U.S. Retirement Program

The purpose of the U.S. Retirement Program is to provide income for your retirement based on eligible salary and length of service with the Company. Benefits may be payable from three sources: the tax qualified Retirement Plan and, for certain highly compensated employees, from the non-qualified plans.

These questions and answers about the MMC Retirement Plan, together with the Plan Administration Description dated as of May 10, 2006, form the Summary Plan Description of the MMC Retirement Plan. If you terminated employment before that date, prior Plan provisions may determine your benefit.

Note: This document uses a number of defined terms, highlighted in purple; go to the "Definition" section at the end of the SPD for the defined terms' definitions.

Topics you will find on this page

- Eligibility for the Retirement Plan
- How the program works
- When participation begins
- Requesting a benefit
- Contributions
- Beneficiary
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- A note about ERISA

Eligibility for the Retirement Plan

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- Service recognized upon rehire or status change
- Definitions
- How to enroll

You are eligible if you are an employee classified on payroll as a U.S. salaried employee of MMC or any related company that is a participating employer in the Plan. Participating companies include MMC and all its subsidiaries and affiliates other than (i) Putnam Investments, Inc., and its subsidiaries, (ii) Kroll, Inc. and its subsidiaries, including its Quorum and Factual Data business, (iii) CS Stars, LLC (formerly Corporate Systems, Inc.), and (iv) except as described below, Mercer Human Resource Services, including Mercer HR Outsourcing, LLC and Mercer Trust Company. Certain employees of Mercer HR Services who were formerly Mercer HR Consulting employees were given the opportunity to continue participation in the Plan or to elect participation in the Mercer HR Services Retirement Plan.

As used throughout this document, "employee," "you" and "your" always

mean a U.S. salaried employee of MMC or any other participating company.

Individuals classified on payroll as hourly employees, student interns, employees in Puerto Rico, leased employees, U.S. citizens (or non U.S. citizens working in the U.S.) covered by a Company retirement plan in another country, or individuals who are compensated as independent contractors are not eligible to participate. Employees hired into the Marsh Risk Consulting Practice of Marsh USA Inc. after July 12, 2004 do not accrue benefit service.

You may be eligible for **vest**ing service under the Plan if you are an hourly or **leased employee** or employed by a subsidiary which is not a participating company (for example: Putnam Investments or a foreign subsidiary) and are subsequently hired by the Company as an eligible salaried employee.

Employees of an acquired business initially become eligible no earlier than the specified dates established in the Plan.

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How the program works

The Retirement Program pays a benefit according to a formula that considers your salary and service with the Company, as well as your **covered compensation** according to the government's **covered compensation** table.

The U.S. Retirement Program consists of three plans, the:

- Retirement Plan (tax-qualified) and, for qualifying participants,
- Benefit Equalization Plan (non-qualified)
- Supplemental Retirement Plan (non-qualified).

You are eligible for a benefit if you leave the company and are age 65 or older, or have at least 60 months of **vest**ing service.

You may retire and begin receiving monthly benefit payments at age 65, which is the normal retirement age. As an alternative, you may continue working past age 65 and earn a benefit until you elect a deferred retirement.

You may also elect early retirement at or after age 55, provided you have at least 60 months of **vest**ing service.

The program offers a number of payment forms for your retirement benefit.

Your age when payment begins, your form of payment and your contingent annuitant's age (if you name one) will affect the amount of your calculated monthly payment.

Certain highly-compensated participants may be eligible for benefits from one or both of the **non-qualified plans**: the Benefit Equalization Plan, which provides benefits that would have been paid if the IRS limits on benefits payable from the Retirement Plan did not apply, and the Supplemental Retirement Plan, designed to provide retirement benefits that supplement benefits from the MMC Retirement Plan, Benefit Equalization Plan and Social Security for the first 25 years of benefit service.

For more information on non-qualified benefits, go to the Benefits

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- Retirement Plan formula
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- Eligible pay used to calculate your retirement benefit
- Definitions
- Special J&H rules
- Special Sedgwick rules
- Explanation of vesting
- A plan comparison

Handbook via MMC PeopleLink (www.mmcpeoplelink.com) and access the Benefit Equalization Plan and Supplemental Retirement Plan chapters.

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When participation begins

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If you are an eligible employee, your participation begins on the first of the month in which you are at least age 21 and have one year of vesting service. Participation is automatic. No action is required by you.

Generally, once you become a participant, all your service as an eligible employee is credited for **vest**ing service and **benefit service** purposes and you may also be credited with prior vesting service for your service as an hourly or leased employee, and service with a non-participating subsidiary.

Special provisions also apply if you were employed by an acquired business and your Plan was merged into this Plan.

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Requesting a benefit

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- Rollovers
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Certain information and documentation is required before benefits under the Retirement Plan can commence.

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Contributions

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The Company pays the full cost of the program. Employee contributions are not permitted.

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Beneficiary

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Your vested death benefit will go to the spouse to whom you have been married for at least one year at the time of your death if you die with a vested benefit before benefits under the program commence. Single employees can not elect a beneficiary for a pre-retirement benefit.

When you qualify to receive benefit payments, you may name any individual as your beneficiary prior to commencing your benefits if you elect a form of payment that permits you to name a beneficiary, and if you are married, your spouse consents to your election and waives the qualified joint and survivor form of payment.

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For more information, contact your Human Resources Representative.

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A note about ERISA

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The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that governs many employer-sponsored plans including this one. Your ERISA rights in connection with the tax-qualified Retirement Plan and (to the extent ERISA applies to those plans, to the Benefit Equalization Plan and the Supplemental Retirement Plan) are detailed in the **U.S. Retirement Program's Plan Administration Description** that, together with these questions and answers, constitute the Summary Plan Description for this Plan.

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See also...

U.S. Retirement Program's Plan Administration Description
Benefit Equalization Plan

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Retirement Plan formula

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- Formula
- Retirement Plan formula for benefits earned on and after January 1, 2006
- Retirement Plan formula for benefits earned as of December 31, 2005
- Transition benefit
- Temporary transition benefit

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Formula

The MMC Retirement Plan formula uses your eligible monthly salary, length of benefit service and Plan's benefit percentage on or after January 1, 2006. The formula adjusts your benefit to compensate for the Social Security benefits you will receive in retirement (generally, towards which you and the Company are contributing, although this offset is not a direct offset of your Social Security benefits).

Retirement Plan formula for benefits earned on and after January 1, 2006

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- Retirement formula for benefits earned as of December 31, 2005

What is the Retirement Plan formula for benefits earned on and after January 1, 2006?

