Rockwell Pension Plan – FAQs on Pension Benefit Calculations

Where to Get More Information:

- Contact the Rockwell Alight Service Center (Your Benefits):
  - From within the U.S.: 877.OUR.RASC (877.687.7272)
  - From outside the U.S.: 847.883.1156
- See the Summary Plan Description, which can be accessed on the Your Benefits website by clicking on "Plan Documents" under the Quick Actions section and then selecting the Rockwell Automation Pension Plan (B006) link within the Summary Plan Descriptions section.

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#	Question	Answer
1	How do I get to the pension information?	1. To access your pension calculator, log into Your Benefits account: • Select "Pension Projections" within the Quick Actions section 2. You can call Rockwell Alight Service Center. Contact information above.
2	How are Benefits Calculated?	This is a Final Average Pay Plan which determines the benefit payable to you at Normal Retirement Date (age 65) in the form of an annuity based on your actual earnings and service with Rockwell up to certain limits. Once you stop working or in the event you elect to receive your pension benefit while working (in-service distribution), the pension plan will calculate the final age 65 annuity payable to you. If you work past the age of 65 and have not taken an in-service distribution, then your benefit will be based on your earnings and service through your last day of employment, and your benefit will be payable on the first day of the month following your last day of employment. More details: See Summary Plan Description (SPD) "**How the Pension Plan Works"**
3	How does the amount of time I work at Rockwell impact the pension I receive?	The amount of your benefit is based on your years of service (how long you worked) and your average monthly earnings. More details: See Summary Plan Description (SPD) "**How the Pension Plan Works"**
4	The pension calculation shows 1.5x, and then 1.25x. They look the same. What is the difference?	The Pension plan determines a benefit based on your years of service and your average monthly earnings. The difference between the 1.5 and 1.25 in the Regular formula is based on how long you worked (1.5% is applied to years of service up to 35 years and 1.25% applies to years of service over 35 years). More details: See Summary Plan Description (SPD) "**How the Pension Plan Works" & "How Your Regular Benefit is Calculated"**

5	What is included in a "year of pay" for average monthly earnings? Salary, bonus, and anything else?	Eligible earnings for the pension plan include base salary, vacation pay, holiday pay, bonuses, commissions, overtime, or shift differential. More details: See Summary Plan Description (SPD) "**How the Pension Plan Works -- Earnings"**
6	Are the benefit calculations based on the pay reduction we received due to the COVID-19?	Actual earnings are used in the Final Average Earnings calculation, which counts your 5 highest calendar years of eligible earnings from the last 10 years. So generally, yes, a lower year of pay is included in the overall benefit calculation. However, depending which years of pay are included in your final calculation at the time you take distribution or leave employment, the impact may be different for every person. More details: See Summary Plan Description (SPD) "**How the Pension Plan Works";** See also definitions – **"Average Monthly Earnings"**
7	Do I have to take my pension benefit at 65?	If you: • are no longer a Rockwell Automation employee you cannot defer taking your benefit beyond age 65. • are an active Rockwell Automation employee you can defer taking your benefit beyond age 65 but you must take it the first of the month following your separation from the company. More details: See Summary Plan Description (SPD) **"When You Can Retire"**
8	When can I take my benefit?	You are eligible to receive your benefit at the earlier of: • The December 1st following attainment of age 59 ½ while actively employed • When you leave employment with Rockwell Automation
9	When do I receive "full" benefits?	Age 65 is "Normal Retirement Date", when the benefit is unreduced for early retirement. More details: See Summary Plan Description (SPD) "**When You Can Retire"**
10	What happens to my benefit if I retire before 65, even if I have 35 years of service?	If you decide to take the benefit prior to "Normal Retirement Date", the benefit is reduced to reflect the fact you are taking the benefit earlier than Normal Retirement Date. How the benefit is adjusted for Early Retirement depends on your age and service when you leave Rockwell. More details: See Summary Plan Description (SPD) "**When You Can Retire"**

