



# ARKEMA RETIREMENT READINESS GUIDE

[GET STARTED](#)

WEALTH MATTERS  
**ELEMENTS**

**ARKEMA**  
INNOVATIVE CHEMISTRY

Saving for retirement is an important financial decision that spans your entire career. At Arkema, we're committed to assisting our employees as they approach retirement so they are prepared to make informed decisions during this transition.

Whether you've worked out the details or are just starting to consider your retirement opportunities, use this guide to learn more about your Arkema retirement benefits and understand the actions to take when you are ready to retire.

**GET STARTED**



## QUESTIONS?

### Pre-65 Retiree Medical Plan

**Arkema Benefits Center**

[www.Arkema.MercerHRS.com](http://www.Arkema.MercerHRS.com)

**1-800-406-9823**

**Monday through Friday,  
9:00 a.m. to 6:00 p.m. ET**

### 401(k) Benefit

**Fidelity Investments**

[www.401k.com](http://www.401k.com)

**1-800-835-5092**

**Monday through Friday,  
8:30 a.m. to 8:00 p.m. ET, except on  
New York Stock Exchange holidays**

### Defined Benefit — Pension

**Arkema Benefits Center**

[www.Arkema.MercerHRS.com](http://www.Arkema.MercerHRS.com)

**1-800-406-9823**






**Monday through Friday,  
9:00 a.m. to 6:00 p.m. ET**

*This guide is intended to provide general guidance to assist you with your retirement benefits decisions. There may be aspects of your personal situation that might make this general guidance inappropriate for you. You should seek additional guidance regarding your retirement plans and review any decisions you make with a financial or tax advisor, accountant and/or lawyer.*

## ASSESS YOUR RETIREMENT READINESS

NEXT STEP

Your decision about whether you're ready to retire depends on a variety of personal factors that go beyond simply feeling ready. Before setting a retirement date, you should consider:

 <p><b>Your finances</b></p>	<ul style="list-style-type: none"> <li>• Have you saved enough to enjoy the retirement you envision for yourself?</li> <li>• What are your various sources of income?</li> <li>• What major expenses might you be facing (healthcare, travel, burial costs, etc.)?</li> <li>• Can you afford to retire now?</li> <li>• Do you have an emergency fund?</li> </ul>
 <p><b>Your health</b></p>	<ul style="list-style-type: none"> <li>• What are your current healthcare needs, and what will your costs be when you retire?</li> <li>• Have you considered how your healthcare needs and costs will change over the years?</li> </ul>
 <p><b>Your lifestyle</b></p>	<ul style="list-style-type: none"> <li>• Are you prepared for your life in retirement?</li> <li>• Do you have hobbies and activities you enjoy?</li> <li>• Have you thought about the changes in your relationships with your spouse/partner and friends?</li> </ul>
 <p><b>Your family</b></p>	<ul style="list-style-type: none"> <li>• If you have a spouse/partner, is he/she ready to retire?</li> <li>• Have you and your spouse/partner agreed on a retirement timeline?</li> <li>• Do you have or will you have grandchildren or other family you want to visit?</li> <li>• Will you want to host and pay for family vacations, or provide other support or gifts to your family?</li> </ul>
 <p><b>Your home</b></p>	<ul style="list-style-type: none"> <li>• Where will you live when you retire?</li> <li>• Do you plan on relocating? Downsizing? Buying a second home?</li> <li>• Could your current home be renovated to meet your needs as you age?</li> </ul>

### FOR MORE INFORMATION

Learn more about financial basics to take control of your retirement at [www.401k.com](http://www.401k.com).

## CREATE A RETIREMENT BUDGET

NEXT STEP

You can use the Fidelity Retirement Income Planner to help make a budget. Having a budget can help you make smart financial choices and live the life you want. You might find you're willing to compromise in some areas to do things like retire earlier or travel more in retirement. Consider these expenses as you begin budgeting for life in retirement:

CURRENT MONTHLY EXPENSES	
Housing costs	\$
Utilities	\$
Vehicle	\$
OTHER EXPENSES	
Groceries	\$
Clothing	\$
Health expenses	\$
Entertainment/hobbies	\$
Travel	\$
Charitable contributions	\$
Miscellaneous	\$
Monthly bills (cell phone, cable TV, internet services, etc.)	\$
PERSONAL INSURANCE	
Health insurance	\$
Long term care insurance	\$
Life insurance	\$
Car insurance	\$
FINANCIAL	
Taxes	\$
Retirement savings	\$
Personal loans	\$
Advisor (financial planning, tax prep, estate planning, etc.)	\$
Credit cards	\$
Savings	\$
<b>TOTAL</b>	\$

MONTHLY EXPENSES AFTER YOU RETIRE	
Housing costs	\$
Utilities	\$
Vehicle	\$
OTHER EXPENSES	
Groceries	\$
Clothing	\$
Health expenses	\$
Entertainment/hobbies	\$
Travel	\$
Charitable contributions	\$
Miscellaneous	\$
Monthly bills (cell phone, cable TV, internet services, etc.)	\$
PERSONAL INSURANCE	
Health insurance	\$
Long term care insurance	\$
Life insurance	\$
Car insurance	\$
FINANCIAL	
Taxes	\$
Personal loans	\$
Advisor (financial planning, tax prep, estate planning, etc.)	\$
Credit cards	\$
Savings	\$
<b>TOTAL</b>	\$



## TAKE A LONGER-TERM FINANCIAL VIEW

NEXT STEP

Once you have a clear idea of what you want out of retirement and your monthly expenses, it gets easier to make a plan to get there, and to measure your progress along the way.