Your Retirement Plan benefit for service on and after January 1, 2006 will be determined using a formula based on your eligible **monthly salary**, length of **benefit service** and the Plan's benefit percentage. The formula for the Retirement Plan to determine your annual benefit (payable as a straight life annuity on or after age 65) is as follows:

For the first 30 years (360 months) of benefit service: 1.6% multiplied by your eligible monthly salary;

+PLUS (if applicable)

For benefit service beyond 30 years (360 months): 1.0% multiplied by your eligible monthly salary;

-MINUS

For the first 35 years (420 months) of benefit service: an amount representing your Social Security retirement benefit, which is equal to 0.4% multiplied by your monthly covered compensation (or your eligible monthly salary, if less)

The monthly benefit payable in the form of an annuity for your lifetime will be one-twelfth (1/12) of the annual amount determined by aggregating the accruals determined under the above formula for all of your months of benefit service.

If you became a Plan participant before January 1, 2006, your benefit accrued for benefit service before that date was determined using a different formula. A summary of the formula used for calculating benefits earned as of December 31, 2005, if applicable, can be viewed by clicking on retirement formula for benefits earned as of December 31, 2005 or by scrolling down to the next section. All your benefit service, including benefit service earned as of December 31, 2005 is included to determine whether your accrual is at the 1.6% level or the 1.0% level.

The base salary used in determining your eligible monthly salary is subject to the Federal limits for a **qualified plan**.

Note that you will not begin earning benefits under the U.S.

Retirement Program until you are at least age 21 and have at least one year of vesting service.

Retirement Plan formula for benefits earned as of December 31, 2005

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What is the Retirement Plan formula for benefits earned as of December 31, 2005?

The factors in the formula that are used to calculate your annual benefit earned as of December 31, 2005 are your **final average salary**, length of **benefit service** and the plan's benefit percentage. The formula adjusts your benefit to compensate for the Social Security benefits you will receive in retirement (generally, towards which you and the Company are contributing, although this offset is not a direct offset of your Social Security benefits). The formula for the Retirement Plan to determine your annual benefit (payable as a straight life annuity on or after age 65) is as follows:

For the first 30 years (360 months) of benefit service: 1.6% of your **final average salary** as of December 31, 2005 multiplied by your years and months of benefit service before 2006 up to a maximum of 30 years;

+PLUS (if applicable)

For benefit service beyond 30 years (360 months): 1.0% of your **final average salary** as of December 31, 2005 multiplied by your years and months of benefit service before 2006 in excess of 30 years;

-MINUS

For the first 35 years (420 months) of benefits service, an amount representing your Social Security retirement benefits, which is equal to 0.4% multiplied by your covered compensation (or **final average salary**, if less) as of December 31, 2005 multiplied by your years and months of benefit service before 2006 up to 35 years.

The benefit you earned for service before January 1, 2006, payable as a straight life annuity on or after age 65 will not change in the future, unless you are eligible for a transition benefit as described below.

The benefit payable by the plan does not include any benefit you may be eligible for under Social Security.

Note: The base salary used in determining your final average salary is subject to the Federal limits for a qualified plan**.**

- Transition benefit

How will my Retirement Plan benefits be determined if I have service before and after January 1, 2006?

If you have earned accrued benefits both before and after January 1, 2006, your December 31, 2005 accrued benefit will be

calculated under the prior Retirement Plan formula and will be based solely on your benefit service and your final average salary as of that date. Your accrued benefit on or after January 1, 2006 will be calculated under the current Retirement Plan formula and will be based on your eligible monthly salary, length of benefit service and the Plan's benefit percentage. Please note, the amount of your accrual for your benefits earned as of December 31, 2005 will not change in the future, unless you are eligible for the transition benefit described below.

- Retirement Plan formula for benefits earned as of December 31, 2005
- Retirement Plan formula

NORMAL RETIREMENT EXAMPLE:

IRS limits on salary ($220,000 for 2006) apply to the MMC Retirement Plan because it is a tax-qualified plan.

Let's say you retire on January 1, 2008 (after having turned age 65 on December 15, 2007) and:

- you have 40 years of benefit service and vesting service as of December 15, 2007
- your eligible salary for each year from 2000 through 2007 is as follows:

Year	Eligible Salary
2000	47,000
2001	50,600
2002	53,400
2003	55,000
2004	57,000
2005	59,000
2006	60,000
2007	63,000

- your final average salary (highest 60 months of salary) as of December 31, 2005 is $55,000
- your eligible salary for 2006 and 2007 are $5,000 per month and $5,250 per month, respectively
- you were age 50 or older and had at least 10 years of vesting service on December 31, 2005
- you are eligible for the transition benefit (which means that your accrued benefit earned before 2006 can increase based on increases in your eligible compensation after 2005); for purposes of the transition benefit, your final average salary increases from $55,000 to $58,800 (or by 6.9%) from January 1, 2006 to January 1, 2008
- the government-determined covered compensation amount for 2005 is $53,268.

Benefit for service before January 1, 2006:	1.6% times $55,000 times 30 years = $26,400
	Plus 1.0% times $55,000 times 8 years = $4,400 ***Minus*** 0.4% of the lesser of $55,000 or $53,268 (covered compensation) times 35 years =

	$7,458 ***Equals*** $23,342 per year payable at age 65 ***Adjusted as follows*** $23,342 plus (6.9% times $23,342) = $24,953 (6.9% reflects the special transition benefit)
Benefit for service on and after January 1, 2006:	For 2006, 1.0% times $5,000/month = $50 monthly accrual. Twelve months x $50/month = $600 annual accrual for 2006. For 2007, 1.0% times $5,250/month = $52.50 monthly accrual. Twelve months x $52.50/month = $630 annual accrual for 2007. *(1.0% is used since benefit service is greater than 360 months.)*
	Minus $0 *(No offset since benefit service is greater than 420 months.)* ***Equals*** $600 + $630 = $1,230 per year payable at age 65 for accruals in 2006 and 2007
Total accrued benefit as of January 1, 2008:	($24,953 + $1,230) or $26,183 payable as a single life annuity commencing at age 65
Retirement income from MMC Retirement Plan:	$26,183 per year payable at age 65

Transition benefit

What is the transition benefit?

The transition benefit consists of special rules that apply to the calculation of the benefits earned as of December 31, 2005.

If you qualify for the transition benefit, you will receive an increase to your benefit earned as of December 31, 2005 that is proportional to any increase in your final average salary on or after January 1, 2006 to your actual date of termination.

Example of the transition benefit
If your final average salary has increased by 15% on or after January 1, 2006 to your actual termination date, your benefits earned as of December 31, 2005 will be increased by 15%.

Who is eligible for the transition benefit?

You are eligible for the transition benefit, if according to MMC's records, you are a Retirement Plan participant and as of December 31, 2005 you:

- had at least 10 years of vesting service, and
- were at least age 50.

This means you qualify for the transition benefit if your vesting service date is January 1, 1996 or earlier and your date of birth is January 1, 1956 or earlier.

What happens if I am eligible for the Retirement Plan transition benefit, leave the Company and am later rehired?

If you are eligible for the transition benefit, terminate employment and are later rehired, your transition benefit will be determined without regard to any increases in your eligible salary after you are rehired.

You will not be eligible for the transition benefit increase based on any change to your eligible salary that occurs on or after your rehire date.

Temporary transition benefit

What is the temporary transition benefit?