11	Does my monthly benefit grow when I leave employment at Rockwell?	No, when you leave employment at Rockwell you no longer earn pay or service towards the benefit and the benefit will not grow. More details: See Summary Plan Description (SPD) "**When You Can Retire"**
12	Does my pension benefit grow if I decide to take an in-service distribution?	No, once you receive your benefit you will no longer earn additional benefits under the pension plan. When you elect to take an in-service distribution, you become eligible for, and are effectively choosing to instead receive, the Company Non-Elective Contribution (NEC) within the Rockwell 401(k) plan. More details: See Company Non-Elective Employer Contribution (NEC) here: 401(k) – Keywords – Rockwell Automation (raquickfind.com)
13	Does my pension start automatically when I leave?	No. You must contact the Rockwell Alight Service Center (Your Benefits) to start the process to take your pension.
14	What does the "Date you Begin Receiving Benefits" mean?	Pension benefits are valued & determined as of the Benefit Commencement Date (BCD) which is also referred to as the "Date you Begin Receiving Benefits". This date is always the first of the month More details: See Summary Plan Description (SPD) "**Pension Payment Options, True Up, When Payments Begin"**
15	Is there a delay for when my pension will be paid?	Your pension benefit may not be paid exactly on your Benefit Commencement Date. It will depend on whether you took the annuity or lump sum. Also, if we have incomplete paperwork for the Benefit Commencement date you have elected, payment may be delayed beyond that date. More details: See Summary Plan Description (SPD) "**Pension Payment Options, True Up, When Payments Begin"**
16	What are the payment options in the pension?	You can choose to receive the pension as an annuity or a lump sum.
17	What is an annuity?	An annuity is a periodic payment. For the Rockwell pension, it is a monthly payment paid for your lifetime. Certain annuities are also payable for the lifetime of your beneficiary. More details: See Summary Plan Description (SPD) "**Pension Payment Options"**

18	What is a lump sum?	A lump sum is payment of your entire pension in one single payment. More details: See Summary Plan Description (SPD) "**Pension Payment Options"**
19	How is the Lump Sum determined?	A Lump Sum is the present value of a future payment. The future payment in this case is your Normal Retirement Annuity and that is the starting point. The Lump Sum represents the full payment in today's dollars of the Normal Retirement Annuity and is based on the IRS interest (discount) rates and mortality for the calendar year you decide to take the Lump Sum benefit. The calculation is based on a variety of factors: 1. Your **Retirement Annuity** (reflecting service and pay earned through last day worked) 2. Your **Age** as of the BCD (date you elect to receive benefits) 3**. IRS** interest (discount) rates and **IRS** mortality tables in effect at the time of your BCD See additional information in **Lump Details** below
20	Is the Normal Retirement Annuity impacted by the IRS Interest (discount) rates?	No. The Normal Retirement Annuity is based on your pay and service through your last day of employment or the date in which you receive an in-service distribution, whichever comes first.
21	Which lump sum IRS Interest (discount) Rates are used - the rates in effect on your last day worked, your BCD, or the rates in effect when you get the lump sum?	The IRS Interest (discount) rates for determining the lump sum are based on the rates in effect as of the date you begin receiving benefits (the BCD). If the Lump Sum is paid 60-90 days after your BCD, it is the IRS rates in effect as of your BCD. More details: See Summary Plan Description (SPD) "**Pension Payment Options, True Up, When Payments Begin";** See additional information in **Lump Details** below
22	How often do the rates change?	The IRS mortality & interest variables change on a calendar year basis. So, if the date you are receiving benefits (BCD) is 12.01.2024, the lump sum is based on the interest (discount) rates and mortality table applicable in 2024. If you chose a BCD of 01.01.2025 through 12.01.2025, the lump sum is based on interest (discount) rates and mortality tables applicable in calendar year 2025.

		The Your Benefits pension system is updated by October 1 of each year. On or after October 1, you can start to model what the rates will be for the next calendar year. See additional information in **Lump Details** below
23	Can my Lump Sum go down?	Yes, your Lump Sum can go up or down. Changes in interest (discount) rates will cause a change in the lump sum value payable in different years. When comparing lump sum values over different years, lower rates result in a higher lump sum; higher rates result in a lower lump sum. Changes in mortality assumptions used to calculate lump sums may also change the value of lump sums payable in different years. See additional information in **Lump Details** below
24	Why did my estimated lump sum go up or go down from a prior estimate I ran?	For an explanation of what may cause your estimated lump sum to change from a prior estimate, see the **Lump Details** section below. See additional information in **Lump Details** below
25	If I die while still employed, does my spouse have any survivor benefits regarding my pension?	If you had not already received your pension as an in-service distribution, your spouse typically is eligible for a benefit that may be paid as a lump sum or annuity. More details: See Summary Plan Description (SPD) "**Death Benefits"**
26	If I pass after I retire but prior to collecting my pension, does my spouse have any survivor benefits regarding my pension?	Yes, your spouse typically is eligible for a benefit that may be paid as a lump sum or annuity. More details: See Summary Plan Description (SPD) "**Death Benefits"**
27	What if I am not married and die while still employed, can I select another person as a beneficiary?	The general rule is that benefits are only payable to a surviving spouse but there may be some benefits available to you depending on your situation. More Details: See Summary Plan Description (SPD) "**Death Benefits**
28	Does the "survivor" for purposes of a survivor annuity have to be a spouse, or can it be another type of beneficiary like a child?	It must be a spouse or a minor child(ren). More Details: See Summary Plan Description (SPD) **"How Benefits Are Paid"**

