

# **Savings Plan for Employees at ORNL**

## **Summary Plan Description**

**Effective January 1, 2025**

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## Important Information

The following is a summary of the Savings Plan for Employees at ORNL (the “Plan”) as of January 1, 2025. The Plan offers a convenient, tax-effective way to save and invest for the future. At retirement, Plan benefits are designed to work together with the Pension Plan and Social Security benefits to provide retirement income.

This summary plan description (SPD) is a written statement to inform you about the coverage and any limitations, exclusions, and requirements that apply within the Plan.

While we have tried to describe the Plan as completely and accurately as possible, due to the relatively brief nature of this SPD and the complexity of the agreements that establish and govern the Plan, some details may not have been described or have been described only briefly. The extent of the coverage provided by the Plan described herein is governed at all times by the complete terms of the Plan document. This Summary Plan Description summarizes the key features of the Plan and applies to eligible employees of UT-Battelle LLC (the “Company”), including those represented by collective bargaining units to the extent they have been negotiated and accepted by the duly certified representatives of participating units. This includes employees who are represented by the Atomic Trades and Labor Council AFL-CIO (“ATLC Employees”).

Complete details of the Plan can be found in the official plan documents that legally govern the operation of the plans (the “Official Plan Documents”). Copies of the Official Plan Documents as well as the latest annual reports of plan operations and plan summaries are available for your review any time during normal working hours in the office of the Plan Administrator (see the “Administrative Information” section for more details).

Upon written request to the Plan Administrator, copies of any of these documents will be furnished to a participant or beneficiary, generally within 30 days, at a nominal charge. In addition, once each year you will receive a copy of any required summary annual reports of the plans’ financial activities at no charge.

All statements made in this SPD are subject to the provisions and terms of the applicable Official Plan Document. In the event of a conflict between the Official Plan Document and this SPD, the Official Plan Document is controlling.

All capitalized terms are defined in the Glossary subsection at the end of this document.

# Highlights

## **Makes Savings Easy**

You may save from 1% up to 75% of your eligible earnings on a pre-tax, Roth, or after-tax basis each year through convenient payroll deductions subject to certain other limits.

## **Offers Matching Contributions to Increase Your Savings**

When you contribute to the Plan, the Company may make a matching contribution of 50% of your first 6% of your eligible earnings per pay period.

## **Let's You Save Tax-Deferred**

Your pre-tax contributions, Company matching contributions, and investment earnings are tax-deferred, which means you will not pay federal income taxes on these amounts until you receive a distribution from the Plan.

## **Gives You the Opportunity to Invest in Your Future**

You can invest your savings and Company matching contributions in the investment funds made available under the Plan.

## **Provides 24-Hour Access to Account Information**

The Plan information line offers up-to-date information about your account 24 hours a day, 7 days a week, and our Internet access provides the same convenience.

## **Allows You Flexibility Today**

Although the objective of the Plan is to help you save for the future, you have the flexibility to meet short-term needs through loan and withdrawal provisions.

# Enrolling in the Plan

## **Eligibility**

You are eligible to participate in the Plan if you are employed by the Company and are not:

- Included in a unit of collectively bargained employees, unless that agreement permits participation in the Plan, or
- A non-resident alien receiving no earned income from the Company that constitutes earned income in the United States.

For the avoidance of doubt, Casual Employees and Casual Retirees are eligible to participate in the Plan as are employees who are represented by the ATLC.

Individuals who are paid as independent contractors or who are leased from another employer are not employees and are not eligible to participate in the Plan.

You are eligible to enroll in the Plan immediately upon hire. Your contributions will be deducted from your paycheck as soon as administratively possible following your enrollment in the Plan, generally within two pay periods.

When you begin work, you can review the enrollment guide online.

You can start participating in the Plan during your first week of employment by logging on to the plan website at [workplace.schwab.com](http://workplace.schwab.com) and completing the online registration process to create your unique login ID and password, or by calling the Participant Services information line at 800-724-7526 to elect:

- the percentage you wish to save,
- how you want to save—on a pre-tax basis, an after-tax basis, a Roth basis, or a combination of all three, *and*
- your investment choices.

Once you have enrolled, your contribution amount and investment choices will remain in effect until you make a change.

A few days after you enroll, a confirmation letter will be mailed to you. You should review the letter carefully to make sure your participation and election information is correct.

## Automatic Enrollment

The Company understands the critical importance of saving for retirement, so an automatic enrollment feature is included in the Plan for all salaried employees hired on or after April 1, 2012. You may enroll in the Plan at any time beginning on your date of hire. However, if you are a salaried employee and you do not take action to enroll, you will be enrolled automatically 30 days following your date of hire, and a pre-tax contribution of 3% of your eligible earnings will be deducted from each paycheck and put into an account set up for you in the Plan.

Unless you elect otherwise, your contributions will be invested automatically in the LifePath Index Portfolio fund that corresponds with the date on which you will reach age 65; this is the default investment for anyone who is enrolled automatically.

If you do not want to participate in the Plan, you have 30 days following your date of hire to opt out of the Plan or to elect a different contribution percentage. You may contact Participant Services to change your contribution percentage or investment election, or to stop your contributions at any time. If you are enrolled automatically and you take no action on your account, your contributions will also increase by 1% in January each year up to a maximum of 6% of your eligible earnings.

Remember, if you do not want to make contributions to the Plan and you do not opt out of the Plan within 30 days of your date of hire, a deduction will be taken from your check. This amount will remain in your account until you are eligible for a distribution under the rules of the Plan. Contributions cannot be refunded.

## Naming Your Beneficiary

Your beneficiary is the person you name to receive benefits from the Plan if you die with a vested balance remaining in your Plan account. Your beneficiary can be anyone you wish. However, if you wish to name someone other than your spouse, you must have your spouse's written and notarized consent.

Be sure to keep your beneficiary designation up to date. If you do not make a valid beneficiary designation, your spouse will receive the value of your vested Plan account. If you do not name a beneficiary, or your named beneficiary is deceased and has not named their own beneficiary, your vested Plan account will be paid to the person or persons in the first surviving class of beneficiaries listed below:

- (1) your surviving spouse;
- (2) your surviving children and issue of deceased children, per stirpes; and

(3) your estate.

If you designate your spouse as beneficiary and later become legally divorced, the beneficiary designation will automatically terminate unless you reaffirm the designation in writing after the divorce.

After your death, unless you had previously submitted a written designation to the contrary, your Beneficiary may name his or her own Beneficiary to receive benefits from the Plan if the Beneficiary dies with a vested balance remaining in your Plan account.

You may change your beneficiary at any time (subject to the spousal consent rules described above). Simply call the Participant Services information line or use the Internet to complete the form online. Your beneficiary election will be effective when Participant Services receives your completed form.

## When Coverage Ends

You will no longer be able to contribute to the Plan upon your termination of employment. However, you will be a participant in that Plan until you have received a complete distribution of your Plan account.

## The Plan Information Sources

The Plan makes saving easy. It lets you enroll and manage your account over the telephone through a voice response unit, by speaking with a Participant Services representative, or by using the Plan's website. By calling Participant Services, you can:

- enroll in the Plan
- check your account balance and investment performance
- make investment elections
- transfer between investment funds
- change contribution percentages
- change investment elections
- request a loan or withdrawal
- update or change beneficiary information
- update or change personal information
- opt out of automatic enrollment

### To Reach Participant Services

#### In the United States:

800-724-7526

#### International:

330-908-4777

#### Telecommunications Device for the Deaf:

800-345-2550

#### Voice Response Unit:

24 hours a day, 7 days a week

(except for occasional maintenance periods)

#### Participant Services Representatives:

8 a.m.–10 p.m. Eastern time, Monday through Friday (except on days when the New York Stock Exchange is closed)

#### Internet Access:

To access the Plan via the Internet, please visit: [workplace.schwab.com](http://workplace.schwab.com).