If you qualify for the temporary transition benefit, your benefit earned as of December 31, 2005 will increase based on any increases in your eligible salary you may receive while employed by MMC or a participating subsidiary until the earlier of your actual date of termination from Mercer HR Services or any other MMC company and December 31, 2010. You will receive an increase in your December 31, 2005 accrued benefit that is proportional to the increase in your final average salary on or after January 1, 2006 until the earlier of your actual date of termination from Mercer HR Services or any other MMC company and December 31, 2010.

Example of the temporary transition benefit
If your final average salary has increased by 6% on or after January 1, 2006 until the earlier of your actual date of termination from Mercer HR Services or any other MMC company and December 31, 2010, your benefits earned as of December 31, 2005 will be increased by 6%.

Who is eligible for the temporary transition benefit?

You are eligible for the temporary transition benefit if you are a MMC Retirement Plan participant or have a frozen accrued benefit under the MMC Retirement Plan and you:

- transferred from Mercer Human Resource Consulting (same question) to Mercer HR Services during the period from December 31, 2004 through December 31, 2005
- were at least age 45 with at least 5 years of vesting service on the day prior to transfer to Mercer HR Services and had the option to remain in the MMC Retirement Plan or join the Mercer HR Services Retirement Plan, and chose to remain in the MMC Retirement Plan, *or* were at least age 40 with five years of vesting service or had at least 10 years of vesting service and were entitled to have your final average salary used to calculate your MMC Plan frozen accrued benefit taking into account salary increases while employed by Mercer HR Services; and
- as of December 31, 2005, you are an employee of Mercer HR Services but were not at least age 50 with at least 10 years of vesting service on December 31, 2005.

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Requesting a calculation

Calculation request

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Q Can I request an estimate of my benefit?

A You can request a Retirement Plan estimate if:

- a **Qualified Domestic Relations Order** is submitted and approved or
- you are at least age 50 with five years of **vest**ing service or
- you are retiring within one year from the date of the request.

Only one calculation estimate is permitted per calendar year. All estimates will assume your current salary will remain in effect until your retirement date. You may request a copy of your calculation, which will show how your **eligible monthly salary and final average salary** (if applicable) were calculated and the years and months of **benefit service** used.

If you are under age 55 and have at least five years of service when you terminate employment, you will be sent a letter (generally, within 45 days of your termination of employment) showing your Retirement Plan benefit at age 65.

The benefit payable by the Plan does not include any benefit you may be eligible for under **Social Security**.

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Survivor benefits

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- Beneficiary if I die after benefits commence
- Benefit to beneficiary if I die while actively employed
- Benefit to beneficiary if I die after termination but before benefits commence
- Benefit to beneficiary if I die after benefits commence

Beneficiary if I die before benefits commence

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Special Sedgwick rules

Q Who is the beneficiary if I die before benefits commence?

A If you are vested in the Retirement Program but die while actively employed or terminate and die before your benefit begins, a benefit is paid to your surviving spouse. Your surviving spouse is your legal spouse to whom you have been married for at least one year at the time of your death. If you die before having been married for one year, are not married, or are not vested when you die, no benefit is payable. Your domestic partner is not considered a surviving spouse upon your death.

Employees who contributed to the Sedgwick Retirement Plan (which was merged into the MMC Retirement Plan on January 1, 2000) may have a beneficiary on file to receive a refund of their contributions plus interest in the event they die before benefits commence and have not been married for at least one year at the time of death. This beneficiary election may be updated at any time.

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Beneficiary if I die after benefits commence

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Forms of payment

Q Who is the beneficiary if I die after benefits commence?

A Your beneficiary is the individual you named prior to you commencing your benefit. The benefit, if any, payable after your death, will be based on the form of payment you elected when your benefits commenced.

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Benefit to beneficiary if I die while actively employed

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Q What does my beneficiary receive if I die while actively employed?

A If you are not married, are married for less than one year at the time of your death, or are not vested in the Plan, the Plan does not pay a benefit upon your death.

If you are married and vested in the Plan, your spouse to whom you have been married for at least one year at the time of your death will receive the following:

If you die before age 50:

- 50% of your accrued vested benefit calculated as if you had terminated employment on your date of death and elected the 50% contingent annuitant option. This benefit will be paid to your spouse on the date you would have attained age 65. Your spouse can elect to commence the benefit as early as when you would have attained age 55 although the monthly benefit paid will be reduced using the Plan's reduction in age factors.

If you die on or after age 50:

- 50% of your accrued vested benefit calculated as if you had terminated employment on your date of death. This benefit will be paid to your spouse commencing on the first of the month following your death.

Note: If the present value of the monthly benefit under the Retirement Plan does not exceed $1,000, a lump sum payment will be paid automatically following your death.

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Benefit to beneficiary if I die after termination but before benefits commence

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Q What does my beneficiary receive if I die after I terminate employment but before benefits commence?

A If you are not married, or are married for less than one year at the time of your death, or are not vested, the retirement program does not pay a benefit upon your death.

If you are married and vested in the Plan, your spouse to whom you have been married for at least one year will receive 50% of the benefit accrued as of your termination date and calculated as if you elected the 50% contingent annuity option. This benefit will be paid to your spouse on the date you would have attained age 65. Your spouse can elect to commence the benefit as early as when you would have attained age 55 although the monthly benefit paid will be reduced using the Plan's reduction in age factors.

If you are married and die after electing a contingent annuity form of payment within 90 days before payments are to begin:

- the form of payment you elected will be paid to your spouse if your spouse was designated as your contingent annuitant, or
- the benefit payable under the 50% contingent annuity form of payment will be paid to your spouse if your spouse was not designated as your contingent annuitant. The contingent annuitant you designated will not receive a benefit from the retirement program.

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Benefit to beneficiary if I die after benefits commence

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What does my beneficiary receive if I die after benefits commence?

If you elected a period certain option and die before all guaranteed payments are made, the beneficiary you named will receive the remaining payments. If all guaranteed payments were made, no payments will be made to your beneficiary when you die.

If you elected a contingent annuity option, your contingent annuitant will receive the percentage of your monthly benefit you selected for the rest of his or her life.

There is no beneficiary for the straight life annuity or the Social Security level income forms of payment.

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How to begin your retirement benefit

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- Terminated vested or retired participant initiating benefits
- Reporting a change in address

Active employee initiating benefits

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How do I begin the retirement process?

To begin the retirement process, you must contact your Human Resources Representative at least 90 days before your anticipated retirement date.

Your Human Resources Representative will prepare a Retirement Plan Request for Calculation Form for you.

You need to inform your Human Resource Representative of the following:

- your termination date
- your spouse's date of birth
- the date you want to start your benefit.