### 1. Get a Full Picture of Your Wealth

Take advantage of the Planning & Guidance Center Tool, a Fidelity tool that enables you to view all of your financial information online in one place. When you connect your financial accounts to the secure site, you can monitor your current bills and account balances, investment portfolio and retirement savings (even non-Arkema savings accounts). You can also enter the value of items like real estate or cash to round out your financial snapshot.

Then, use it to analyze your spending and build a budget with personalized categories. When combined with some of the other tools Fidelity offers, like the Contribution Calculator and Retirement Income Planner, you can more easily plan for how much you will need to save for the future.



#### HOW TO GET THERE

Use the Fidelity Tools at [www.401k.com](http://www.401k.com) for assistance with planning.

### 2. Talk to a Financial Planner

There are times when it makes sense to talk with an expert – planning for retirement is one of them. A financial planner can objectively help you assess your financial situation, understand your investment options and manage your accounts.

### 3. Consider Paying Off Debt Before Retirement

Look for ways to pay off debt before you retire, such as personal loans, 401(k) loans, mortgage, credit cards and auto loans.

### 4. Create an Estate Plan and Name Your Beneficiaries

Ensure that your chosen beneficiaries will get the assets that you want to leave to them. In your will, name an executor who will handle your estate according to your wishes. If you die without a will, your property will pass to your survivors based on your state's laws of intestacy.

For legal and financial counseling, you can contact Arkema's Employee Assistance Program and Work/Life Benefits. You may also seek guidance from an attorney, tax advisor or financial planner for other alternatives to wills, such as a revocable trust.



#### HOW TO GET THERE

[www.resourcesforliving.com](http://www.resourcesforliving.com)  
(Login: Arkema/Password: EAP)  
1-877-851-9081

## UNDERSTAND YOUR HEALTHCARE COVERAGE

Take time to review what happens to your current active benefits when you retire.

<p><b>Medical &amp; Prescription Drug</b></p>	<p>Active coverage ends at the end of the month that you terminate employment.</p> <p><b>Pre-65 Retiree Medical Plan Option</b> Generally, if you retire from active service at age 55 or older with at least 10 years of service, you are eligible to participate in the Arkema Inc. Pre-65 Retiree Medical Plan until you reach age 65*. The cost of coverage is based on your years of service with Arkema.</p> <p>You also have the choice of continuing your Arkema coverage through COBRA, generally for up to 18 months. If you choose COBRA coverage upon retirement, you are using your one-time deferral for the Pre-65 Retiree Medical Plan, if eligible.</p> <p><b>Other Options</b> If you are not eligible to participate in the Arkema Inc. Pre-65 Retiree Medical Plan, you may have other options for coverage. You may be able to continue your Arkema coverage through COBRA, generally for up to 18 months. You pay the full cost of your coverage, plus a 2% administrative fee, making your payment a total of 102% of the cost of coverage.</p> <p>There may also be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage.</p> <p><b>IMPORTANT:</b> If you enroll in Medicare and want to terminate coverage under the Arkema Pre-65 Retiree Medical Plan effective the first day of the month in which you turn age 65 instead of the last day of the month, you <b>MUST</b> contact the Arkema Benefits Center at 1-800-406-9823 prior to the first of the month in which you turn age 65.</p> <p><i>*Please refer to the Arkema Inc. Pre-65 Retiree Medical Plan Summary Plan Description and accompanying Addendums available on <a href="#">Arkema Benefits Online</a>.</i></p>
<p><b>Dental Vision Employee Assistance Program</b></p>	<p>Coverage ends at the end of the month that you terminate employment. You may be able to continue coverage for each or all of these benefits through COBRA.</p>
<p><b>Health Savings Account (HSA)</b></p>	<p>You own your HSA, so you can continue to contribute after-tax funds, invest funds tax-free and use funds in the account for eligible expenses. Learn more about your HSA with the CDHP and HSA User's Guide on <a href="#">Arkema Benefits Online</a>.</p>