When you call Participant Services, you will need your web ID. If you do not have your web ID, you may speak to a Participant Services representative and provide the necessary security information.

You will use your web ID and password to access your account information. You may change your web ID and password to personalize them at any time. Your web ID and password are confidential and should be kept in a safe place. If you lose your web ID and/or password, you may call Participant

Services or log on to the Internet site and request a reminder; a copy of the number will be sent through an email link or mailed to your home. For security reasons, you can never get your password over the phone.

## Accessing the System

To log on to your account, go to [workplace.schwab.com](http://workplace.schwab.com), enter your web ID and password, and click on Log In. Every participant in the plan will be able to gain access to the plan, even if you do not have an account balance.

## Working with the Plan

After you log on, the system immediately shows the market value of your account as of a particular date. Remember, our plan investment funds are valued daily, and the amount shown on the screen is the market value as of the close of business of the previous business day. This value is updated once a day, so the value you see in the morning will be the same value for that entire day.

## Your Quarterly Statement

After the end of each calendar quarter, you will receive a Plan statement that reports your account activity, total fund balances, and investment elections. You can use these statements to track the value of your savings under the Plan. You also have access to your account statement at any time by visiting [workplace.schwab.com](http://workplace.schwab.com).

## Your Contributions

You can contribute to the Plan in the following ways

- pre-tax contributions from your eligible earnings,
- after-tax contributions from your eligible earnings,
- Roth contributions from your eligible earnings, and
- rollover contributions.

If you are a salaried employee, your eligible earnings are your regular base salary and bonuses awarded as a Supplemental Performance Award, Incentivized Performance Award, Significant Event Award, Iter Performance Award or SNS Performance Award. If you are an hourly employee, your eligible earnings are your pay for your regularly scheduled hours, before any reduction for contributions to this Plan or the 125 Plan, determined by dividing your straight-time earnings, including shift premiums and hourly cost of living adjustments by your straight-time hours and multiplying the result times your scheduled hours. Eligible earnings shall not include overtime, vacation buy-out, MICP payments or any bonuses not described above (including retention and hiring bonuses, awards night payment, gift card service awards, etc.).

### Pre-Tax Contributions

Your pre-tax contributions are deducted from your eligible earnings before federal and, in most cases, state and local taxes are determined. (Social Security taxes are not affected.) By saving with pre-tax dollars, you reduce your current taxable income and, therefore, your current annual tax liability. The government allows this reduction in taxable income to encourage you to save for retirement. For this reason, withdrawals during your active career with the Company are restricted.

### Roth Contributions

Your Roth contributions are deducted from your eligible earnings on an after-tax basis. Roth contributions and earnings grow tax free. Upon retirement, Roth contributions are distributed free from federal and most state income tax. Earnings on Roth contributions are also tax free if they are withdrawn after age 59½ and if your Roth account has been open at least 5 years.

## Annual Contribution Limits

There is a limit on the amount of pre-tax and Roth contributions that you can make to all employer plans during any year. This combined annual limit is described in Internal Revenue Code §402(g). The pre-tax/Roth contribution limit, which is announced annually, will be adjusted for changes in the cost of living increases as determined by the federal government. Participants ages 50 and older during a particular year may be able to contribute additional amounts of pre-tax or Roth contributions called “catch-up contributions.” Call 800-724-7526 for assistance in determining whether you qualify to make an additional contribution and, if so, what the maximum amount of such a contribution will be.

If you are employed during the year by another employer and make pre-tax or Roth contributions to another employer’s plan, these contributions also count in the annual contribution limit. You are responsible to notify the Company that you have reached your limit. If you have exceeded the limit, you are responsible to request a distribution of the excess amount.

There also is a limit on the total amount of contributions including pre-tax, Roth, after-tax, matching contributions, and employee pension contributions that can be made to your account each year (excluding catch-up contributions). This annual limit is described in IRC §415(c) and will be adjusted for changes in the cost of living increases as determined by the federal government.

Additional limits may apply to highly compensated employees. You will be notified if these additional limits apply to you.

Once you reach the annual pre-tax/Roth limit (adjusted if you are age 50 or older and eligible to make additional catch-up contributions), you may elect to stop making contributions. If you elect to stop your contributions, the employer match also will stop. If you do not stop making contributions when you reach this limit, your contributions automatically will be changed to after-tax contributions for the remainder of the year unless you take action to stop making contributions. Your contributions will revert to your original election of pre-tax or Roth contributions at the beginning of the new calendar year without filing a new election. Company matching contributions will continue to be made as usual after the change to after-tax contributions.

## After-Tax Contributions

Your after-tax contributions are deducted from your eligible earnings after income taxes are withheld and do not provide the advantages of deferring your taxes that are available through pre-tax contributions. Investment earnings on after-tax contributions, however, are tax-deferred until withdrawn from the Plan.

In addition, after-tax contributions are subject to less stringent government withdrawal restrictions, as described later in this section.

Pre-Tax Savings vs. After-Tax Savings		
Here is an example comparing pre-tax contributions with after-tax contributions. Assume that in 2025 you are married, earn \$65,000 a year and claim the standard exemption on your joint return, and elect to save 6% of your eligible earnings. Assume also that your marginal tax rate is 12%, which means that for each dollar you save on a pre-tax basis, you save \$.12 in taxes. Here is how it works:		
	Pre-Tax Savings	After-Tax Savings
Eligible Earnings	\$65,000	\$65,000
Pre-Tax Contributions (6%)	– \$3,900	– \$0
Adjusted gross Income	\$61,100	\$65,000
Federal Income Tax*	\$3,732	\$4,200
After-Tax Contributions	– \$0	– \$3,900



Take-Home Pay	\$57,368	\$56,900
<b>Difference</b>	<b>\$468</b>	
As you can see, by saving with pre-tax contributions, you can reduce your income taxes by \$468 ( $12\% \times \$3,900$ ) in this example.		
Therefore, you can invest the same \$3,900 per year, but your take-home pay will be \$468 higher.		
<i>*Taxes are estimated federal income taxes. Note that this example only takes federal tax savings into account. Depending on where you live, you may also save on state and local taxes.</i>		

## Contributions During and After Military Leave

If you receive differential pay while you are on military leave, you may continue to make contributions to the Plan from your differential pay.

When you return to work after you have been on military leave, you may be able to make contributions to the Plan to make up for contributions you missed while you were on leave and may receive Company matching contributions on your make-up contributions. In addition, if you die while performing qualified military service, your beneficiary may receive additional benefits that would have been provided to you under the Plan had you resumed employment on the day preceding your death.

Contact Participant Services for more information if you think this may apply to you. You may also contact the US Department of Defense, Employer Support of the Guard and Reserve, at 800-336-4590 or [www.esgr.mil](http://www.esgr.mil) about your military service rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act.

## Contributions During Disability

Contributions continue while you are receiving paid short-term disability. If you have an outstanding loan, payments will be deducted from your paid short-term disability. Any payments missed will be automatically deducted from your paycheck immediately upon your return to work.

Your contributions will end when you begin receiving long-term disability. In case of Total Disability, you become 100% vested in the Company match and may elect a distribution upon Total Disability (which is the equivalent of qualifying for Phase 2 benefits under the Employer's long-term disability plan) or you may choose to defer payment. If you have an outstanding loan when you go on long-term disability, you must continue to make repayments directly to Charles Schwab Retirement Plan Services.

