Benefits under the Plan will be limited to the Pension Benefits purchased by his own Contributions and all his rights to any Benefits which otherwise would have been provided by the Company's Contributions, including his Group Life Insurance, shall thereupon terminate.

SECTION XI

General Provisions

- 1.** A Member may name his beneficiary and at any time may change the beneficiary by proper written notice to the Company. If no beneficiary designated by the Member is living at the time any Death Benefit becomes payable, then any sums that would otherwise be payable to the beneficiary shall be payable as provided in the Contracts with the Insurance Companies.
- 2.** No assignment by a Member of any of the Benefits under the Plan will be valid or recognized by the Company or the Insurance Companies.
- 3.** The Company's determination in accordance with its rules, records and regulations shall be conclusive as to rate of pay, Pay Class, length and continuity of service, and termination of employment.
- 4.** The decision of the Board of Directors of The Texas Company shall be final and conclusive in respect of all questions relating to the Plan, except those governed by the Contracts with the Insurance Companies.
- 5.** The Insurance Companies will issue to the Company, for delivery to each Member, Certificates describing the Benefits under the Group Life Insurance and Pension Contracts. The Group Life Insurance is underwritten by The Travelers Insurance Company. The Group Pension portion of the Plan is underwritten one-third each by The Travelers Insurance Company, the Aetna Life Insurance Company, and The

Equitable Life Assurance Society of the United States, and each of the Insurance Companies will be liable only for the Benefits purchased by the portion of the Contributions of the Members and of the Company which is paid to it under its Contract.

6. All of the provisions of the Plan as described herein, in so far as they concern Group Life Insurance and Pensions provided under the Group Contracts, are subject to the terms and conditions of the Group Contracts between The Texas Company and the Insurance Companies, which contracts contain provisions additional to those described herein. On July 1, 1952, and any subsequent July 1, the Insurance Companies again will have the right to change the provisions of the Pension Contracts, including the rate of interest* used in determining the Pension Death Benefits described in Section VI and the cash payment described in Section IX, Paragraph 2 (b), and including the percentages in Section V. However, no such change will affect the Pension Benefits purchased from the Insurance Companies prior to any such change by the Contributions of the Members and of the Company.

*The interest rate is 3% with respect to Pension Contributions made prior to July 1, 1942.

SECTION XII

Change or Discontinuance of Plan

The Company expects the Plan to be permanent, but as future conditions affecting the Company or the Insurance Companies cannot be foreseen, the right is reserved to change or discontinue the Plan at any time, including the purchase of Past Service Pensions; however, no such change or discontinuance will affect the Pension Benefits previously purchased from the Insurance Companies by the Contributions of the Members and of the Company.

Uninsured Supplemental Benefits Payable by the Company

The matter concerning these benefits included in prior booklets has been omitted from this booklet since it is unlikely that any case will arise hereafter in which such benefits will be payable. Information concerning these benefits is available upon request.