You will be sent the information through your Human Resources Representative, or at your home address, with a copy sent to your Human Resources Representative, generally, within 15 business days after your request is received. The retirement package may include retirement benefit information and other forms relating to other benefits, including the following forms:

- a direct deposit form
- insurance conversion election form
- Retiree Life Insurance Beneficiary Designation Form
- retiree medical election form
- Retirement Benefit Election form
- Stock Investment Plan Benefit Distribution Form and Special Tax Notice, if you participate in this Plan
- tax withholding election form
- Benefit Equalization Plan and Supplemental Retirement Plan Forms if applicable.

Return your completed forms as instructed in your package.

Generally, your benefit will commence the first of the month after the MMC Retirement Service Center receives your completed forms, as long as your forms were received at least 30 days prior to the 1st of the month. Otherwise, your benefits will commence the 1st of the month following the month in which your completed forms are on file for at least 30 days.

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Terminated vested or retired participant initiating benefits

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Q How do I begin retirement benefits if I have already left the Company?

A To begin receiving a benefit from the Retirement Program, you must send all required information, completed forms and related documents to the MMC Retirement Service Center at least 30 but not more than 90 days before your anticipated benefit commencement date. To begin the process, write to the MMC Retirement Service Center. In your letter be sure to state your:

- termination date
- desired benefit commencement date (generally the first of any month following your termination date, up to age 65. However, benefits cannot commence before your 55th birthday or before all completed paperwork is on file for at least 30 days)
- Social Security number
- date of birth
- marital status, and
- contingent annuitant's date of birth (if applicable).

Attach proof of age for you and your contingent annuitant, such as

a copy of your birth certificate(s), driver's license(s) or passport(s). All information that you provide will be deemed true and correct and will be conclusively binding upon you and your contingent annuitant.

Generally, your benefit will commence the first of the month after the MMC Retirement Service Center receives your completed forms, as long as your forms were received at least 30 days prior to the 1st of the month. Otherwise, your benefits will commence the 1st of the month following the month in which your completed forms are on file for at least 30 days.

If you do not contact the MMC Retirement Service Center to commence benefit payments, and if the MMC Retirement Service Center cannot locate you by your 65th birthday, your benefit may be forfeited. Your benefit will be reinstated, however, if you subsequently notify the MMC Retirement Service Center; your missed benefit payments will be made following your notification.

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Reporting a change in address

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Q Whom do I notify of my address change after I leave the Company?

A You must report any address change immediately to the MMC Retirement Service Center in order to ensure that you receive your benefits and any notices of benefit changes.

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When to begin your retirement benefit

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Retirement date vs. benefit commencement date

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Q What are my retirement and benefit commencement dates?

A You may terminate employment but wait to begin receiving payments until a later date.

If you are age 55 or above when you terminate employment with a vested benefit, the first day of the month following your termination of employment from the Company is your retirement date (even if you defer your benefit commencement and accept employment with another unrelated company). You accrue a benefit based on your salary and service up to your retirement date.

The first day of the month in which your monthly payments begin is your benefit commencement date.

Your benefit commencement date may not be later than age 65 or the first of the month following your termination of employment, if later.

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Normal retirement

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Q When can I begin receiving my retirement benefit?

A Your **normal retirement** date is the time you can retire and start your normal retirement benefit. Your normal retirement date is the first of the month after your 65th birthday (or your 65th birthday if your birthday falls on the first of the month).

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Early retirement

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Q Do I have to wait until normal retirement to commence my benefit?

A The program allows participants to retire early, before age 65. Your **early retirement date** can be the first day of any month after you terminate employment on or after reaching age 55, provided that you have at least 60 months of vesting service on that date.

The benefit payable at your early retirement date is calculated using your salary and benefit service through the end of the month in which you terminate employment. If you elect to begin benefit payments before age 62 (for benefits earned before January 1, 2006) or age 65 (for benefits earned on or after January 1, 2006), your benefit will be reduced to reflect the longer payment period than if you commenced payment at age 65 (your normal retirement date) as shown in the table below.

The percentage of your age-65 benefit you will receive according to your benefit commencement age:

Benefit Commencement Age:	Percentage of Your Age-65 Benefit You Will Receive	
	Benefit Accrued as of December 31, 2005	Benefit Accrued on or after January 1, 2006
55	72%	50%
56	76%	55%
57	80%	60%
58	84%	65%
59	88%	70%
60	92%	75%
61	96%	80%
62	100%	85%
63	100%	90%
64	100%	95%
65 and older	100%	100%

EARLY RETIREMENT EXAMPLE
Let's assume you retire age 62 and 3 months, your accrued benefit as of December 31, 2005, payable at age 65 is $500 per month and your accrued benefit on or after January 1, 2006, payable at age 65 is $500 per month. You elect to commence payment at age 62 and 3 months. This means you commence payment 2 years and 9 months (or 33 months) before age 65. Your benefits would be reduced for early retirement as follows:

Accrued Benefit as of December 31, 2005:
- $500 times 100% (no reduction at age 62 or older under the early retirement reduction methodology applicable to benefits earned before 2006)
= **$500** per month payable at age 62 and 3 months

Accrued Benefit on or after January 1, 2006:
- $500 times 86.25% (0.41667% times 33 months equals a 13.75% reduction)
= **$431.25** per month payable at age 62 and 3 months

Total Early Retirement Benefit = $931.25 per month payable as a straight life annuity at age 62

If you accrued benefits under either the Johnson & Higgins or Sedgwick Retirement Plans, those benefits have different rules regarding the **Early Retirement** factors. If you **accrued** your benefit under the MMC Retirement Plan and terminated prior to January 1, 1991, different **Early Retirement** factors are applicable to you.

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Deferring your retirement benefit

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What if I work past my normal retirement date?

If you continue working past age 65 (normal retirement age), you continue earning a benefit until you retire. Benefit payments will then begin on your "deferred retirement date," which is the first of the month immediately following the day you terminate employment.

If you continue working past age 70-1/2, you are required to commence your benefit by April 1 of the year following your reaching age 70-1/2.

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Disability

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Can I receive my retirement benefit if I am disabled?

If you are on long term disability, your retirement benefit will begin on the first of the month after you reach 65 (or your 65th birthday if your birthday falls on the first of the month).

If you receive long term disability benefits after age 65, your retirement benefit begins on the first of the month after long term disability benefits cease.

Note: You continue to receive **benefit service** and **vest**ing service while you are on long term disability.

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Not eligible for retirement

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What if I am not eligible to retire when I leave the Company?

If you are vested but terminate employment before age 55 (the earliest date you can commence benefit payments), you are guaranteed a benefit from the U.S. Retirement Program. Once your Company employment ends, you stop earning a retirement benefit.

You must begin receiving your benefit no later than your normal retirement date (the first of the month on or after age 65). However, you may elect to begin receiving your benefit starting on the first of any month on or after your 55th birthday. If you begin receiving your benefit before you reach age 65, your benefit will be reduced to compensate for the longer projected payout period.

The reduction for benefits accrued prior to January 1, 2003 is 4% (0.33% per month) per year from age 62. The reduction for benefits accrued after December 31, 2002 is 6% (0.50% per month) per year from age 65.