## Rollovers to the Plan

Generally, you may roll over amounts you receive from a tax-qualified plan of a former employer, an annuity contract described in section 403(b) of a former employer, or an Individual Retirement Account ("IRA") to your Plan account if the amounts you received qualify to be rolled over. After-tax and Roth amounts may be received by the Plan only as a direct rollover from a tax-qualified plan of a former employer or an annuity contract described in section 403(b) of a former employer. When you request a withdrawal or receive a distribution from a tax-qualified plan of a former employer, you will receive information telling you that the amount qualifies or does not qualify to be rolled over. You will continue to defer current federal income taxes on the amount you roll over.

Any rollover must be made within 60 days of the date you receive a distribution from the other qualified plan (or conduit IRA). If you miss the deadline, you cannot roll your distribution into the Plan, and you will have to pay taxes on the taxable portion of your distribution.

To make a rollover of a qualified distribution, you must submit a certified check or a check from your prior plan's trustee or custodian payable to the Plan, the distribution statement you received with your rollover check, and a completed digital rollover contribution form to Participant Services.

Call Participant Services to obtain the instructions, or print the instructions from the website.

The following comparison will give you an idea of the basic differences between the contribution sources available within the Plan.

	<b>PRE-TAX 401(k)</b>	<b>ROTH 401(k)</b>	<b>AFTER-TAX</b>
<b>Contributions</b>	Made pre-tax	Made after-tax	Made after-tax
<b>Any Investment Earnings</b>	Taxes are deferred until distribution	No additional taxes* required if a qualified distribution	Taxes are deferred until distribution
<b>Distributions</b>	Both contributions and any investment earnings are taxed as income in year of distribution	Both contributions and any investment earnings are subject to no additional taxes and no penalties provided age 59½ is reached and contributions are held for at least 5 years*	Contributions are not taxed, and any investment earnings are taxed as income in year of distribution
<b>Distribution Exceptions</b>	If withdrawn before age 59½, distribution is subject to tax and 10% early withdrawal penalty	If withdrawn before 5 years or age 59½, investment earnings are subject to tax and 10% early withdrawal penalty	N/A
<b>Company Match</b>	Both contributions and any investment earnings are taxable at time of distribution	Both contributions and any investment earnings are taxable at time of distribution	Both contributions and any investment earnings are taxable at time of distribution
<b>Loans</b>	Allowed	Allowed	Allowed
<b>Contribution Limit</b>	Refer to the Annual Contribution Limits to determine the amounts you may contribute to the Plan each year		
<b>Catch-Up (Age 50 or older)</b>	Refer to the Annual Contribution Limits to determine the catch-up amounts you may contribute to the Plan each year		
<b>Income Limits</b>	None	None†	None
<b>73 Minimum Distribution</b>	Required	Not applicable	Required in regular salary deferrals and catch-up contributions
<b>Investment Options</b>	Same	Same	Same

\*Provided you are age 59½ or disabled at the time of distribution and your initial Roth contributions were in the Plan for at least 5 years.

†Unlike Roth IRA, there is no upper income limit for Roth 401(k).

## In-Plan Roth Rollovers

If you have a balance in a non-Roth Account (e.g., Before-Tax Account, Matching Account, Non-Roth After-Tax Account or Rollover Account), you may rollover all or a portion of the vested non-Roth Account balance to a Roth (after-tax) Account under this Plan. Any qualified distributions from a Roth Account (including earnings) will not be subject to tax at distribution. If you rollover the payment to a designated Roth Account in this Plan, the amount of the payment rolled over will be subject to taxes for you to pay outside of the Plan. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over or transferred out of the designated Roth Account within the 5-year period that begins on January 1 of the year of the rollover or transfer). Any amount you roll over will retain the same restrictions on distributions the Account had before such rollover.

## How Much You Can Save

You may contribute from 1% to 75% of your eligible earnings each pay period, subject to the annual contribution limits. These limits may be increased by catch-up contributions if you are age 50 or older at any time during the year. You may save in 1% increments. These percentages may be reduced for highly compensated employees to satisfy certain IRC tests. You will be notified of the restrictions if they apply to you.

Your contributions up to 6% of eligible earnings may be eligible for Company matching contributions, as discussed later in this section. Any additional contributions are not eligible for Company matching contributions.

## Changing Your Contributions

You can increase, decrease, or stop your pre-tax, after-tax, or Roth contributions at any time by calling Participant Services or through the website. The last election you make before the payroll system computes your contribution will override any previous elections. Changes will be sent to payroll on a weekly basis and will be effective as soon as administratively possible, generally within two pay periods.

You can suspend or resume contributions at any time. When you resume your contributions, cash deposits to make up for the period of suspension will not be permitted. All contributions must be made by payroll deduction.

## Company Matching Contributions

**The Company will match your contributions up to 50% of your first 6% of eligible earnings per pay period.**

Employees who are scheduled to work on a full-time basis under the postdoctoral program (a “Postdoc Employee”) and who are hired on or after January 1, 2013, will not be eligible for a matching contribution. Certain named fellows will be eligible to receive matching contributions from the Company.

### Vesting

You are always 100% vested in your own contributions, as adjusted for investment earnings and losses on your contributions. Company matching contributions become 100% vested after you complete 3 years of Credited Service.

You also will become immediately 100% vested in all Company matching contributions, adjusted for investment earnings and losses, when you:

- reach age 65 while a Company employee,
- retire and are eligible to receive an immediate pension, or
- leave the Company because you are Totally Disabled, die, or are involuntarily terminated for reasons other than cause.

### The Company Match

Suppose an employee with \$50,000 of eligible earnings contributes 6% of eligible earnings per pay period for a total savings of \$3,000 per year. The Company matching contribution for the entire year would be as follows:

50% of first 6% of  
eligible earnings

$\$3,000 \times 50\% = \$1,500$

**The company match would be: \$1,500**

## Your Investment Options

You may choose to have your contributions and Company matching contributions invested in any one or a combination of the Plan’s investment funds—in increments of 1%. The funds are valued at market daily. The ORNL Savings and Retirement Investment Committee may freeze or change the funds at any time.

Any investment involves some degree of financial risk. Actual investment results for your Plan contributions will vary depending on the fund or funds in which they are invested. Investment information can be found online at [workplace.schwab.com](http://workplace.schwab.com).

Before making any investment decision, you should also review the fund fact sheets.

Neither the Company, the Plan, nor the ORNL Savings and Retirement Investment Committee makes any representation that the past performance of these funds is a guarantee or indicative of their future performance. The funds are not protected by any federal or state deposit insurance Plan. The Plan is intended to constitute a plan described in section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). Fiduciaries may be relieved of liability for any losses that are the result of investment instructions given by you or your beneficiary.

## **Investment Earnings**

Investment earnings include interest, dividends, and market gains/losses resulting from your investments in any of the Plan's funds. Returns you may earn on your investments are continually reinvested in the funds you have chosen.

## **Changing Your Investments**

You may change your investment choice for future contributions—in 1% increments—at any time by calling Participant Services or going online to [workplace.schwab.com](http://workplace.schwab.com). The last change you make before 4 p.m. Eastern time, or before the market closes if earlier, will override any previous changes made that day. Your changes will be effective with the next deposit of your contributions.

You can transfer existing balances at any time. Transfers completed before 4 p.m. Eastern time will be effective that day, assuming it is a business day and the New York Stock Exchange is open; otherwise, changes will be effective the next business and market trading day. Confirmation of your transaction will be mailed within 3 business days.