29	Does the beneficiary for the 10-year certain period have to be a spouse?	No. It does not have to be a spouse. More Details: See Summary Plan Description (SPD) **"How Benefits Are Paid"**
30	Can monthly annuity amounts change over time?	Once elected, monthly payment amounts do not change over time.
31	Which insurance company does RA use for the annuity payouts?	Pension payments are made from the Pension Trust, not from an insurance company. More Details: See Summary Plan Description (SPD**) "Plan Funding"**
32	If you take the annuity, and Rockwell gets sold to another company, will the pension benefit still be guaranteed? Can the parent company buying RA discontinue this benefit?	Pension payments are made from the Pension Trust, not from Rockwell Automation general assets. Rockwell's involvement in any M&A activity would not automatically impact pension benefits paid from the Pension Trust. It could be possible that, in a sale, a portion (or all) of the pension plan would be transferred to the buyer to administer the Pension Trust. This would be subject to the M&A negotiations. Note that the plan would still be insured by the Pension Benefit Guaranty Corporation (PBGC), even if the plan were sold to another company as part of a transaction.
33	What is the PBGC?	Pension benefits are "insured" by the federal government up to certain limits. The government agency that insures the pension benefits is called the Pension Benefit Guaranty Corporation (PBGC). In the event Rockwell became insolvent or another situation arose where the plan was in danger of being unable to sufficiently pay pension benefits, the PBGC would take over administration of the plan and pay out the applicable benefit payments up to certain limits. Please refer to the plan's Annual Funding Notice for more information. You may also visit the PBGC's website for general information about the PBGC and the pension insurance program guarantees (pbgc.gov). More details: See Summary Plan Description (SPD) "**Pension Benefit Guaranty Corporation"**
34	Could the numbers in the Regular formula change? Can Rockwell change the pension formula?	Pension plans like Rockwell's pension plan are subject to the rules established by the Employee Retirement Income Security Act (ERISA), which was created in 1974 to provide consistent rules around pension plan benefits. Rockwell does reserve the

		right to amend or change the plan at any time, but the Normal Retirement Benefit you have earned through the date of an amendment generally cannot be reduced.
35	Why does a QDRO that has already been applied affect the use of the online tool?	A QDRO is a divorce order that allows for the pension benefit to be split between 2 former spouses. Every divorce order is different, so the online tool cannot be programmed for each individual situation.
36	Is the manual calculation now at 6-8 weeks?	There are situations where the pension calculation cannot be performed by the online tool and must be handled by calculation specialists which also must go through an independent peer review process. For those who cannot use the online estimate tool, there are high-volume times during the year when it may take longer to receive a manual calculation. We are working to find ways to speed up this process.
37	What happens if I become disabled while I am working?	There may be disability benefits paid by the plan. Details can be found in the Summary Plan Description. More details: See Summary Plan Description (SPD) "**Disability Benefits"**
38	How is the 50% of primary Social Security determined?	Primary Social Security is the amount of estimated Social Security benefits you could receive each month at age 65, according to the Social Security Act in effect on the last day you work for the Company. More Details: See Summary Plan Description (SPD) definition of **Primary Social Security in "Key Terms to Know**" for more details.
39	Is pension adjusted after retirement as Social Security is adjusted? If so, if I take Social Security early or late, how does that affect the Pension?	When you decide to take your Social Security benefit does not impact the Primary Social Security amount used in the pension calculation. More Details: See Summary Plan Description (SPD) definition of **Primary Socia**l **Securit**y in **"Key Terms to Know"**
40	For employees who left Rockwell when they were pension plan participants, and then returned after July 2010 when the pension plan was no longer offered to new employees, can you explain how the benefit works?	This is commonly referred to as a Rehire. The rules vary depending on how much service you had when you left Rockwell and when you were re-hired. There is a full description of the rules in the Summary Plan Description. More Details: See Summary Plan Description (SPD) **Breaks in Service** and **If You Leave the Company and Are Rehired**