The charts below illustrate the early reduction factors:

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit accrued through December 31, 2002:
55	72%

56	76%
57	80%
58	84%
59	88%
60	92%
61	96%
62 or above	100%

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit accrued from January 1, 2003 to termination of employment:
55	40%
56	46%
57	52%
58	58%
59	64%
60	70%
61	76%
62	82%
63	88%
64	94%
65	100%

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Direct deposit

Topics you will find on this page

- Direct deposit
- Payment by check

Direct deposit

More...

Q Can I have my retirement benefit directly deposited?

A Your retirement benefit will be deposited directly to your checking or savings account unless you indicate otherwise. Your retirement benefit from the Retirement Plan will be direct deposited on the first business day of the month; your retirement benefit from the **non-qualified plans** will be direct deposited on the last business day of the month.

To set up a direct deposit, follow these steps:

- complete the direct deposit form and attach a voided check or deposit slip when you return your form(s).

You can't have your lump sum payment (if eligible) deposited directly into your checking or savings account.

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Payment by check

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Q When will I receive my retirement benefit payment?

A If you are not able to have your retirement benefit directly deposited, a check will be mailed to you on or about the first business day of the month for your Retirement Plan benefit and on or about the last business day of the month for your **non-qualified plans**' benefit. If your retirement benefit check is lost or stolen, a replacement check can be issued. A list of the retirement benefit vendors is listed under the contacts section of this site. You may contact the vendor directly to have your check reissued. All fees in connection with having your check reissued will be your responsibility.

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Divorce

Topics you will find on this page

- Qualified Domestic Relations Order (QDRO) rules
- Retirement benefit for an alternate payee
- Remarriage after a Qualified Domestic Relations Order (QDRO)

Qualified Domestic Relations Order (QDRO) rules

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QDRO guidelines

What is a Qualified Domestic Relations Order?

A QDRO is a state court order that legally instructs the Retirement Plan to pay all or a portion of your accrued benefit to an alternate payee; that is, a former spouse, child(ren) or other dependent(s). The Company has to honor any state court orders relating to your Retirement Plan benefit as long as it complies with the QDRO guidelines of the Retirement Plan and applicable legal requirements. A draft order should be sent to the Corporate Benefits Department for approval prior to being sent to the courts for signature. (If you submit a QDRO to the courts without Corporate Benefits Department approval and the QDRO does not comply with the Retirement Plan's guidelines, you will be required to resubmit it to the courts. All expenses in connection with obtaining a QDRO are your/your alternate payee's responsibility.)

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Retirement benefit for an alternate payee

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When can an alternate payee start a Retirement Plan benefit?

The terms of the **Qualified Domestic Relations Order** will determine when an alternate payee may start to receive Retirement Plan benefits. The Plan Administrator will follow the terms of the Qualified Domestic Relations Order (QDRO).

If the Qualified Domestic Relations Order (QDRO) provides for a division of the benefit only after the participant starts to receive benefits, then the alternate payee's benefit will commence at the same time as the participant's benefit.

If the Qualified Domestic Relations Order (QDRO) provides for a division of the participant's benefit prior to the participant's retirement, an alternate payee can start a retirement benefit on the first of the month after the participant reaches age 55 (or the participant's 55th birthday if the birthday falls on the first of the month).

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Remarriage after a Qualified Domestic Relations Order (QDRO)

More...

What happens to my Retirement Plan benefits if I remarry after a Qualified Domestic Relations Order (QDRO) is recognized?

If you remarry, your new spouse may qualify as a spouse only with respect to benefits not awarded to your former spouse under the **Qualified Domestic Relations Order**.

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See also...

Getting divorced

U.S. Retirement Program home page

Eligible pay used to calculate your retirement benefit

Topics you will find on this page

- Pay used
- Stop working

Pay used

Q What salary is used to calculate my retirement benefit?

A The salary that is used in your retirement benefit calculation for benefits accrued on or after January 1, 2006 is based on your eligible monthly salary. You earn benefits each month based on your eligible salary in that month.

The salary that is used in your retirement benefit calculation for benefits accrued as of December 31, 2005 is the average of your highest 60 consecutive months of eligible salary excluding salary after December 31, 2005. This is known as your final average salary. If you have less than 60 months of Benefit Service as of December 31, 2005, your **final average salary** will be the average of your highest consecutive months of eligible salary during your actual years and months of service before January 1, 2006. For employees eligible for the transition benefit, the calculation of final average salary will be determined using the same approach, but reflecting eligible salary after December 31, 2005.

The IRS also limits the compensation that can be used in your calculation each year and any increase will automatically be reflected in the Retirement Plan. The federal limit in a **qualified plan** is subject to change each year.

The MMC Retirement Program will use base salary in excess of the federal limits, but that part of your benefit is payable from the non-qualified plans.

For more information on non-qualified benefits, go to the Benefits Handbook via MMC PeopleLink (www.mmcpeoplelink.com) and access the Benefit Equalization Plan and Supplemental Retirement Plan chapters.

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Retirement plan formula

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U.S. Retirement Program home page

How to enroll

Topics you will find on this page

- How to enroll
- Participating in the plan

How to enroll

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Survivor benefits

Q How do I enroll in the retirement program?

A You are automatically enrolled on the first of the month in which you become eligible. No action is required on your part.

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Participating in the plan

More...

Q When can I participate in the program?

A You can participate in the plan after completing one year of **vest**ing service and reaching at least age 21, if you are eligible.

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Forms of payment

Topics you will find on this page

- Different forms of payment
- Normal form of payment
- Straight Life Annuity
- Contingent Annuity

- Period Certain
- Social Security Level Income
- Lump sum
- Changing your form of payment
- Determining your form of payment

Different forms of payment

More...

Q Are there different forms of payment to choose from?

A The program offers a number of payment forms for your retirement benefit. Each payment form is actuarially equivalent -- that is of equal value determined using the actuarial assumptions in the plan. The differences in the amounts payable under each form of payment reflects any difference in age between you and the person you designate to receive your benefit when you die and the projected payout period.

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Normal form of payment

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Q What is the plan's normal form of payment?

A If you do not elect a payment form and the present value of your accrued benefit exceeds $1,000, you will receive the "normal" form of monthly payment, which depends on your marital status when benefits commence.

If you are not married on your benefit commencement date, your normal form of payment is a Straight Life Annuity.

If you are married on your benefit commencement date, your form of payment is a 50% Contingent Annuity with your spouse as the contingent annuitant.

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Straight Life Annuity

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Q What is a straight life annuity?

A This form of payment provides you with equal monthly payments for as long as you live. No payments are made after your death. If you are married, a notarized signature by your spouse waiving his or her rights to a 50% Contingent Annuitant benefit is required to elect this option.

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Contingent Annuity

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Q What is the contingent annuity option?

A This form of payment provides you with equal monthly payments for your life and, after your death, for the life of the person, or "contingent annuitant," you elect.