### **Reward vs. Risk**

One way to think of the gain or loss potential of an investment is to think of the potential for reward or the level of risk it offers. Generally, investments with more risk to principal have the potential to yield higher returns over a longer period than investments with less risk. No one can tell you what balance of reward vs. risk is right for you. It is up to you to decide. When making your decision, however, ask yourself the following questions:

#### **When will you need the amounts in your accounts?**

If you are a long way from retirement and are investing for the long term, you may want to consider more aggressive investment choices with higher risks. However, you must be prepared to weather the ups and downs of the market and possible loss of your investment. However, stability in your investments may be more important if you are investing for a shorter time.

#### **What are your investment goals?**

You may be concerned about preserving your account balances while earning a steady rate of return. Alternatively, you may want investments that offer the prospect of substantial growth. Keep in mind that your investment objectives will change depending on how close you are to retirement and your financial goals.

#### **What is your financial situation?**

Figure out how much you can afford to save. It may be more than you think. If you save a little, with the tax savings you receive from pre-tax contributions, your take-home pay may not be reduced as much as you expect.

#### **Are your investments sufficiently diversified?**

Investment professionals seek to reduce risk by diversifying their investments—not putting “too many eggs in one basket.” They may diversify over different types of investments, such as stocks and bonds,

and within types of investments by buying stocks and bonds of a number of different companies. Because most of the funds offered under the Plan are each made up of several types of investments, there is a basic level of diversification within most funds. However, you can further diversify by investing in several different funds to take advantage of the different investment objectives and strategies offered by the funds.

## Transaction Processing

The transactions you request through Participant Services ordinarily will be processed within the times specified in this Summary Plan Description. However, in certain circumstances, such as technical problems with the website or telephone service, you may experience difficulty in making your request or your transaction may be delayed.

Telephone service can be interrupted from time to time and, further, a high volume of telephone calls can overload the system and prevent calls from being answered. Transactions may also be delayed, for example, if market conditions require a daily volume limit on trades in an asset, if there is suspension in trading of an asset, or in the event of a major market or systems disruption. You will be informed if a transaction is not completed on the day requested, and the transaction will be completed as soon as administratively possible thereafter, based on the unit prices in effect when the transaction is completed.

## Loans from Your Account

Although the Plan is meant to help you save for the future, you have some access to your funds today through loans and withdrawals.

You may borrow a portion of your vested account balance and pay back the loan through payroll deduction. You will repay loan amounts, plus interest, back to your Plan account. You will not be taxed on the amount you borrow from your account, provided you repay the loan as required in a timely manner, and any interest that you pay is credited to your account. Loan payments are made on an after-tax basis.

There are two types of loans available to employees: general and residential. General loans are available for any reason. Residential loans are for the purchase or building of your primary residence. You may have only one general loan and one residential loan outstanding at any one time.

## Loan Amounts

The maximum amount available for loans at one time is the lesser of:

- 50% of your vested account balance at the time of the loan, or
- \$50,000 minus your highest outstanding loan balance during the previous 12 months

Your account balance is based on the market value of the funds at the time the loan is requested. The minimum loan amount is \$1,000.

Loans are in the form of cash only. For information about the maximum loan amount available to you, check your account online or call Participant Services.

## Loan Fee

There is a one-time, nonrefundable application fee of \$50 for each loan. This fee will be deducted from your account balance after the loan has been granted and will be taken from your most conservative investment fund (as determined by the Recordkeeper).

## Interest Rate

A loan interest rate used for the entire term of the loan is the Prime Rate in effect on the date you request the loan, plus 2%. The rate in effect when you take a loan is the rate you will pay for the term of your loan. Under current federal income tax law, none of the interest on a loan from the Plan is tax deductible.

## Loan Funding

If a loan is approved, a loan account is set up in your name. The loan amount is taken proportionally from the investment funds in which you have elected to invest your different types of savings, and will be withdrawn from your account in the following order:

- Vested pre-tax match contributions;
- Vested and transferred non-elective contributions;
- Pre-tax contributions;
- Pre-tax catch-up contributions;
- Pre-tax rollover contributions;
- Vested after-tax match contributions;
- After-tax contributions;
- After-tax rollover contributions;
- Vested Roth 401(k) match contributions;
- Roth 401(k) contributions;
- Roth 401(k) catch-up contributions;
- Roth 401(k) Rollover contributions.

## Repaying Your Loan

Repayment on loans will be deducted automatically from your paychecks. General loans must be repaid within 4.5 years, and principal residence loans must be repaid within 15 years. The minimum loan repayment period is 6 months.

You may pay off your outstanding loan at any time before maturity by sending a certified check to the Recordkeeper for the payoff amount. Loans must be paid off in full—no partial payments are allowed. You must call Participant Services to find out payoff amounts.

If you take a long-term leave of absence or are on long-term disability, you must continue to make repayments directly to the Recordkeeper. You will receive an ACH loan payment form from Participant Services to continue your monthly payments. Any payments missed because of a short-term absence will be deducted automatically from your paycheck when you return to work.

## Loan Default

A portion of your account balance equal to the amount of your original loan serves as collateral for the loan. If you default on your loan, the Recordkeeper will satisfy your unpaid loan balance by using the collateral in your account. Your loan will default if you:

- leave the Company and do not pay the outstanding balance within 90 days;
- fail to make a scheduled loan repayment by the end of the quarter following the quarter of your last payment;
- do not repay your loan by the end of the term of the loan; or
- are on long-term leave of absence or long-term disability and stop making payments, on the maturity date or the last day of the 12th month of missed payments, whichever occurs first.

If your loan defaults, the outstanding balance of your loan will be treated as a taxable distribution when the default occurs. Your defaulted loan will be subject to tax law distribution rules such as the 10% penalty if you are under age 59½. You will remain obligated for any unpaid balance on a loan that is in default.

If you do not repay your loan by the time you become entitled to a distribution from the Plan (except for in-service withdrawals), your loan becomes due and payable in full immediately. You may repay the entire balance of the loan (including any accrued interest). If you do not repay the entire outstanding loan balance, the amount payable to you from the Plan will be reduced by the outstanding balance on the loan.

You may not take out a new loan while you have a loan which is in default.

## Change in Payroll Frequency

If your pay period changes from weekly to monthly or vice versa, the repayment of the remaining principal loan balance will be adjusted for the new payroll frequency.

### Taking a Loan

#### For a general loan:

- Log on to your account or call Participant Services to find out the maximum loan amount available to you, current interest rates, and to request a general loan, which will include a promissory note.
- Select the loan amount and terms that best suit your needs.
- You can receive the funds via ACH, wire, or check. Your loan will process generally within 3 business days after your loan is approved. The loan disclosure statement constitutes your legal notification of your loan responsibilities. Your agreement to the terms of the loan during the online application or endorsement of the check indicates your acceptance of those responsibilities and your promise to repay the loan within the agreed upon period.

#### For a residential loan:

- Log on to your account or call Participant Services to find out the maximum loan amount available to you, current interest rates, and to request a residential loan package, which will include a promissory note.
- Select the loan amount and terms that best suit your needs. Sign and return the application along with any other supporting documentation to the Recordkeeper within 60 days of the date on the note.
- You can receive the funds via ACH, wire, or check. Your loan will process generally within 3 business days after your loan is approved. The loan disclosure statement constitutes your legal notification of your loan responsibilities. Your agreement to the terms of the loan during the online application or endorsement of the check indicates your acceptance of those responsibilities and your promise to repay the loan within the agreed upon period.

## Withdrawals While You are Employed

The Plan also allows you to take a withdrawal from your account while you are still employed by the Company within certain limits and rules, which are described in this section. A withdrawal must be at least \$200 (or your vested account balance if less) and only one withdrawal may be made on any day.