CONTINUED

## UNDERSTAND YOUR HEALTHCARE COVERAGE (CONT'D)

<b>Health Care Flexible Spending Account (FSA) and Limited FSA</b>	Participation ends when you terminate your employment. You will be eligible for reimbursement incurred through your last day of employment, up to the amount you elected for the entire year. You will be reimbursed for eligible expenses incurred through March 31 of the following year. You may be able to continue your participation through COBRA.
<b>Dependent Care Flexible Spending Account</b>	Participation ends when you terminate your employment. You can be reimbursed for eligible expenses incurred through your last day of employment, up to the amount of your contributions. You must submit claims by March 31 of the following year. COBRA continuation is not available.
<b>Basic Life, Business Travel and Accident, and Voluntary Life and AD&amp;D Insurance</b>	You may be able to continue your group term life insurance and AD&D coverage and pay premiums directly to Securian. If you wish to continue coverage, you have 31 days from your last day of employment to complete your application. You can use the following information to price and process an application online at <a href="http://www.lifebenefits.com/continue">www.lifebenefits.com/continue</a> . Use policy number 33287 and access key of Arkema. Or, you can call Securian at 1-866-365-2374 and request a paper application. The completed application must be received by Securian within 31 days of your benefit termination.
<b>Short-Term and Long-Term Disability</b>	Coverage ends on the date you terminate your employment.
<b>401(k)</b>	You own your 401(k) account. See the <a href="#">401(k) Plan</a> section for more information.



For complete information about your healthcare coverage, see the Summary Plan Descriptions (SPDs) on [Arkema Benefits Online](#). Go to the "Resource Center," then click "Plan information" and select "Health." You can also request a copy by calling the Arkema Benefits Center at 1-800-406-9823.

## Understanding Healthcare Coverage

- Coverage for Actives
- Coverage for Retirees
- Coverage through Medicare

## COVERAGE FOR ACTIVE EMPLOYEES

### MEDICAL COVERAGE

<b>Before Age 65</b>	As an active employee, you can maintain primary coverage under the Arkema medical, dental and vision plans, and you can participate in Flexible Spending Accounts.
<b>After Age 65</b>	As an active employee, you can maintain primary coverage under the Arkema medical, dental and vision plans, and you can participate in Flexible Spending Accounts.  For individuals receiving Social Security, Medicare enrollment is automatic for Medicare Part A, even if you are an active employee with medical coverage through Arkema. However, once you are enrolled in Medicare, you are no longer eligible to make contributions to your Health Savings Account (HSA). Any contributions, whether from you or from Arkema, may be subject to a tax penalty. You may want to stop contributions to your HSA by visiting <a href="#">Arkema Benefits Online</a> > Health > Life Status Change > HSA Change. Consult your tax advisor if you have further questions.

### FINANCIAL COVERAGE

<b>Before Age 65</b>	You are also covered by Arkema’s basic life insurance, business travel accident insurance, and both short- and long-term disability coverage, as well as any supplemental life, AD&D or supplemental long-term disability coverage you purchase. Please note that long-term disability coverage periods are subject to an age reduction starting at age 60.*
<b>After Age 65</b>	You are also covered by Arkema’s basic life insurance benefit, business travel accident insurance, and both short- and long-term disability coverage, as well as any supplemental life, AD&D or supplemental long-term disability coverage you purchase. Please note that coverage amounts are subject to age reductions: <ul style="list-style-type: none"> <li>• Business travel accident insurance: coverage amounts subject to an age reduction starting at age 70.*</li> <li>• Long-term disability: coverage periods are subject to an age reduction starting at age 60.*</li> </ul>

\* For complete information about your coverage, see the Summary Plan Descriptions (SPDs) on [Arkema Benefits Online](#). Go to the “Resource Center,” then click “Plan information” and select “Health.” You can also request a copy by calling the Arkema Benefits Center at 1-800-406-9823.



## Understanding Healthcare Coverage

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## COVERAGE FOR RETIREES

### MEDICAL COVERAGE

**Before Age 65** Your active benefits coverage ends on the last day of the month you terminate.

- **COBRA (Consolidated Omnibus Budget Reconciliation Act):** Under COBRA, you may continue medical and/or dental and/or vision coverage on a monthly basis for 18 months following your coverage end date if you pay the applicable COBRA monthly contribution. If you choose COBRA coverage upon retirement, you are using your one time deferral for the Pre-65 Retiree Medical Plan.

Dental and vision coverage continuation are **only** available under COBRA. If you wish to continue dental and/or vision coverage, you must elect coverage under COBRA. Arkema's COBRA administrator, WageWorks, will send you a COBRA enrollment package.

- **Arkema Inc. Pre-65 Retiree Medical Plan:** If you are eligible, you can continue medical coverage until age 65. Enroll on [Arkema Benefits Online](#). Note that you will be billed directly for coverage; medical costs cannot be deducted from your pension payments. If you are enrolled in pre-65 retiree medical coverage, you do not need to sign up for COBRA medical.

Compare the monthly costs of COBRA medical coverage and the monthly costs for pre-65 retiree medical coverage before making an election.