Before your benefit begins, you select a specific percentage of your monthly amount (50%, 66 2/3%, 75% or 100%) to be paid to your contingent annuitant. When you die, your contingent annuitant will receive the percentage of your monthly benefit you selected for the rest of his or her life.

If you elect this payment form, a reduction factor will be applied to your monthly benefit to take into account the payment over two lives -- yours and your contingent annuitant's. Once your payments begin, you may not change the percentage you elect for your contingent annuitant, nor can you change your contingent annuitant even if he or she dies before you do (in this case, you will continue to receive the reduced monthly payments). (Note: if your contingent annuitant dies before your payments begin, your election is cancelled automatically and you may make a new payment election. If you do not make a new election, you will receive the normal form of payment based on your marital status.) If you are married, your spouse is automatically your contingent annuitant. You must obtain your spouse's written, notarized consent to waive his or her rights to a 50% Contingent Annuity benefit if you wish to elect another option or a different contingent annuitant.

The following unisex table approximates some common contingent annuity reduction factors. The reduction factor applied to your benefit depends on:

(1) the benefit percentage you elect for your contingent annuitant;
(2) your age when benefits begin; and
(3) your contingent annuitant's age when benefits begin.

Your age when payments begin	Contingent annuitant's age when payments begin	50% benefit	66 2/3 % benefit	75% benefit	100% benefit
55	50 55 58	94.1% 94.8% 95.6%	92.2% 93.3% 94.2%	91.4% 92.5% 93.5%	88.8% 90.2% 91.5%
62	57 62 65	91.1% 92.5% 93.4%	88.6% 90.3% 91.4%	87.3% 89.2% 90.4%	83.8% 86.1% 87.7%
65	60 65 68	89.5% 91.3% 92.4%	86.5% 88.7% 90.1%	85.1% 87.5% 89.1%	81.2% 84.0% 86.0%

Naming or changing your contingent annuitant

With the contingent annuity, you may select a contingent annuitant, subject to these restrictions:

- If you are married, you need your spouse's waver of the qualified joint and survivor form of payment within 90 days prior to your benefits commencing and your spouse's consent to name a non-spouse contingent annuitant.
- You may not choose a non-spouse contingent annuitant whose age reduces your benefit by more than 50%.
- Once your monthly payments begin, you may not change your contingent annuitant, even if your original beneficiary dies.

Contingent Annuity Example

The amount of your reduced monthly payments depends on the benefit percentage you choose for your contingent annuitant, the age difference between you and your contingent annuitant, and your age when benefits begin.

The following example illustrates how the reduction factors work. Let's assume:

You retire with a $1,000 monthly benefit. If you choose a straight life annuity, you will receive $1,000 a month from the program for your lifetime. When you die, payments cease.

Now let's consider that you are married and retire at age 65, that you name your spouse as a contingent annuitant, and that he or she is the same age as you. If you select a 50% contingent annuity, you will receive $913 for the rest of your life ($1,000 x 91.3%). If you die before your spouse, the program will pay a monthly benefit of $456.50 - or 50% of your benefit - to your spouse for the remainder of his or her life.

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Period Certain

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Q What is the period certain?

A The period certain form of payment is a straight life annuity combined with a guaranteed payment period. This form of payment provides you with equal monthly payments for your life and guarantees that benefits will be paid for 5, 10, 15 or 20 (but no longer than your life expectancy) years, as you elect, even if you die earlier.

If you die before all guaranteed payments are made, your **beneficiary** will receive the remaining payments. If you survive the period of guaranteed payments, your monthly benefit will be continued for as long as you live, but no payments will be made to your beneficiary after you die.

If you elect this payment form, a reduction factor based on your age will be applied to your monthly benefit to take into account the guarantee period. The longer the guarantee period you elect, the

greater the reduction to your monthly benefit. You must obtain your spouse's written, notarized consent to waive his or her rights to a 50% Contingent Annuity benefit.

The following table shows the Period Certain annuity factors:

Participant Age	5 Year	10 Year	15 Year	20 Year
55	99.5%	98.5%	96.3%	93.5%
56	99.4%	98.0%	95.9%	92.4%
57	99.4%	97.7%	95.4%	91.3%
58	99.3%	97.5%	94.9%	90.2%
59	99.2%	97.2%	94.4%	89.1%
60	99.1%	96.8%	93.7%	88.0%
61	99.0%	96.4%	93.0%	86.9%
62	98.9%	96.0%	92.2%	85.8%
63	98.7%	95.4%	91.3%	84.7%
64	98.6%	94.9%	90.3%	83.6%
65	98.5%	94.2%	89.2%	82.5%
66	98.1%	93.5%	88.0%	80.8%
67	97.8%	92.7%	86.7%	79.1%
68	97.5%	91.8%	85.3%	77.4%
69	97.2%	90.8%	83.8%	75.7%
70	97.0%	89.8%	82.2%	74.0%
71	96.8%	88.6%	80.6%	72.3%
72	96.6%	87.4%	78.8%	70.6%
73	96.4%	86.0%	76.9%	68.9%
74	96.2%	84.5%	75.0%	67.2%
75	96.0%	83.5%	74.0%	65.5%

Click here for information on naming or changing your beneficiary under the Period Certain form of payment

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Social Security Level Income

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Q What is a Social Security level income payment option?

A You may elect this form of payment if you commence benefit payments prior to the age you first become eligible for Social Security benefits (currently age 62).

Under this form of payment, your pre-age 62 monthly payments from the U.S. Retirement Program are increased by the estimated amount of your monthly Social Security benefit payable beginning at age 62 (adjusted for your actual **benefit commencement date**).

When you reach age 62, your payments from the U.S. Retirement Program are reduced by your estimated Social Security benefit. The intent is to provide you with a level total retirement income from the U.S. Retirement Program and Social Security throughout your retirement.

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Lump sum

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Q Who is eligible for a lump-sum distribution?

A If the present value of your monthly benefit under the Retirement Plan does not exceed $1,000, a lump sum payment will be paid automatically at the time your employment terminates. If you are a former Sedgwick employee and the total present value of your accrued benefit is more than $1,000 and not more than $20,000 you have the option for a lump sum payment when your employment terminates.

Interest and mortality tables used in determining the present value are prescribed by the government.

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Changing your form of payment

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Q May I change the form of payment I elect?

A You may cancel or change your form of payment (within 90 days prior to your benefit commencing) if you obtain any required spousal waiver and consent. Once payments begin, you may not change or revoke your election.

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Determining your form of payment

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Q How can I determine the form of payment that is right for me?

A Because many factors should be considered when electing a form of payment, you may want to seek the advice of a tax professional to determine the best form of payment for your situation.