Your withdrawal will be processed generally in 3 business days.

### Withdrawal of After-Tax Contributions and Related Company Matching Contributions

Within the limits described below, you may withdraw your after-tax contributions limited to once every 6 months by logging on to your account or by calling Participant Services.



You may withdraw any amount of after-tax contributions, adjusted for investment earnings and losses, once every 6 months and may continue afterward to make after-tax contributions. You also may withdraw the vested portion of related Company matching contributions that have been in your account at least 24 months, but you cannot withdraw the earnings on the Company matching contributions.

## **Taxation of After-Tax Withdrawals**

Your after-tax contributions to the Plan made before January 1, 1987, can be withdrawn without any tax if you do not withdraw any earnings on these contributions. The earnings on the pre-January 1987 contributions are kept separate but are available for withdrawal on a taxable basis. When you request a withdrawal, the first amounts paid out will be these pre-January 1, 1987, contributions.

Withdrawals of after-tax contributions made on or after January 1, 1987, are subject to partial taxation because a withdrawal of post-1986 after-tax contributions will be assumed to be made up of both contributions and earnings. To avoid this taxation, you can roll over the taxable portion of your withdrawal to an IRA or other eligible retirement plan. You may also roll over the non-taxable portion of the distribution.

## **Withdrawal of Pre-Tax and Roth Contributions**

It is important to remember that withdrawals of your pre-tax contributions are restricted by the Internal Revenue Code while you are working. For example, withdrawals of pre-tax and Roth contributions are not permitted before age 59½ except under limited circumstances, such as hardship withdrawals. Roth contributions generally are treated like pre-tax contributions for withdrawal limitations. You must include withdrawals of pre-tax contributions in your income in the year of withdrawal.

In some cases, distributions of pre-tax and Roth contributions also may be subject to a 10% premature withdrawal tax penalty, so you should consider these tax implications before making a withdrawal of your pre-tax or Roth contributions.

## **Hardship Withdrawals**

Because the emphasis is on long-term savings, the government limits withdrawals before age 59½ to your pre-tax and Roth contributions upon proof of financial hardship.

To qualify for a hardship withdrawal, you must provide a representation in writing or via an electronic medium that the requested distribution is on account of a financial need of a type which is deemed to be an immediate and heavy financial need, is not in excess of the financial need, and you have no other reasonable way to satisfy the financial need. The following are the expenses that are deemed to create an immediate and heavy financial need:

- purchase of your primary residence (but not mortgage payments),
- tuition payments for up to a year of post-secondary education for you, your spouse, children, dependents, or primary beneficiary (the amount also may include room and board expenses for the year),
- expenses not covered by insurance for you, your spouse, children, dependents, or primary beneficiary that would qualify as deductible medical expenses (not taking into account income limitations),
- expenses to prevent eviction from or foreclosure on your primary residence,
- funeral expenses of your deceased parent, spouse, children, dependents, or primary beneficiary,
- expenses for repair of damage to your principal residence that would qualify as deductible casualty expenses (not taking into account income limitations),
- expenses and losses (including loss of income) incurred by you on account of a disaster declared by the Federal Emergency Management Agency (FEMA), provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster, or



- other events the Internal Revenue Services has identified as a “deemed immediate and heavy financial need.”

A person is your “primary beneficiary” for purposes of above if that person is named as a beneficiary under the Plan and has an unconditional right to all or a portion of your Account balance upon your death.

“Other reasonably available resources” include all distributions, other than a hardship distribution, under the Plan. You must request a maximum withdrawal of after-tax savings and employer contributions available to you before you request a hardship withdrawal. The amount of your hardship withdrawal is limited to your pre-tax and Roth Accounts.

Hardship withdrawals are not eligible to be rolled over to another qualified plan or IRA.

You may log on to your account or call Participant Services for a hardship withdrawal request form. Hardship withdrawals must be approved by the Recordkeeper, but the Recordkeeper has discretion to rely on your representation in accordance with the Internal Revenue Code and IRS regulations.

### **Withdrawals After Age 59½**

When you reach age 59½, you may withdraw your pre-tax contributions, Roth contributions, vested Company matching contributions, and any investment earnings at any time for any reason.

### **Withdrawal During Military Leave**

You may be able to withdraw your pre-tax or Roth contributions if you go on a military leave for more than 30 days. If you think this might apply to you, contact Participant Services. If you take a withdrawal of pre-tax or Roth contributions while you are on military leave, you may not make contributions to the Plan for 6 months after the withdrawal.

### **Requesting a Withdrawal**

To request a withdrawal, log on to your account or call Participant Services.

### **Withdrawal of Rollover Contributions**

You may withdraw your rollover contributions, as adjusted for investment earnings and losses, at any time for any reason without causing a suspension of Company contributions under the Plan. To request a withdrawal, log on to your account or call Participant Services.

### **Qualified Birth or Adoption Distribution**

You may elect to receive an in-service distribution on account of a qualified birth or adoption distribution from the vested portion of your account. The following criteria must be satisfied to receive this distribution:

1. Amount cannot exceed \$5,000 per child.
2. Distribution must be made during the 1-year period beginning on the date your child(ren) is born or when the legal adoption of an eligible adoptee is finalized.
3. An “eligible adoptee” is any individual (other than child of the Participant’s spouse) who has not attained 18 or is physically or mentally incapable of self-support.

A qualified birth or adoption distribution is not subject to the 10% early withdrawal tax penalty. A qualified birth or adoption distribution received may be repaid to the Plan, up to the total amount of the distribution, at any time during a 3-year period, beginning on the day after the date on which such distribution is received.

## Domestic Abuse Distribution

You may elect to receive an in-service distribution due to a domestic abuse distribution from the vested portion of your account. Domestic abuse is defined as “physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim’s ability to reason independently, including by means of abuse of the victim’s child or another family member living in the household.” The following criteria must be satisfied to receive this distribution:

1. Amount cannot exceed the lesser of \$10,000 or 50% of your vested account balance.
2. Distribution must be made within one year from any date on which you are a subject of domestic abuse.

A domestic abuse distribution is not subject to the 10% early withdrawal tax penalty. A domestic abuse distribution received may be repaid to the Plan, up to the total amount of the distribution, at any time during a 3-year period, beginning on the day after the date on which such distribution is received.

## Qualified Disaster Recovery Distribution

You may elect to receive an in-service distribution due to a qualified disaster recovery distribution from the vested portion of your account. A qualified disaster is defined as “any disaster with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford disaster Relief and Emergency Assistance Act”. The following criteria must be satisfied to receive this distribution:

1. The total amount cannot exceed \$22,000 in all taxable years.
2. Distribution must be made within 180 days after the later of the first day of the period specified by the Federal Emergency Management Agency or the date of the disaster declaration with respect to the Qualified Disaster.
3. Your principal residence during the incident period of such qualified disaster is located in the qualified disaster area and you have sustained an economic loss by reason of such qualified disaster.

A qualified disaster recovery distribution is not subject to the 10% early withdrawal tax penalty. A qualified disaster recovery distribution received may be repaid to the Plan, up to the total amount of the distribution, at any time during a 3-year period, beginning on the day after the date on which such distribution is received.

## Plan Payouts

You are eligible to receive the full value of your Plan account when you leave the Company:

- after you are eligible to retire with an immediate pension from the Company,
- because you are Totally Disabled,
- after completing 3 years of Credited Service, or
- before completing 3 years of Credited Service for any reason other than your voluntary resignation or your discharge by the Company for cause.