Upon timely enrollment for COBRA coverage or pre-65 retiree medical coverage, including paying applicable monthly contributions, your coverage effective date will be the first day of the month following your active benefits termination date. **This means that there is no gap in coverage under COBRA and/or the Pre-65 Retiree Medical Plan.** For example, if you retire July 1, your active benefits continue until July 31. If you elect COBRA or pre-65 retiree medical coverage, those benefits are effective August 1.

**After Age 65** Generally, you are guaranteed coverage if you apply for Medicare benefits 3 months prior to the month you turn 65, that month, and the 3 months following (7-month window). For example, if Ted's birthday is June 6, he can enroll in March, April, May, June (his birthday month), July, August, or September. This is his 7-month window to enroll in Medicare. Special enrollment period (SEP) individuals may enroll in Parts A and B in the 8 months following the first month after group health coverage ends. The general enrollment period for Medicare runs from January 1 through March 31 each year. Coverage begins on July 1.

Please note that you can use HSA funds, if available, to pay for Medicare premiums.

### FINANCIAL COVERAGE

Life, accident and disability insurance coverage end on your last day of employment, regardless of your age.

You may be able to continue your group term life insurance coverage, and pay premiums directly to Securian. If you wish to continue your coverage, you have 31 days from your last day of employment to complete the application.

For complete information about your coverage, see the Summary Plan Descriptions (SPDs) on [Arkema Benefits Online](#). Go to the "Resource Center," then click "Plan information" and select "Health." You can also request a copy by calling the Arkema Benefits Center at 1-800-406-9823.

## Understanding Healthcare Coverage

- Coverage for Actives
- Coverage for Retirees
- Coverage through Medicare

## COVERAGE THROUGH MEDICARE

### Medicare Overview

Even if you have coverage through Arkema, you still may need to make some important Medicare enrollment decisions. You may have to pay a penalty if you don't enroll on time, so it's best to understand how your current coverage works with Medicare before making any decisions.

If you have questions concerning Medicare, call 1-800-772-1213 or visit [www.ssa.gov](http://www.ssa.gov).

## Understanding Retirement Income Sources

Most people expect to have several sources of retirement income to fund their lifestyle. By most estimates, you'll need between 60% and 90% of your final working years' income for your post-retirement life.



## Understanding Retirement Income Sources

- **401(k) Plan**
- **Arkema Inc. Retirement Benefits Plan (Pension)**
- **Personal Savings and Investments**
- **Social Security**
- **Tax Considerations**

## 401 (K) PLAN

401(k) savings can be a cornerstone of personal retirement savings. Be sure you are getting the most value out of the Arkema 401(k) Plan with your contributions, investments and Arkema's contributions.

### Are You Maximizing Your Contributions?

Contribution limits are determined by the IRS and are subject to change annually. You can contribute up to the IRS limits each year and make additional "catch-up" contributions beginning January 1 of the calendar year in which you turn 50 or older. Traditional contributions are tax-free when deducted, but both contributions and earnings are taxed as income upon withdrawal. Roth 401(k) contributions allow you to contribute after-tax dollars, and both contributions and earnings are tax-free upon withdrawal only if the funds have been in the plan for five years starting with the year of your first Roth 401(k) contribution.

Visit [www.401k.com](http://www.401k.com) or call Fidelity Investments at 1-800-835-5092 to manage your account.

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## Understanding Retirement Income Sources

- **401(k) Plan**
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## 401(K) PLAN CONT'D

### Are You Maximizing Arkema's Matching Contributions?

In addition to your contributions to your 401(k) account, active employees participating in the non-union plan receive matching contributions of 100% of the first 3% of eligible employee contributions, and 50% of the next 2% of eligible employee contributions. Active employees participating in the union plan receive matching contributions in accordance with your collective bargaining agreement. These matching contributions are made to assist you in reaching your retirement goals.

Arkema also makes non-matching contributions of 6% of eligible earnings for certain employees hired who were hired by Arkema Inc. before January 1, 2007, and who were age 50 or older on December 31, 2007, and participating in Arkema's pension plan.

- Employees who were hired by Arkema Inc. before January 1, 2007, and who were age 50 or older on December 31, 2007, or Rohm & Haas and DuPont legacy employees regardless of age, are eligible for matching contributions, but will not receive non-matching contributions.
- Employees who were hired by Arkema Inc. before January 1, 2007, should refer to the Arkema Inc. Retirement Benefits Plan for additional information concerning their retirement benefit.
- Arkema makes non-matching contributions of 5% for Arkema Inc. employees hired after December 31, 2006.