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A plan comparison

A plan comparison

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	MMC Retirement Plan	Benefit Equalization Plan	Supplemental Retirement Plan
Purpose	To provide a retirement benefit for all eligible employees.	To provide participants with the benefit that would have been paid but for IRS limits on the MMC Retirement Plan.	To provide an additional benefit from the MMC Retirement Plan, Benefit Equalization Plan and Social Security for the first 25 years of benefit service for a select group of highly-compensated employees.
Eligibility	Salaried employees age 21 with at least one year of service.	Vested MMC Retirement Plan participants with current salaries or annual benefits above the IRS limit.	Generally, employees with final average annual salaries above approximately $150,000 with vested participation in the Retirement Plan.
Plan Design and Benefits	Defined benefit plan, meaning that the benefit is determined by a formula that considers your salary and service with the Company. IRS limits on salary and benefits apply because the plan is tax-qualified.	Defined benefit plan, using the same formula as the Retirement Plan, but without considering IRS limits on salary and benefits. Pays the difference between what the Retirement Plan would pay without IRS limits and what that plan actually can pay. No IRS limits apply to the Benefit Equalization Plan because it is non-qualified.	Defined benefit plan, using a formula that considers salary and service. Pays the difference, if any, between this formula's benefit and the total of your Retirement Plan benefit and estimated maximum Social Security and Benefit Equalization benefits. No IRS limits apply to the Supplemental Retirement Plan because it is non-qualified.
Vesting (Non-forfeiture of Benefit)	After 60 months of service, or upon reaching age 65.	Same as Retirement Plan.	Same as Retirement Plan.

Tax Treatment of Benefit Payments to Retirees	Benefits paid at retirement are taxable to participants.	Same as Retirement Plan.	Same as Retirement Plan.
Funding	Plan liabilities are funded by Company contributions and investment gains. Assets are held in a tax-exempt trust.	Plan liabilities are unfunded.	Plan liabilities are unfunded.

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Service recognized upon rehire or status change

Topics you will find on this page

- Restoring benefit and vesting service
- Received retirement benefit or am receiving monthly benefits
- Increases to your retirement benefit
- Service with an acquired company
- Change from hourly to salaried status

Restoring benefit and vesting service

More...

- Special J&H rules
- Special Sedgwick rules

Q If I am rehired by the Company, will my prior service count or do I lose it?

A

- If you left the Company before January 1976: You recover your prior benefit and vesting service only if you were vested when you left.
- If you were not vested when you left the Company and you left the Company between January 1, 1976 and December 31, 1984: You recover your prior benefit and vesting service only if it was longer than your absence.
- If you were not vested when you left the Company and

you left the Company between January 1, 1976, and December 31, 1984 and were rehired on or after January 1, 1985: If you were gone less than five years, you recover your prior service upon rehire unless, as of December 31, 1984, your break in service was longer than your prior period of service. In that case, you will not recover your prior benefit and vesting service.

- If you were not vested when you left the Company and you left the Company between January 1, 1976, and December 31, 1984, and were rehired on or after January 1, 1985: If you were gone more than five years, you will recover your prior service only if it was longer than your break in benefit and vesting service.
- If you were not vested when you left the Company and you left the Company on or after January 1, 1985: You recover your previous benefit and vesting service even if you were not vested when you left. (The vesting requirement was reduced from 10 years to 60 months of service, effective January 1, 1989. Note, though, that if your break in service was less than 12 months, your vesting is considered to be uninterrupted.)
- If you were vested when you left the Company: you will recover your benefit and vested service if you are later rehired. (Since 1989, vesting means that you have at least 60 months of service or have attained age 65; vesting rules were different prior to that date.)

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Received retirement benefit or am receiving monthly benefits

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Q What happens if I am rehired, but I have already received a lump sum distribution or I am receiving monthly benefits from the plan?

A If you are rehired and

- received a lump sum distribution: You must repay the distribution with interest within five years of rehire if you want your benefit service to be restored. If you do not repay the lump sum distribution with interest, any benefit you accrue after you are rehired will be offset by the amount of the lump sum distribution you received.
- are receiving monthly retirement benefit payments: Your payments will be suspended if you are rehired as a salaried employee; your payments will continue if you are rehired as an hourly employee. (Note that you must meet the Company's definition of hourly employment; that is, you are hired to work on a project of a short-term nature or to work on a special project that will be accounted for on an hourly basis.)

In order to be rehired, you must have at least a three-month break in service.

You should notify your Human Resources Representative if you are rehired after your employment terminates.

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Increases to your retirement benefit

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Q Will my retirement benefit amount increase if I am rehired?

A In general, your monthly retirement benefit payments will be suspended and you will accrue a retirement benefit if you are rehired as a salaried employee.

When you later terminate employment, your benefit will be recalculated with your additional service and will be offset by the present value of the payments you previously received.

If your employment is less than 40 hours a month, special provisions will apply.

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Service with an acquired company

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- Special J&H rules
- Special Sedgwick rules

Q Will service with an acquired company be counted for benefit and vesting service?

A Generally, service with an acquired company is not counted for benefit service but would be counted for vesting service.

If you had previous service with an acquired company of MMC, the rules vary. You should contact your Human Resources Representative to request a review of your service prior to rehire to determine if it counts towards your **vest**ing service.

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Change from hourly to salaried status

More...

Q What happens if I change from hourly to salaried status, or vice versa?

A If you transfer from hourly to salaried status, your service as an employee on the hourly payroll will count towards eligibility and vesting if you were credited with at least 1000 hours of service in an employment year. Special rules apply in the year in which your status changes from hourly-paid to salaried. Service on the hourly payroll does not count as benefit service for purposes of determining the amount of your benefit.

If you transfer to hourly-paid employment after becoming a participant, you will continue to receive vesting service credit for years in which you complete at least 1000 hours of service, but your benefit service will cease. Again, special rules apply in the year in which your status changes.

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Rollovers

Topics you will find on this page

- Rollover into the retirement plan
- Rollover out of the retirement plan
- Rollover process
- Where to find tax information on rollovers

Rollover into the retirement plan

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Q Can I roll money into the retirement benefit plan?

A The U.S. Retirement Program does not accept rollovers of benefits from other Plans.

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Rollover out of the retirement plan

More...

Q Can I roll over my retirement benefit to an IRA or another employer plan?

A A monthly retirement benefit payment can't be rolled over.

You can roll over a lump sum payment from the Retirement Plan into a traditional IRA (not a Roth IRA) or another eligible employer plan that accepts rollovers. An eligible employer plan could be a

qualified plan (e.g., 401(k) plan), or certain plans of government and tax-exempt organizations established under sections 403(a), 403(b) or section 457 of the Internal Revenue Code).

If you received a lump sum payment with a portion of the benefit attributable to service while in the Sedgwick Retirement Plan, the contributions you made to the Sedgwick Retirement Plan can be rolled over if the IRA or another eligible employer plan accepts after-tax contributions.

With the rollover check, there will be a letter for the receiving trustee stating the distribution is from the tax-qualified Retirement Plan.

If the lump sum value of your benefit is $1,000 or less, you will automatically receive a lump sum distribution in lieu of a monthly benefit.

If you die and the lump sum value of the survivor benefit is $1,000 or less, your spouse will automatically receive a lump sum distribution in lieu of a monthly benefit.