If you voluntarily resign or are discharged for cause before completing 3 years of Credited Service, you will forfeit any Company matching contributions, adjusted for investment gains and losses.

Forfeitures will be used for corrective allocations, contributions, and restorations if permitted by law or administrative guidance, to reduce matching contributions due from the participating employers for such Plan Year, and for such purposes in succeeding Plan Years.

If you die before your entire vested account balance is paid to you, that balance will be paid to your beneficiary. For information about who will be paid your account balance if you do not name a beneficiary, please see the “Naming Your Beneficiary” section earlier in this chapter.

## Timing of Payouts

When you leave the Company, you may request an immediate payout or choose to defer payment. You may not defer payment, however, beyond December 31 of the year in which you reach age 73 or the date you retire if you work for the Company beyond age 73 (with the exception of your Roth contributions, which are not subject to the IRS required minimum distribution limits). If you choose to defer payment, your savings will be invested in the Plan funds as you direct.

## Mandatory Distributions

If your vested account balance is \$1,000 or less when you leave the Company and you do not request a payout method or rollover, your vested account balance will be distributed to you in a single lump sum payment.

If your vested account balance is greater than \$1,000 but does not exceed \$7,000 when you leave the Company and you do not request a payout method or rollover, your vested account balance will be distributed to an individual retirement account (IRA) established in your name. Your benefits will be paid out through the IRA and you will no longer participate in the Plan.

## Payout Methods

If you leave the Company, you may elect to receive your Plan account as follows:

- A single lump sum payment of your total account value
  - A partial payment
  - Monthly installment payments of your fixed period of 10, 15, or 20 years (as long as this method meets the minimum distributions requirements of the Internal Revenue Service), with monthly recalculations based on market value and the remaining payment period
  - Monthly installment payments over a period equal to your life expectancy, or the joint life expectancy of you and your spouse
  - Monthly installments using the uniform life expectancy table with monthly recalculations based on market value and the remaining payment period. Life expectancies are recalculated each year.
- or
- A fixed dollar installment amount that you choose. The fixed amount may be changed by you while installment payments are still ongoing.

### Electing a Payout Method

If you leave the Company, the Recordkeeper will send a letter to you describing your payout options. If you are eligible for installment payments, you also will receive the applicable forms. You may make your payout election over the telephone by calling Participant Services.

Partial payments and installments will be distributed from your after-tax contributions first. You also will have the option of requesting a total distribution from your after-tax, pre-tax, or Roth account.

## Payout Methods Upon Death

If you die and have a vested account balance in the Plan, a death benefit is payable from the Plan to your beneficiary.

If you die before you begin receiving payments from the Plan and have designated a beneficiary, distribution of your entire account must be paid to your designated beneficiary by December 31 of the calendar year containing the tenth anniversary of your death. Alternatively, if your beneficiary is an Eligible Designated Beneficiary, distributions may be paid over the life expectancy of your beneficiary, but only if such beneficiary elects to commence distribution by December 31 of the calendar year following the calendar

year in which you died (or for a spousal beneficiary, by December 31 of the calendar year in which you would have attained age 73, if later). If you do not have a designated beneficiary, distribution of your entire account must be paid to your beneficiary by December 31 of the calendar year containing the fifth anniversary of your death.

If you die after you begin receiving payments from the Plan, unless you had begun receiving installment payments over the joint life expectancy of you and your spouse, distribution of the remaining portion of your account will be paid to your designated beneficiary by December 31 of the year following your death; provided that if your beneficiary is an Eligible Designated Beneficiary, distribution of the remaining portion of your account must begin by December 31 of the year following your death, but may be distributed as either a lump sum or in installments over the life expectancy of the Eligible Designated Beneficiary.

## **Request a Payout**

To apply for a Plan payout, you should call Participant Services at 800-724-7526. If you die with a remaining balance in the Plan, your beneficiaries should contact the Recordkeeper for information on obtaining a distribution.

If you elect a lump sum payout, your payout will be processed generally within 3 business days from the date Participant Services receives the request. If you elect to receive installment payments, you will receive the required forms to complete and return. The installment payments will begin as soon as administratively practicable after Participant Services receives your properly completed forms.

## **Taxation of Withdrawals and Final Payouts**

In general, your pre-tax contributions, Company matching contributions, and investment earnings on all types of contributions other than Roth contributions are taxable when you receive them. The actual tax treatment will depend on your age at the time of receipt.

### **Before Age 59½**

If you make a withdrawal or receive a Plan distribution before age 59½, you will pay a 10% additional tax in addition to ordinary income tax on the taxable portion of the payment, including on a hardship withdrawal unless you qualify for one of the exceptions to this 10% penalty listed in the "Special Tax Information Notice." You can avoid the income tax and additional tax if you roll over the taxable portion of your payment into an IRA or other eligible retirement plan within the period permitted by law.

Your beneficiaries are never subject to the 10% tax penalty, regardless of your age at death.

### **At Age 59½ or Later**

If you make a withdrawal or receive a Plan distribution after age 59½, you will not have to pay the 10% penalty.

### **Roth Contributions**

Special rules apply to payments of Roth contributions and earnings on those contributions. Payments of the Roth contributions are not subject to federal income tax. Earnings on your Roth contributions will be subject to federal income tax unless the distribution is made after you turn age 59½, upon your death, or upon your disability, and as long as it occurs at least 5 years after the first day of the taxable year that you made your first Roth contribution to the Plan. If you made a direct rollover of Roth contributions from the plan of a former employer, the 5-year period begins from the first day of the taxable year that you made your first Roth contribution to the other plan.

## Rollovers and Withholding

Withdrawals and lump sum distributions of your pre-tax contributions and Company matching contributions, your after-tax contributions, or your Roth contributions as adjusted for investment earnings and losses, can be rolled over to an IRA, a Roth IRA or other eligible retirement plan. Required minimum distributions to employees who have terminated and reached age 73 or retired from the Company after age 73, and distributions paid out in installments are not eligible for such a rollover.

You can roll over all or a portion of your eligible plan payouts either directly or indirectly to an IRA, a Roth IRA, or other eligible retirement plan. With a direct rollover, the Recordkeeper will send you a check payable to the trustee of the eligible IRA, Roth IRA, or plan you designate. If you elect a direct rollover, no federal tax withholding will apply to your rollover amount. The portion that is not rolled over will be subject to mandatory 20% tax withholding.

If you want to roll over your eligible payout yourself – an indirect rollover – there are some important facts to keep in mind:

- Mandatory 20% tax withholding will apply to the taxable portion of the distribution when the payout is made to you.
- Your rollover must be made within 60 days of the day you receive your payout.
- Any portion of the taxable part of your payout not rolled over will be subject to income and penalty taxes (if applicable).

Other withholding rules apply to distributions that are not eligible for a rollover. You will be provided with information on those rules prior to the distribution.

To be sure you are using your benefits to their full advantage, you should check with a tax advisor regarding the specific requirements for using these and other forms of favorable treatment that may apply to your payout. Neither the Benefit Plans Office nor Participant Services can give you tax advice.

## Severance from Service and Reemployment

Severance from service is important because it determines when your Credited Service ends for purposes of Plan vesting. Severance from service occurs:

- the day you quit, retire, are discharged, or die
- 1 year after your first day of absence due to layoff, or, if earlier, the first day after recall if you fail to return to work
- 1 year after your first day of leave of absence, or, if earlier, the first day after the final day of leave if you fail to return to work
- 2 years after your first day of absence for a parental leave due to pregnancy, birth, or adoption and for child care immediately following the birth or adoption, or, if earlier, the first day after the final day of leave if you fail to return to work.

