



Pantex Retiree Book of Benefits

Summary Plan Description

UNCLASSIFIED

This document has been reviewed by a DC/RO and has been determined to be UNCLASSIFIED, not UCNI, and contains no CUI based on current classification guidance. This review does not constitute a review for CUI outside of classification guidance and does not constitute clearance for Public Release.

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Pension Plan

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The Pension Plan may provide vested participants with a source of income during their retirement years.

The Pension Plans maintained by the Company for Employees at Pantex are as follows:

- PanTeXas Deterrence Retirement Plan for Non-Bargaining Pantex Location Employees (the “Pantex NB Plan”)
- Retirement Plan for Bargaining Unit Employees of the Metal Trades Council of PanTeXas Deterrence, LLC (the “MTC Plan”)
- PanTeXas Deterrence, LLC Retirement Plan for Bargaining Unit Members of the Pantex Guards Union (the “PGU Plan”)

All three Pension Plans may be combined and referred to as the “Pension Plan” or the “Plan” and are tax-qualified defined benefit plans. This SPD is for participants in any of the plans, although there are specific provisions that may apply to only one of the plans.

Receiving Benefit Payments

- **If You Are Receiving Benefit Payments**
 - If you are now receiving monthly checks from the Pension Plan, your benefits will continue based on the payment option that you chose. You may not change this option.
- **If Your Benefit Has Not Started**
 - If your pension benefit has not started, contact the Pantex Benefits Office to discuss your benefits.

If you are eligible for benefits and have terminated employment, your pension benefit must begin in accordance to the required minimum distribution rules:

- For MTC and PGU Plan benefits — No later than April 1 of the following year in which you reach age 70½ if you turned age 70½ before January 1, 2020, or age 72 if you turned age 72 before January 1, 2023. Otherwise, you must begin benefits no later than April 1 of the following year in which you reach age 73.
- For Pantex NB Plan benefits – No later than the first of the month following the month in which you reach age 70½ if you turned age 70½ before January 1, 2020, or age 72 if you turned age 72 before January 1, 2023. Otherwise, you must begin benefits no later than the first of the month following the month in which you reach age 73.

Applying For Benefits

Upon request, the Pantex Benefits Office will provide you with the necessary information and instructions for receiving benefits and completing payment forms.

In case of your death, your spouse, other beneficiary or personal representative should notify the Pantex Benefits Office and request information about any plan benefits that might be payable as a result of your death.

If the appropriate forms are not completed and submitted, or if any information requested by the Pantex Benefits Office is not provided, benefits will be delayed.

Withholding Taxes

Under tax law, any applicable federal or state taxes must be withheld from Plan payments, unless you elect otherwise. You may contact the Pantex Benefits Office for more information about tax withholding.

Direct Deposit of Payments

Your pension payments will be directly deposited into the financial institution of your choice. You may change the designated institution by notifying the Benefits Plans Office.

Change of Address

It is important that you notify the Pantex Benefits Office of any change in your address while you are a participant in the plans and after you retire, so you will be assured of receiving benefit communications which the Company may send to you, including your annual tax information.

Administrative Information

Information about the administration of your retirement benefits can be found in the section entitled Administrative Information.

Qualified Domestic Relations Orders

As a general rule, your accrued benefit may not be assigned to another individual. This means that your accrued benefit cannot be sold, used as collateral for a loan, given away, or otherwise transferred. In addition, your creditors may not attach, garnish, or otherwise interfere with your accrued benefit. If you become divorced or separated, a court order could require that part of your benefit be paid to someone else, your child(ren) or former spouse for example. Payments cannot be made to anyone other than you unless the court order meets the legal requirements of a qualified domestic relations order. The Plan Administrator will review the court order and has the sole discretion to determine if the order meets these legal requirements. You may request the Plan Administrator to review a draft order prior to submission to the court. You may obtain a copy of the Plan's qualified domestic relations order guidelines, free of charge, by contacting the Plan Administrator.