41	Am I eligible for the subsidized retirement medical coverage if I take the lump sum benefit?	Your decision for how you withdraw the pension benefit does not impact retiree medical subsidy. Taking the lump sum or the annuity benefit does not impact your eligibility for subsidized retiree medical benefits.
42	If I am laid off, is the pension benefit the same as if I retired on the date of the layoff?	Yes.
43	Does anything happen to pension benefits if I retire abroad or if I am working abroad and elect to take an in-service distribution?	No. The pension benefit does not change if you move abroad. You may need to plan to transfer funds from a U.S. bank account to a foreign bank account depending on where you move abroad.
44	Where do I find information on former Reliance Electric pension benefits?	See Appendix B of the Pension SPD document (Summary Plan Description). If a portion of the benefit was earned prior to June 30, 1987, it is payable under an annuity contract that Reliance Electric purchased from MetLife. Benefits earned for service between June 30, 1987, and December 31, 1997, are explained in Appendix B of the SPD and are included in your benefit calculation.
45	I am working past the age of 65, how come I cannot use the pension calculator tool?	If you are active and older than 65 but younger than 70.5, you can use the tool to run estimates using a BCD as of the first day of the month following the termination date. You cannot use a BCD that is later than that because you are required to take your benefit the 1st of the month following age 65 or 1st of the month following your date of termination, whichever is later. Participants who are active and past age 70.5 will need to call into the Benefit Service Center to request an estimate or retirement as there are specific rules around how the benefit must be calculated in this situation.
46	Does the pension plan constitute a contract with each employee who is included in the plan?	No. The pension plan does not constitute an employment contract with Rockwell. Rockwell is an at will employer.

Lump Sum Details

1. **Has my benefit gone down? It looks like it decreased.**

No, you have not lost any earned benefit. Once you satisfy the vesting criteria, the benefit you've earned from the Rockwell Automation Pension Plan, based on your years of service with Rockwell Automation and/or its subsidiaries, belongs to you and cannot be lost or taken away. If Rockwell Automation and/or its subsidiaries were to change the Plan in any way, the resulting change could not reduce or take away any benefit you have earned to date. (Note, however, that a portion of your benefit can legally be allocated to another person per court order in accordance with a Qualified Domestic Relations Order, or the Federal government can legally place a lien on your benefit to recover certain obligations, such as court ordered childcare payments.)

- When you decide to start receiving your pension, you'll be able to choose from a variety of options as to how you want to receive your benefit. Your selection of payment options is derived from a starting point: this starting point is your monthly benefit amount payable to you (and only to you) for your lifetime starting on your Normal Retirement Date. Let's refer to this definition as Your Normal Retirement Pension. Regardless of whether Your Normal Retirement Pension is earning additional benefit or frozen, Your Normal Retirement Pension will not decrease.

- If you decide to receive your benefit early (prior to your Normal Retirement Date), Your Normal Retirement Pension may be reduced to reflect the fact that you will begin to receive your benefit earlier than expected. Refer to the Summary Plan Description for details about Early Retirement Reduction Factors.

2. **Why did the amount of my estimated lump sum decrease compared to an estimate I ran six months ago?**

When comparing two benefit estimates, let's assume two things:

1. Your vested accrued benefit that's payable to you at Normal Retirement Date is the same amount for both estimates, and
2. Your age as of the assumed benefit commencement date is the same for both estimates.

If the above assumptions are true and the amount of your lump sum in your latest pension estimate decreased compared to a prior pension estimate, then the most likely explanation is that the interest (discount) rates used to calculate the lump sum increased in the period of time from when the first pension estimate was determined to when the latest pension estimate was calculated.

Additionally, if you change any assumptions regarding your pay, retirement date, or benefit start date this will also change the value of the lump sum.

3. **So why would an increase in interest rates cause my lump sum benefit to decrease?**

Your lump sum benefit (your total benefit payable to you now in a single sum) is equivalent to the present value of Your Normal Retirement Pension (your annuity benefit payable at your Normal Retirement Date). In order to determine your lump sum benefit, your annuity—a series of repeating monthly payments which will occur over a period equal to your lifetime—must be converted into a single sum amount valued in today's dollars, which is referred to as a "actuarial present value."