If you are reemployed within 1 year of your date of severance, you will receive Credited Service for your period of severance and your prior Credited Service will be restored.

If you are reemployed more than 1 year after your date of severance and you were vested as of that date, your prior Credited Service will be restored automatically upon reemployment, regardless of your period of severance.

If you were not vested as of your date of severance, your prior Credited Service will be restored if you are reemployed more than 1 year after your date of severance, provided you have 1 year of service after the period of severance, and the length of your severance is less than 5 years.

In any event, you will not earn Credited Service during a period of severance lasting 1 year or more.

## Transfer of Assets for ORNL Participants

On September 3, 2010, some account balances were transferred from the Savings Plan for Employees of Certain Employers of the US Department of Energy Facilities at Oak Ridge, Tennessee (the “Joint Plan”), to this Plan.

Your account balances in the Joint Plan were transferred to the Plan effective September 3, 2010, if either you were employed (or on leave) at ORNL by UT-Battelle, LLC, on September 2, 2010, or you terminated employment or retired before September 2, 2010, and your last employer was UT-Battelle or a previous prime contractor at ORNL. If you satisfy one of these conditions, your account balances will be administered by the Plan rather than the Joint Plan for benefits distributed on or after September 3, 2010.

If you have a question on whether your benefit will be paid from the Plan or the Joint Plan, contact Benefit Services.

## Other Important Information

### Change of Address

It is important that you notify the Company of any change in your address while you are a participant in the Plan so you will be assured of receiving Company communications about the Plan. If you are retired, call the ORNL Benefits Office for a change form.

### Voting Your Shares

The investment manager for each fund will decide how to exercise any voting rights applicable to stock held in that particular fund.

### Investment Fees and Expenses

The Plan incurs administrative fees and investment management fees. The administrative fees are the costs to the Plan and your Plan account, including recordkeeping, accounting, trustee functions, and legal services. The Company pays some of these fees. Some fees are paid by the Plan and charged to all Participant accounts. Fees for items directly related to your account, such as loan processing, hardship withdrawal processing, or domestic relations order processing, may be charged to your account. Administrative fees will be shown on your quarterly statement.

Investment management fees are the costs to manage the investment options under the Plan, including investment advice, brokerage fees, commissions, and account maintenance fees. Investment management fees vary by investment and are deducted from your investment returns. Investment management fees for the funds are described in the fund fact sheets.

### Responsibility for Investment Decisions

You choose how to invest your balance in the Plan. The Plan trustee will follow your investment directions without reviewing your investment decisions. The Company, the trustee, the ORNL Savings and Retirement Investment Committee, and the other Plan administrators are not responsible or liable for the investment choices you make or investment losses that are the direct and necessary result of your investment choices. This is because the Plan is intended to satisfy the requirements of Section 404(c) of ERISA and section 2550.404c-1 of the Code of Federal Regulations. Nothing contained in this document is intended to constitute investment advice.

## Confidentiality of Investment Directions

Your investment directions for all Plan funds are administered by the Recordkeeper. The trustee handles all purchases and sales in the name of the Plan without identifying individuals, so your transactions remain confidential.

The ORNL Savings and Retirement Investment Committee is responsible for monitoring compliance with procedures that ensure confidentiality. You may contact the committee at:

**ORNL Savings and Retirement Investment Committee**  
**c/o Division Director, Pension & Savings Administration**  
**PO Box 2008**  
**Oak Ridge, TN 37831**

## Your Other Benefits

Pre-tax savings under the Plan reduce your taxable income—that is, they are not reported as taxable income on your W-2 earnings statement. However, they are included in determining your Social Security taxes and benefits.

Savings with pre-tax dollars have no effect on your other pay-related benefits—such as life insurance, disability coverage, and retirement income. These benefits provide financial protection and security based on your full basic rate of pay.

## Tax Treatment

The Company intends to operate the Plan so that it will qualify under Sections 401(a) and 401(k) of the Internal Revenue Code. Accordingly, your pre-tax savings will not be taxed until you withdraw them. Your after-tax and Roth contributions will be taxed prior to the contribution to the Plan. The earnings of the trust fund, which holds the Plan assets, will not be taxable to you, the trust fund, or the Company at the time earnings are credited to the trust fund but may be taxable to you when you receive a distribution. However, earnings on Roth contributions will not be taxable either in the trust fund or when distributed if you meet certain requirements. Amounts rolled over to a Roth IRA may be taxable to you at the time of the rollover.

## Top-Heavy Provisions

Under current tax law, the Plan is required to contain provisions that apply in the event a significant portion of the plan's benefits are payable to highly compensated employees. These provisions—called “top-heavy” rules—provide for accelerated vesting of plan benefits and certain minimum benefit accruals in the event the Plan becomes top-heavy. The Plan is not top-heavy now. Therefore, the top-heavy rules are not likely to affect your benefits under the plans.

A more detailed explanation of the provisions will be provided if and when the Plan become top-heavy.

## Assets Upon Termination

If the Plan terminates, participants' accounts will be distributed after plan expenses are paid. The trustee will make account distributions as instructed by the Plan Administrator.

## Pension Benefit Guaranty Corporation

Because the Plan is a defined contribution plan and not a defined benefit plan, the benefits of the Plan are not eligible to be insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974. Therefore, PBGC insurance is not available for these benefits.



## Assignment or Alienation of Benefits

Except as required by applicable law such as under a qualified domestic relations order (QDRO), benefits provided under the Plan are not subject to assignment, alienation, attachment, lien, garnishment, levy, pledge, bankruptcy, execution, or any other form of transfer.

## Qualified Domestic Relations Order

A QDRO is a legal judgment, decree, or order that recognizes the rights of another individual under the Plan with respect to child or other dependent support, alimony, or marital property rights.

In the event of a QDRO, benefits under the Plan may be payable to someone other than your designated beneficiary to satisfy a legal obligation you may have to a spouse, former spouse, child, or other dependent. Your benefits will be reduced by the benefits payable under QDRO to someone else.

A domestic relations order must meet specific requirements to be recognized by the Plan Administrator as a QDRO, and specific procedures regarding the amount and timing of payments must be followed. If you are affected by such an order, you will be notified by Participant Services.

Participants and beneficiaries may obtain from Participant Services, without charge, a copy of the Plan's procedures governing QDROs.

## Claiming Benefits

You or your beneficiary must file the appropriate forms to receive any benefits or to take any other action under any of the plans, as described throughout this SPD. All forms required to take any action under the plans are available through Participant Services. All completed forms must be submitted to the appropriate office, as described throughout this SPD.

## Claims Appeal

You or an authorized representative may file claims for plan benefits and appeal adverse claim decisions. An "authorized representative" is a person you authorize, in writing, to act on your behalf. The Plan also will recognize a court order giving a person authority to submit claims on your behalf. References to you are intended to include references to a participant, an authorized representative, or a beneficiary entitled to a benefit under the Plan.

## Notice of Adverse Benefit Determination

You will be notified of the Plan's benefit determination not later than 90 days after the Plan's receipt of the claim. The period may be extended up to an additional 90 days due to circumstances outside the Plan's control. In that case, you will be notified of the extension before the end of the initial 90 day period.

## Notification on Claim Decisions

If a claim for Plan benefits is denied in whole or in part, you will receive written or electronic notification that will include:

1. the specific reasons for the denial with reference to the specific plan provisions on which the denial was based,
2. a description of any additional information needed to complete the claim and an explanation of why such information is necessary,
3. a description of the plan's claim review procedures and applicable time limits, and



4. a statement of your right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review (where applicable).