CONTINUED



## Understanding Retirement Income Sources

- 401(k) Plan
- Arkema Inc. Retirement Benefits Plan (Pension)
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## 401(K) PLAN (CONT'D)

### What Can I Do with My 401(k) When I Retire?

<b>Leave money in the plan</b>	You may keep money in the plan as long as you have a vested account balance of at least \$1,000. Participants over the age of 70½ are required to take minimum distributions (RMD).
<b>Roll over into IRA</b>	A rollover into an IRA will not trigger any penalties. Typically you will not owe taxes on your rollover if you roll over your money directly from Arkema’s plan into an IRA. This means that Arkema’s plan makes the check payable to your IRA's custodian, and that check is deposited to your IRA.
<b>Withdraw funds</b>	<p>Upon your retirement, all of the money you invested (including gains and/or losses and the Arkema vested contributions) is yours. You may elect to take a full lump sum or a partial distribution at any time after retirement.</p> <p>Cashing out prior to age 59½ could have a drastic impact on your balance and income taxes. If you do not roll over the funds to another qualified plan or an IRA, the IRS assesses a 10% penalty for early withdrawal (prior to age 59½).</p> <p>With a traditional contribution, whenever you withdraw funds, Fidelity, the Arkema 401(k) plan record-keeper, is required to withhold 20% for federal income taxes and, depending on your state of residence, state income taxes.</p> <p>With a Roth 401(k) contribution, a “qualified distribution” is generally taken at least five tax years from the year of your first Roth 401(k) contribution AND when you meet at least one of the following conditions:</p> <ul style="list-style-type: none"> <li>• You reach age 59½,</li> <li>• You become disabled, or</li> <li>• You die.</li> </ul>

## Understanding Retirement Income Sources

- 401(k) Plan
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## ARKEMA INC. RETIREMENT BENEFITS PLAN (PENSION)

### Eligibility

If you had service with Arkema Inc. prior to 2007, you may have earned a benefit in the Arkema Inc. Retirement Benefits Plan based on your date of hire. The plan was closed to new participants effective January 1, 2007. Note: Eligibility requirements vary for special employee groups.

If you have questions about eligibility, contact the Arkema Benefits Center at 1-800-406-9823.

### How the Plan Works

The Arkema Inc. Retirement Benefits Plan was designed to provide a monthly benefit at retirement based on your average annual earnings and years of benefit service with Arkema Inc. This benefit is fully paid for by Arkema.

Effective December 31, 2006, if you were under age 50 and actively employed with Arkema on December 31, 2007, you stopped earning benefit service under the plan. Your service was frozen; however, your benefit will continue to reflect your final average earnings with Arkema. Active employees who are age 50 or older on December 31, 2007, and employees who have been grandfathered into the Rohm & Haas or DuPont pension formulas, regardless of their age, will not be affected by these changes.

If you have questions about how your benefit is determined, call the Arkema Benefits Center at 1-800-406-9823.



### ESTIMATING YOUR PENSION BENEFIT

You can get an estimate of the value of your pension by calling the Arkema Benefits Center at 1-800-406-9823, or by going to [Arkema Benefits Online](#). Go to the "Overview" tab of the "Wealth" page for a personalized snapshot of your pension account and access to a variety of helpful tools.

If you have questions about how your benefit is determined, call the Arkema Benefits Center at 1-800-406-9823.

CONTINUED

## Understanding Retirement Income Sources

- 401(k) Plan
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## ARKEMA INC. RETIREMENT BENEFITS PLAN (PENSION) (CONT'D)

### Receiving Your Benefit

#### *When you can receive your benefit*

You can receive the full amount of your pension beginning at age 65 (or age 62 with 10 years of vesting service) or a reduced pension as early as age 55, if you have 10 years of vesting service. If you request your benefit before you are eligible for retirement, your benefit will be further reduced.

Your benefit payments must begin no later than April 1 following the year in which you reach age 70½. If you do not request to begin receiving your benefit by this deadline, your benefit will automatically begin.

#### *Payment options for your benefit*

When you terminate employment with Arkema, you will need to decide when and how to receive your pension. The plan offers annuity options, as well as the option to receive payment in a lump sum. The amount of your payment will be affected by the payment date and option you choose. Consult a professional tax advisor or a financial expert for specific advice about your circumstances.

#### *How to start receiving your benefit*

If you have a benefit through the Arkema Inc. Retirement Benefits Plan, contact the Arkema Benefits Center 60 to 180 days before your intended retirement date to initiate the process. As part of this process, you will receive all required forms, documentation and information about your payment options. You must complete and submit all required forms and documentation before your pension benefit can be paid.

## Understanding Retirement Income Sources

- 401(k) Plan
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- Social Security
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## PERSONAL SAVINGS AND INVESTMENTS

Without a clear idea of how much money you have saved, it is hard to know how much you will need in retirement. Adding up the value of your assets (cash, investments and anything of value you can exchange for cash, like your house or savings bonds) will help you determine how much of your money can be put toward retirement.

- Educate yourself about investing. Use the tools available through Fidelity, an investment professional and/or other sources to assist you in determining the correct asset allocation for you.
- Your money is affected by the nature of your investments, the rates of return and other factors, such as the economy.
- Keeping your money in accounts paying guaranteed interest rates will keep it safe, but not from inflation.
- Inflation is a major threat to your financial future, so make it a consideration in your investment decisions.
- Remember that checking accounts, savings accounts and money market funds typically have low interest or return rates.