Pension Benefit Amount

The amount of your pension benefit is determined when you retire based on the plan's formula (and your eligible earnings and service) in effect at that time, and the payment form you elect. If you have a question about how your benefit amount was determined, contact the Pantex Benefits Office.

Employee Contributions

Any mandatory participant contributions will be reflected as a non-taxable portion of your monthly benefit when it is commenced. Also, if you die before benefits commence and do not have a spouse who is eligible to receive a survivor annuity, your estate will receive a lump sum payment equal to the total of your contributions plus earnings credited to the contributions under the terms of the Plan. If you die after benefits commence and your benefit form of payment does not include a survivor benefit, if the total payments you received are less than the total of your contributions plus interest, the difference will be paid in a lump sum to your beneficiary. If you die after benefits commence and the benefit form includes a survivor benefit, if the total payments to you and your survivor are less than the total of your contributions plus interest, the difference will be paid in a lump sum to your beneficiary.

Regarding Social Security

You should consult with the Social Security Administration to determine the age at which you may receive full benefits.

Please remember that Social Security benefits are not paid automatically; you must apply for them in all cases. To get more information about the law and your personal status under it, contact your local Social Security office. You can also access the Social Security Administration's website at www.ssa.gov.

Reemployment after Retirement

If you retire and subsequently return to work, your benefit will not be suspended as long as you had a bona fide retirement before returning to work. When you again retire, your benefit will not be increased if your second period of service was not covered under the Plan for benefit accrual purposes.

If you expect to return to work after you retire or there is any understanding that you will come back to work for the Company in any capacity, your retirement will not be considered a bona fide retirement that allows you to commence a retirement benefit under IRS requirements. Thus, the Company will request information when you apply for benefits to ensure you have a bona fide retirement.

If you have had a bona fide retirement and commenced benefits then consider returning to active service, you should contact the Pantex Benefits Office to make a determination concerning whether your return to work may cause your benefit to be suspended.

Withdrawal of Your Contributions to Prior Plan(s) Before Commencing Retirement Benefit

The Pantex Plans required employee contributions for periods of time until the following dates:

- Non-Bargaining Plan required contributions until October 1, 1991, and permitted them until January 1, 1992;
- MTC Plan required contributions until March 1, 1993; and
- PGU Plan required contributions until June 1, 1994.

Pension benefits associated with these prior contributory periods are referred to as the Prior Plan(s) contributions. You may be able to withdraw your contributions to the Prior Plan(s) under certain circumstances which are outlined below.

For the Non-Bargaining Plan, if you made contributions under the Prior Non-Bargaining Plan (prior to January 1, 1992, and participated in the Non-Bargaining Plan), and you terminate service prior to Early Retirement age, you may elect to either (1) leave your Prior Plan contributions in the Plan until your Normal Retirement Date; or (2) withdraw your Prior Plans contributions before your Early or Normal Retirement Date. If you elect to leave your Prior Plan contributions in the Non-Bargaining Plan, you may change this election and elect to withdraw your Prior Plan contributions prior to reaching age 55. Once you reach age 55, you cannot withdraw your Prior Plan contributions and interest out of the Non-Bargaining Plan until your Normal Retirement Date.

For the PGU and MTC Plans, if you made Prior Plans contributions prior to the dates noted above, and you terminate service prior to Early Retirement age, you may elect to either (1) leave your Prior Plans' contributions in the plans until your Normal Retirement Date; or (2) withdraw your Prior Plans contributions before your Early (or Normal) Retirement date. If you were hired prior to January 1,

1987, you can withdraw your Prior Plans' contributions at any time after termination of employment prior to starting your monthly annuity. If you were hired after January 1, 1987, and you elect to leave your Prior Plans' contributions in the plans, you may change this election and elect to withdraw such contributions prior to reaching Early Retirement age, but once you reach Early Retirement age, you cannot withdraw your Prior Plans contributions.