## **Appeal of an Adverse Benefit Determination**

To have your claim reconsidered, you must file an appeal of an adverse benefit determination for a claim. The appeal must be submitted in writing. You will have 60 days following receipt of an adverse benefit determination to appeal the decision. You ordinarily will be notified of the decision no later than 60 days *after the appeal is received*. If special circumstances require an extension of up to an additional 60 days, you will be notified of such extension during the 60 days following receipt of your request. The notice will indicate the special circumstances requiring an extension and the date by which a decision is expected.

You may submit written comments, documents, records, and other information relating to your claim, whether or not the comments, documents, records, or information were submitted in connection with the initial claim. You also may request that the plan provide you, free of charge, copies of all documents, records, and other information relevant to the claim.

## **Notification of Decision on Appeal**

If your appeal seeking reconsideration of the denied claim under the Plan is again denied in whole or in part, you will receive written or electronic notification that will include

1. the reasons for the decision with reference to the specific plan provisions on which that decision is based;
2. information indicating you are entitled to receive, upon request and free of charge, reasonable access to and copies of pertinent documents, records, and other information relevant to your claim for benefits; and
3. an explanation of your right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review (where applicable)

## **Administrative Information**

This section provides you with information about the administration of the Plan.

### **Plan Name**

Savings Plan for Employees at ORNL

### **Plan Type**

Defined Contribution Plan and 401k Plan

### **Plan Number**

002

### **Plan Year**

The Plan Year begins on January 1 and ends on December 31 each year.

### **Plan Sponsor and Administrator**

UT-Battelle, LLC, is the sponsor, the named fiduciary, and the designated Plan Administrator of the Plan. In carrying out its responsibilities under the Plan, the Plan Administrator has the exclusive responsibility and

full discretionary authority to control the operation and administration of the Plan, including, but not limited to, the power to interpret terms of the plans; determine eligibility for entitlement to plan benefits; and resolve all interpretive, equitable, and other questions that arise in the operation and administration of the plans. All actions or determinations of the Plan Administrator are final, conclusive, and binding on all persons. You can reach the Plan Administrator at:

**UT-Battelle, LLC**  
**c/o Plan Administrator, Pension & Savings Administration**  
**PO Box 2008, MS 6434**  
**Oak Ridge, TN 37831-6434**  
**(865) 341-2107**

## **Employer Identification Number**

The employer identification number assigned by the Internal Revenue Service to UT-Battelle, LLC, is 62-1788235.

## **Legal Process**

Any legal process relating to the Plan should be directed to the Plan's Agent for Service of Legal Process at:

UT-Battelle, LLC

c/o General Counsel

1 Bethel Valley Road

Oak Ridge, TN 37831-6265

Legal process also may be served upon the plan trustee or the Plan Administrator.

## **Plan Funding**

The Plan is funded by participants who designate a part of their eligible earnings to be contributed on their behalf and by the Company through Company matching contributions. The assets of the Plan are held in a trust fund maintained by the trustee. You may contact the trustee at:

**Charles Schwab Trust Bank**  
**11800 Schwab Way**  
**Austin, TX 78758**

## **Administration**

The Company contracts with Charles Schwab for third-party administration and recordkeeping. Charles Schwab may be contacted by calling 800-724-7526 or accessing [workplace.schwab.com](http://workplace.schwab.com) on the Internet.

## **Plan Termination and Amendment**

The Company expects and intends to continue the Plan in your benefits program but reserves its right to terminate the Plan, in whole or in part, without notice. The Company also reserves its right to amend the Plan at any time. The Company also may increase or decrease its contributions or the participants' contributions to the Plan.

The Company's decision to terminate or amend the Plan may be due to changes in federal or state laws governing pension benefits, the requirements of the Internal Revenue Code or ERISA, or any other reason. The Plan change may result in the transfer of plan assets and debts to another plan or may split a plan into

two or more parts. If the Company does terminate or amend the Plan, it may decide to set up a different plan providing similar or identical benefits, but it is under no obligation to do so. If the Plan is terminated while you are an employee of the Company, you will become immediately vested in the entire value of your account under the Plan.

## Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

### Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified worksites, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the US Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for copies.

Receive a summary annual report of the plan's financial activities. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Once every 12 months, you may request information concerning the total value of your Plan accounts and a statement as to what amount (if any) of the Company contributions to your Plan account is then vested (or the earliest date on which it will become vested).

This information is free, but you must address a written request for it to the Plan Administrator or call the information line.

### Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

### Enforce Your Rights

If your claim for a plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified

status of a domestic relations order or a medical child support order, you may file suit in federal court. To file suit in a state or federal court concerning: (1) a claim for a benefit, (2) the qualified status of a domestic relations order or medical child support order, or (3) your service credit, you must file the suit within 1 year of the date of the final determination by the Plan Administrator which is the basis of your suit. If you do not file the suit within this period, the Plan Administrator's final determination will be binding and cannot be challenged by you in court.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the US Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

## **Assistance with Your Questions**

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, US Department of Labor, listed in your telephone directory, or contact:

**Division of Technical Assistance and Inquiries Employee Benefits Security Administration  
US Department of Labor  
200 Constitution Avenue, N.W. Washington, D.C. 20210**

You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Glossary**

### **Casual Employees**

An employee working on an intermittent or on-call basis under no declared schedule, or a full-time temporary employee working for less than 6 months.

### **Casual Retiree**

Limited to ORNL retirees who return to work on an intermittent or on-call basis.

### **Company**

The term Company refers to UT-Battelle, LLC

### **Credited Service**

All the time you work for the Company, from your first hour of service until you sever from service. In addition, Credited Service shall include all prior service with National Strategic Protective Services, LLC ("NSPS"), and any service with Wackenhut Service, Inc. to the extent counted under the NSPS 401(k) Retirement Plan, if you were employed by the Company as a result of the transition of protective services scope of work from NSPS. Credited Service is used for vesting purposes.

A severance from service occurs on the earlier of:

- the day you quit, retire, are discharged, or die, or
- 1 year after your first day of absence due to layoff, or, if earlier, the first day after recall if you fail to return to work, or

- 1 year after your first day of absence while on an approved leave, or, if earlier, the first day after the final day of leave if you fail to return to work, or
- 2 years after your first day of absence for a parental leave due to pregnancy, birth, or adoption, and for child care immediately following the birth or adoption, or, if earlier, the first day after the final day of leave if you fail to return to work.

If you are reemployed within 1 year of your date of severance, you will receive Credited Service for your period of severance, and your prior Credited Service will be restored. If you are reemployed more than 1 year after your date of severance and you were vested as of that date, your prior Credited Service will be restored automatically upon reemployment, regardless of your period of severance.

If you were not vested as of your date of severance, your prior Credited Service will be restored if you are reemployed more than 1 year after the period of severance, the length of your severance is less than 5 years, and you are employed for at least 1 year after reemployment.

In any event, you will not earn Credited Service during a period of severance lasting 1 year or more.

### **Eligible Designated Beneficiary**

Any designated beneficiary who is: (i) your surviving spouse; (ii) your minor child; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than you. The determination of whether a designated beneficiary is an Eligible Designated Beneficiary shall be made as of the date of your death.

### **ORNL Benefits Office**

The ORNL Benefits Department, which operates under the sponsor and designated Plan Administrator of the plans.

### **Participant Services**

Charles Schwab Retirement Plan Services

### **Recordkeeper**

Charles Schwab Retirement Plan Services; contact information is provided on page 24

### **Totally Disabled or Total Disability**

A Participant's physical or mental inability to perform any work for compensation or profit in any occupation for which he or she is reasonably qualified by reason of training, education or ability, as determined by qualifying for Phase 2 benefits under the Employer's long-term disability plan.