Source: Department of Labor



### REMEMBER TO INVEST IN YOUR HSA

If you have a Health Savings Account (HSA), you have the option of investing your funds once your balance reaches \$1,000. You may invest any additional amount above the \$1,000 threshold in one or more available investment options offered through Bank of New York (BNY) Mellon. Remember to leave sufficient cash in your HSA, not invested, to cover any charges against the account. There is a \$5 per month maintenance fee for the investment account. If you keep money in your account when you leave Arkema, the HSA administrator will charge you an additional monthly fee to continue to administer your HSA, and an investment account maintenance fee, if applicable.

Contact Aetna/PayFlex at 1-888-678-8242 with any questions.

For full details, please refer to the the CDHP and HSA User's Guide on [Arkema Benefits Online](#).

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## SOCIAL SECURITY

Generally, you are entitled to or may apply for Social Security three months prior to reaching your full retirement age. You may be eligible to receive reduced Social Security benefits starting at age 62, before reaching your full retirement age. You also can delay benefits until after your full retirement age. To apply for Social Security, visit [www.ssa.gov](http://www.ssa.gov) or call 1-800-772-1213.

### What Is My Full Retirement Age?

1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

*If you were born on January 1 of any year, you should refer to the previous year. If you were born on the first of the month, your benefit and full retirement age is figured as if your birthday was in the previous month.*

### Working While Receiving Social Security

You can continue to work and still get Social Security retirement benefits. Once you reach your full retirement age, your earnings won't affect your Social Security benefits. The IRS will reduce your benefits, however, if your earnings exceed certain limits for the months before you reach your full retirement age. Generally, Social Security benefits will be adjusted if you continue to work. Check with your tax advisor, financial planner or [www.ssa.gov](http://www.ssa.gov).

*Source: IRS.gov and SSA.gov*



**Remember:** If you begin collecting Social Security, you are automatically enrolled in Medicare Part A. Once enrolled in Medicare, you are no longer eligible to contribute to your HSA. Any HSA contributions – from you or from Arkema – may be subject to a tax penalty. However, you are eligible to enroll in a CDHP and use any remaining HSA funds for eligible healthcare expenses.



Understanding  
Retirement  
Income Sources

- 401(k) Plan
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## TAX CONSIDERATIONS

**401(k)s.** Withdrawals from traditional 401(k) accounts and any interest earned are taxed as ordinary income at your current tax bracket. Withdrawals from **Roth 401(k) accounts** and any interest earned are not taxable at the time of withdrawal, but funds must remain in the account for at least five years starting with the year of your first contribution.

**Traditional IRAs.** Withdrawals are taxed as ordinary income.

**Roth IRAs.** As long as the Roth 401(k) account has been open for at least five years and you're 59½ or older, all withdrawals are tax-free. In addition, you don't have to take required minimum distributions when you turn 70½.

**Pensions.** Payments from private pensions are usually taxable at your ordinary income rate, assuming you made no after-tax contributions to the plan.

**Social Security.** Whether or not you're taxed depends on what's known as your provisional income: your adjusted gross income plus any tax-free interest plus 50% of your benefits. This usually happens only if you have other income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to your benefits.

*Source: IRS.gov and SSA.gov*



Every situation is unique. Consult with your accountant and/or tax advisor to understand the effect of federal, state and local taxes.

## Counting Down to Retirement

Use this checklist to help you through the final stages of your planning process. It details the steps you may want to consider when reviewing your plans.

### 12 – 18 MONTHS BEFORE RETIREMENT

- Review potential retirement expenses (use the Fidelity Tools at [www.401k.com](http://www.401k.com) for assistance with planning).
- Check your 401(k) account and other savings accounts to ensure that your asset allocation is in line with your investment goals, risk tolerance and investment time horizon.
- Check your group life and 401(k) beneficiary information online and update it, if necessary.
- Estimate your defined benefit pension on [Arkema Benefits Online](#) (if applicable).
- Create a post-retirement budget to determine what your income needs will be in retirement.
- Consider organizing current finances, including a will and estate plan, and paying off major debts.
- Consider how future large purchases, such as a car, appliances or home renovations, will be financed.

### 9 – 12 MONTHS BEFORE RETIREMENT

- Assess your initial retirement budget progress and take a financial inventory – including all sources of retirement income.
- Review your estate planning: update wills, trusts and powers of attorney.
- Determine your retirement date and talk to your supervisor.
- Review Pre-65 Retiree Medical Plan and COBRA coverage costs on [ANNA](#).