A special rule applies for the PGU and the MTC Plans for persons who were active participants in the plans prior to April 25, 1964. In that case, if you are an active participant in the Plan and you were an active participant in the Plan prior to April 25, 1964, you may elect to withdraw your Prior Plans' contributions plus interest at any time. The portion of your accrued pension attributable to your Prior Plans' contributions will be cancelled. However, the portion of your accrued pension attributable to employer contributions will not be affected by the withdrawal. You will remain a participant in the Plan, but no additional benefits will be credited to you for one year. Prior to your termination or retirement, you may repay the amount withdrawn in a lump sum together with interest, from the date your withdrawal was made to the date of repayment, and your benefit provided by your Prior Plan contributions will be restored.

Your pension benefit under the Pantex Plans will be reduced to reflect any withdrawal of your Prior Plan contributions prior to starting your benefit. Your spouse's consent is required to make a withdrawal. If your Prior Plans contributions were more than \$1,000 and you are married, your spouse must provide written consent to any early withdrawal of the Prior Plans contributions. Such consent must be notarized and the consent must acknowledge the effect of the election upon the spouse.

If you elect to leave Prior Plans contributions in the Pantex Plans, such contributions and their accrued interest will be included in the calculation of your accrued benefit at your Normal Retirement Date.

Normal Forms of Payment of Pantex Pension Plans

For Married Employees

Qualified Joint and Survivor Annuity: If you are married on your commencement date, the regular form of payment will be paid under the joint and 50% survivor option. Under this form of payment, your normal pension is reduced, and after your death, 50% of your benefit is continued to your surviving spouse for the remainder of his or her life. This option may be waived in favor of an Alternative Benefit Payment Option with written and witnessed or notarized consent of your spouse.

For Single Employees

If you are single, the normal form of payment is a single life annuity providing benefits only for your life. Under this form of payment, your benefit is more than if you had a survivor. After your death, no benefits are paid to anyone else. This option may be waived in favor of an Alternative Benefit Payment Option.

Alternative Benefit Payment Options

Alternative Benefit Payment Options are available to all eligible employees. If you are married, you must have written and witnessed or notarized consent of your spouse to elect an Alternative Benefit Payment Option. These calculations are complex and are not described in detail in this summary. Contact the Pantex Benefits Office to have your pension benefit calculated under various options. At any time before pension benefits commence, you may revoke or change your election subject to your spouse's written and witnessed or notarized consent. Once you begin your pension benefit payments your election may not be changed.

Life Annuity Option for Married Employees

Under this form of payment, you receive your benefits for your lifetime only. No benefits are paid to survivors after your death. You must have the written and witnessed or notarized consent of your spouse to elect this option.

Social Security Adjustment Option

Under this payment option, you or your pre-retirement surviving spouse (that is, a surviving spouse where benefits had not commenced by the time of your death), may elect payments that are increased before your Social Security date (age 62 or 65, depending on the date selected) and then decreased or stopped after the Social Security date, so that the combined income from the Plan and Social Security is approximately level throughout retirement. Under the Pantex NB Plan, this option is not available if you are eligible to receive disability benefits under the Federal Social Security Act. Payments cease at your death. There is no survivor benefit payable with this option.

Joint Retirement Benefit Option

- Regardless of marital status, you may elect a joint retirement benefit option which will provide benefit payments to you during your lifetime and thereafter to your duly named joint payee if such person survives you. You may elect a survivor option equal to 100%, 75%, $66\frac{2}{3}\%$, or 50% of the amount paid to you. You must make this election prior to commencing your pension benefit and it cannot be adjusted if the person you name as your survivor dies before you.
- Under this option, your normal pension benefit will be reduced to provide a survivor benefit.

Certain and Continuous Retirement Benefit Option

- You may elect the 10-, 15-, or 20-year certain and continuous retirement benefit option which would provide pension benefit payments for your lifetime after you retire. If you die before receiving the minimum number of payments, the remaining payments are made to the designated beneficiary until the total of certain payments is made.
- Under this option, your normal pension benefit will be reduced to guarantee the number of payments you elected.