This present value calculation of your annuity requires two assumptions, which the Plan defines for us in its Actuarial Equivalent definition:

1. MORTALITY – This calculation needs to make an assumption about the number of monthly annuity payments you would receive for your lifetime, which is to say, this calculation must make an assumption about the remaining time you will live from your benefit commencement date until your assumed date of death. Unlike what you might expect for personal life insurance, for example, these assumptions about your lifespan are not based on your individual personal data and health habits. Pension rules require that mortality be determined on an aggregated population and unisex basis.

2. INTEREST (DISCOUNT) RATE(S) – Because the calculation is converting the value of a stream of payments (an annuity) payable over a period of time into today's dollars, interest is considered in determining a present value of these future payments. The Plan stipulates what interest rate basis should be used in the calculation, the point in time for establishing the interest rate and how long the established rate remains in effect.

   To illustrate how mortality and interest rates impact the determination of your lump sum amount, let's look at an example. Let's assume that you are 65 years old, and your annuity is $750 per month or $9,000 per year. Let's also assume that you'll live until age 85, so we can expect that you will receive 20 years of payments. In order to determine the actuarially equivalent value of your annuity in terms of a lump sum that's payable to you today, at age 65, we must discount the value of your 20 years of future payments, at $9,000 per year, to today. The sum of all future payments discounted to today equals the amount of your lump sum benefit. The interest rate at which your future payments are discounted will determine the value of your lump sum payment. This is illustrated in the following table where we've calculated three different lump sum values, one based on an assumed 4% interest rate, another based on a 5% interest rate and a third lump sum amount using an assumed 6% interest rate:

Annuity (per year)	**Year Paid**	**4% Interest (discount rate)**	**Present Value of Annuity payment**	**5% Interest (discount rate)**	**Present Value of Annuity payment**	**6% Interest (discount rate)**	**Present Value of Annuity payment**
$9,000	1	1.0000	$9,000.00	1.0000	$9,000.00	1.0000	$9,000.00
$9,000	2	0.9615	$8,653.85	0.9524	$8,571.43	0.9434	$8,490.57
$9,000	3	0.9246	$8,321.01	0.9070	$8,163.27	0.8900	$8,009.97
$9,000	4	0.8890	$8,000.97	0.8638	$7,774.54	0.8396	$7,556.57
$9,000	5	0.8548	$7,693.24	0.8227	$7,404.32	0.7921	$7,128.84
…	…	…	…	…	…	…	…

$9,000	18	0.5134	$4,620.36	0.4363	$3,926.67	0.3714	$3,342.28
$9,000	19	0.4936	$4,442.65	0.4155	$3,739.69	0.3503	$3,153.09
$9,000	20	0.4746	$4,271.78	0.3957	$3,561.61	0.3305	$2,974.62
Equivalent Lump Sum			**$127,205.45**		**$117,767.89**		**$109,423.05**

This example illustrates how a lower interest rate results in a larger lump sum amount, or conversely, how an increase in interest rate can result in a decrease in the lump sum value. Bear in mind this is a simplified example to illustrate general principles. Actual calculations under the Plan are performed under more specific, and more complex, methods.

The amount of your lump sum will be calculated in accordance with Plan rules, using interest rates and mortality tables prescribed by the IRS under §417(e)(3) of the Internal Revenue Code. The interest rates, which change on an annual basis, are derived from the monthly corporate bond yield curve as published by the U.S. Department of Treasury. The Rockwell pension plan uses the August corporate bond yields (which are published in September) to calculate lump sums payable in the following calendar year.

September- Interest Rate published by IRS based on August corporate bond yields to be used for next calendar year BCDs

October- Pension system update for next calendar year rates

Examples

- A. October 15, 2024, Employee runs pension estimate following assumptions:
  - Last Day Worked (Retirement/Termination Date)- 11/30/2024
  - Benefit Commencement Date 12/01/2024
  - Pension system uses the 2024 Interest Rates (August 2023 rates apply for 2024 Calendar Year start dates)

- B. October 15, 2024, Employee runs pension estimate following assumptions:
  - Last Day Worked (Retirement/Termination Date)- 11/30/2024
  - Benefit Commencement Date 1/01/2025
  - Pension system uses the 2025 Interest Rates (August 2024 rates apply for 2025 Calendar Year start dates)

The information provided here is for summary purposes only. In the event of a conflict between the information in this document and the plan documents, the plan documents will prevail.