CONTINUED

## Counting Down to Retirement

6 MONTHS  
BEFORE YOUR  
INTENDED  
RETIREMENT  
DATE

- Gather all personal documents necessary for retirement processing.
- Schedule an appointment with the Social Security Administration (age 61 and nine months or older, four months prior to retirement) by calling 1-800-772-1213 or visiting [www.ssa.gov](http://www.ssa.gov).
- Contact Fidelity online at [www.401k.com](http://www.401k.com) or by phone at 800-835-5092 to discuss post-retirement options regarding your Arkema 401(k) account:
  - Remain in the plan
  - Request lump sum or rollover
  - Receive periodic payments
  - Review and update your beneficiary, if necessary

### **If you are eligible for a pension from Arkema:**

- Initiate the retirement process with the Arkema Benefits Center by phone at 1-800-406-9823 or online at [www.arkema.mercerhrs.com](http://www.arkema.mercerhrs.com).
- Verify personal and spouse information.
- Select last day of employment.
- Select date to start pension benefit, and review payment options.
- Complete federal and state tax withholding forms.
- Complete Direct Deposit form.
- Sign pension forms, along with spouse (if applicable) and return the Election Package to the Arkema Benefits Center at least 45 days prior to retirement.
- Finalize your retirement date and talk to your supervisor.
- Consider other benefits.
  - Consider applying for Social Security (age 61 and nine months or older, four months prior to retirement).
  - Enroll in Medicare (during the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65) – learn more at [www.medicare.gov](http://www.medicare.gov).

CONTINUED

## Counting Down to Retirement

### IMMEDIATELY FOLLOWING RETIREMENT

- If you have not already done so, enroll in, defer or waive Arkema Pre-65 Retiree Medical Plan coverage (if applicable) by calling the Arkema Benefits Center at 1-800-406-9823.
- Make COBRA elections, if desired (COBRA enrollment information will arrive at your home approximately two weeks following your last day of work).
- Review life insurance for conversion or portability, if applicable (review the letter that you will receive at home from the Arkema Corporate Benefits Department, and contact Securian at 1-866-365-2374).

### AFTER RETIREMENT

- Contact Fidelity whenever you want to:
  - Make changes to your personal information
  - Update your address or your beneficiary's address for your 401(k)
  - Elect or update your beneficiary
  - Take your distribution (lump sum, rollover or periodic payments)
  - Select or change your tax withholding
- Contact the Arkema Benefits Center at 1-800-406-9823 whenever you want to:
  - Make changes to your personal information
  - Update your address for pension and pre-65 retiree medical benefits
  - Change your direct deposit information for monthly pension benefits (if applicable)
  - Make changes to federal or state tax withholding from your monthly pension (if applicable)
- Relax and enjoy your retirement!

## Answering Your Questions

- Retiree Medical Benefits
- Making Changes to Your Benefits
- COBRA
- Social Security

### Retiree Medical Benefits

#### *What medical plans are available to me as a retiree?*

- If you retire from active service at age 55 or older with at least 10 years of service, you are eligible to participate in the Arkema Pre-65 Retiree Medical Plan until you reach age 65. Retirees are eligible for the same medical insurance plans as active employees. You also have the choice of continuing your Arkema coverage through COBRA, generally for up to 18 months.
- If you are not eligible to participate in the Arkema Pre-65 Retiree Medical Plan, you can continue your coverage through COBRA. If you are age 65 or older, you may also have the opportunity to elect coverage through Medicare and a Medicare Supplement Plan.

#### *What are my retiree medical benefit costs?*

If you are eligible to participate in the Arkema Pre-65 Retiree Medical Plan, the cost of coverage is based on your years of service with the company. View your rates at [Arkema Benefits Online](#), or call the Arkema Benefits Center at 1-800-406-9823.

#### *When do my active healthcare benefits end and my retiree healthcare benefits begin?*

Your active benefits coverage ends on the last day of the month you retire. Upon timely enrollment for COBRA coverage or pre-65 retiree medical coverage, including paying applicable monthly contributions, your coverage effective date will be the first day of the month following your active benefits termination date. **This means that there is no gap in coverage under COBRA and/or the Pre-65 Retiree Medical Plan.** For example, if you terminate July 1, your active benefits continue until July 31. If you elect COBRA or pre-65 retiree medical coverage, those benefits are effective August 1.

#### *What will happen to my spouse's coverage if I die?*

If you die, your eligible spouse may continue to elect coverage while eligible. However, if your spouse remarries, the new spouse will not be eligible for coverage.

CONTINUED



## Answering Your Questions

- Retiree Medical Benefits
- Making Changes to Your Benefits
- COBRA
- Social Security

### Retiree Medical Benefits (continued)

#### *Can I continue to cover my eligible dependents when I enroll in Arkema pre-65 retiree medical coverage?*

**If your dependents are under age 65:** You can elect to continue medical coverage for your currently enrolled dependents under the age of 65. Dependent children may maintain their coverage until age 26. You may not add new dependents to your coverage, but you may drop dependents from coverage.

**If your dependents are age 65 or older:** If you have an eligible enrolled dependent over the age of 65 when you retire, your dependent will lose company-sponsored medical coverage on the last day of the month in which your last day of work occurs. Your dependent may choose to continue medical coverage through COBRA. Detailed information will be mailed by the COBRA Administrator. Your Medicare-eligible dependents (age 65 or older or disabled) will have the option to enroll in Medicare and a Medicare Supplement Plan.

**Note:** Deferring Medicare coverage after age 65 may cause you to pay additional costs when you enroll at a later date.

#### *Can I delay my retiree medical coverage until I take my pension?*

You can choose to delay, or defer, retiree medical coverage; if you defer coverage, you can enroll for coverage at a later date up until you turn age 65. You can defer at the time of your retirement, or elect coverage at the time of retirement and later defer coverage. Note that you only have one opportunity to defer coverage, whether it is at the time of your retirement or at a later date.

#### *Can I waive coverage?*

If you waive coverage, you will not be able to enroll for Arkema pre-65 retiree medical coverage in the future.

## Answering Your Questions

- Retiree Medical Benefits
- **Making Changes to Your Benefits**
- COBRA
- Social Security

### **Making Changes to Your Benefits**

#### ***Can I change my retiree medical coverage after I retire?***

If you retire before age 65, you will have an opportunity to review your plan options each year during Open Enrollment or if you have a qualifying life event. You will receive information each Fall, prior to the Open Enrollment period.

#### ***If I defer retiree medical coverage at retirement because I have coverage under my spouse's plan or elect COBRA, can I enroll in coverage at a later date?***

If you choose to defer coverage, you can enroll for coverage during annual Open Enrollment or at any time during the year. You can defer at the time of your retirement, or elect coverage at the time of retirement and later defer coverage. Note that you only have one opportunity to defer coverage, whether it is at the time of your retirement or at a later date.



## Answering Your Questions

- Retiree Medical Benefits
- Making Changes to Your Benefits
- **COBRA**
- Social Security

### **COBRA**

#### *What is COBRA coverage?*

Under the provisions of COBRA (Consolidated Omnibus Budget Reconciliation Act), you may continue medical and prescription benefits on a month-to-month basis for up to 18 months following your active coverage end date, provided you pay the applicable COBRA premium. This coverage is identical to the coverage you had as an active employee.

Under pre-65 retiree medical coverage, you are able to continue only medical and prescription benefits under Arkema's medical plans as a retiree until you turn age 65. However, you may continue dental and/or vision coverage under COBRA.

#### *How will I know if I am eligible for COBRA?*

When you are no longer eligible for health coverage, your employer has to provide you with a specific notice regarding your rights to COBRA continuation benefits. You must respond to this notice and elect COBRA coverage by the 60th day after the written notice is sent, or the day healthcare coverage ceased, whichever is later.

If you do not respond, you will lose all rights to COBRA benefits. After an event that causes you to lose health benefits, spouses and dependent children covered under your health plan have an independent right to elect COBRA coverage.

### **Social Security**

#### *At what age can I commence my Social Security benefit?*

You can start your Social Security retirement benefits as early as age 62 or as late as age 70. Your monthly benefit amount will be different depending on the age you start receiving it among other factors (for example, if you work). Social Security benefits are paid the month after they are due. If you want to receive your first benefit check in May, you need to be eligible for benefits and commence benefits in April.

**More  
Information**

FOR MORE INFORMATION ABOUT...	CONTACT	BY PHONE	ONLINE
<b>General Information and Assistance</b>	Arkema Benefits Center	1-800-406-9823	<a href="http://www.Arkema.MercerHRS.com">www.Arkema.MercerHRS.com</a>
<b>Medical</b>	Aetna	1-800-238-3488	<a href="http://www.aetna.com">www.aetna.com</a>
<b>Health Savings Account</b>	Aetna PayFlex	1-888-678-8242	<a href="http://www.aetna.com">www.aetna.com</a>
<b>Life Insurance</b>	Securian	1-866-293-6047	<a href="http://www.securian.com">www.securian.com</a>
<b>Pension Plan</b>	Arkema Benefits Center	1-800-406-9823	<a href="http://www.Arkema.MercerHRS.com">www.Arkema.MercerHRS.com</a>
<b>401(k) Plan</b>	Fidelity Investments	1-800-835-5092	<a href="http://www.401k.com">www.401k.com</a>
<b>COBRA &amp; Retiree Medical Direct Billing</b>	WageWorks	1-401-438-7100	<a href="http://www.wageworks.com">www.wageworks.com</a>
<b>EAP and Work/Life Services</b>	Aetna	1-877-851-9081	<a href="http://www.mylifevalues.com">www.mylifevalues.com</a> Login: Arkema / Password: EAP
<b>Preparing for Retirement</b>	Medicare	1-800-633-4227	<a href="http://www.medicare.gov">www.medicare.gov</a>
	Social Security Administration	1-800-772-1213	<a href="http://www.ssa.gov">www.ssa.gov</a>
	National Council on Aging		<a href="http://www.ncoa.org">www.ncoa.org</a>

*This guide describes certain benefit plans as they apply to eligible employees and retirees. Complete details about the plans are in the legal plan documents. If there is any difference between the information provided in this Guide and provisions of the legal plan documents, the plan documents govern. Arkema Inc. reserves the right to terminate, suspend, withdraw, amend or modify any of the plans at any time for any reason.*