If the lump sum value of your benefit is less than $200, it will automatically be paid to you by check made payable to the receiving trustee and mailed directly to you. You can deposit it into another eligible employer plan or IRA that accepts rollovers.

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Rollover process

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Taxes

Q How do I rollover a lump sum?

A Participants eligible for a lump sum payment will be sent a form to complete.

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Where to find tax information on rollovers

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Q Where can I find tax information on rollovers out of the plan?

A Refer to the **IRS Special Tax Notice Regarding Plan Payments**.

You should consult with a tax professional to find out exactly what taxes you will have to pay.

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Special Sedgwick rules

Topics you will find on this page

Sedgwick overview

- Effect on eligibility requirement with prior Sedgwick service
- Benefit accrual rates with prior Sedgwick service
- Pay average to determine post-1999 MMC benefit
- Vesting requirement with prior Sedgwick service
- Prior MMC service impact on Sedgwick benefit
- Vesting effect for future MMC service
- Benefit service impact
- Pay history
- Early retirement factors
- Prior Johnson & Higgins vesting service impact on Sedgwick benefit
- Sedgwick vesting service impact on Johnson & Higgins benefit
- Johnson & Higgins vesting service impact on Sedgwick benefit

Sedgwick overview

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These special rules apply to individuals with past Sedgwick service who are actively employed by the Company on or after January 1, 2000. In general, individuals employed by MMC who were employed by Sedgwick on the corporate merger date, November 3, 1998, were first eligible to participate in the MMC Retirement Plan on January 1, 2000.

Effective as of January 1, 2000, the Sedgwick Retirement Plan was merged into the MMC Retirement Plan. Your Sedgwick benefit as of December 31, 1999, if any, updated for MMC pay history will be added to any benefit you **accrued** starting January 1, 2000 under the MMC Retirement Plan. The total combined benefit will be payable from the MMC Retirement Plan if you are **vest**ed when you leave the Company.

Note: Your Sedgwick service will count for vesting in the MMC Retirement Program to the extent it was recognized under the Sedgwick Retirement Plan if you were employed on the corporate merger date and remained employed through December 31, 1999; it does not count as **benefit service** under the MMC Retirement Program. Your benefit and vesting service dates on record can be found via MMC PeopleLink (www.mmcpeoplelink.com) by accessing, “Information About You” in the Retirement Program Calculator.

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Effect on eligibility requirement with prior Sedgwick

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service

Q How will the one year of service eligibility requirement be affected by my former Sedgwick service?

A Your previous eligibility service with a Sedgwick company will generally count toward the one year of service eligibility requirement under the program.

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Benefit accrual rates with prior Sedgwick service

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Retirement Plan formula

Q How does my prior Sedgwick service impact my future MMC retirement benefit accrual rates?

A The benefit that you **earn** after 1999 will be determined under the MMC Retirement Program formula using service with MMC after 1999. Prior Sedgwick **benefit service** is not counted as benefit service under the MMC Retirement Program formula.

The MMC Retirement Program formula for the MMC Retirement Plan uses a higher **accrual** rate (i.e. 1.6%) for the first 30 years of benefit service than the rate (1.0%) used in later years. To determine which rate applies when your MMC Retirement Plan benefit is calculated, your combined length of benefit service with both Sedgwick and MMC will be considered as applicable for determining the period to measure average monthly earnings. Prior Sedgwick benefit service is counted only to determine how many years of service count toward the 30 years.

For example, say you had 25 years of Sedgwick credited service as of December 31, 1999. You continue employment with MMC for 15 years beginning in 2000, until you retire with a combined total of 40 years of service. Your MMC Retirement Plan benefit for your post-1999 service would be calculated using the higher accrual rate for five years (because these five years, when added to your 25 years of Sedgwick service, total 30), the lower accrual rate for the remaining 10 years, and your total base salary history with both MMC and Sedgwick.

If you were not an active employee participant in the Sedgwick Retirement Plan on December 31, 1999, only your service and base salary with MMC on or after January 1, 2000, will count toward the benefit accrual rates.

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Pay average to determine post-1999 MMC benefit

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Q What portion of my pay is used to determine my post-1999 MMC benefit?

A The base salary that you **earn**ed with Sedgwick will count for the MMC Retirement Program's five-year pay average that is used to determine benefits accrued as of December 31, 2005, if your Sedgwick **benefit service** is counted for the MMC accrual rates under any of the situations described earlier. If your prior Sedgwick base salary counts, then your Sedgwick base salary and your MMC base salary will be taken into account when determining your overall MMC Retirement Program benefit accrued as of December 31, 2005.

Otherwise, only your base salary with MMC on or after January 1, 2000, will count toward the Retirement Plan benefit calculations.

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Vesting requirement with prior Sedgwick service

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Q What is the vesting requirement if I had former Sedgwick service?

A Generally, the MMC Retirement Program requires 60 months of service for full vesting. Your prior Sedgwick **vest**ing service generally counts for this purpose and includes all calendar years prior to January 1, 2000 in which you earned 1000 hours of service with Sedgwick

- prior to the date you were first eligible to start contributing to the Sedgwick Plan and
- after the date you first became eligible to contribute if you actually elected to contribute to the Sedgwick Plan.

Your previous vesting service with a Sedgwick company will count toward the MMC Retirement Plan's 60 months of service vesting requirement if:

- you were vested or credited with vesting service under the Sedgwick Retirement Plan when you left Sedgwick employment; or
- you were an active employee participating in the Sedgwick Retirement Plan on December 31, 1999; or
- you were employed at MMC on November 3, 1998 and left employment when you were not yet vested under the Sedgwick Retirement Plan on or after November 3, 1998; or
- you were hired by MMC after November 3, 1998, within five years of leaving a Sedgwick company.

Otherwise, only your service with MMC on or after November 3, 1998, will count toward the 60 months of service vesting requirement.

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Prior MMC service impact on Sedgwick benefit

More...

Q How does my prior MMC service impact my Sedgwick retirement benefit?

A If you were employed by a Sedgwick company on November 3, 1998 and before that you worked at MMC, your MMC service will count in determining your **vest**ing status under the Sedgwick Plan if you are employed by MMC on or after January 1, 2000 and if:

- you left MMC after 1984; or
- you left MMC before 1985 with a vested MMC retirement benefit.

Otherwise, your prior MMC service does not count for **vest**ing in your Sedgwick benefit.

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Vesting effect for future MMC service

More...

Q How is my future MMC service going to impact the vesting of my Sedgwick retirement benefit?

A If you previously worked at Sedgwick, but terminated before becoming **vest**ed in your Sedgwick Retirement Plan benefit, and you are employed by MMC on or after January 1, 2000, your MMC service beginning with the date of your employment with MMC will be counted in determining your vested status in the Sedgwick benefit if:

- you were employed at MMC on November 3, 1998 and left Sedgwick on or after November 3, 1993 and repaid the employee contributions you made to the Sedgwick Plan plus interest within five years of reemployment; or
- you were employed at MMC after November 3, 1998 within five years of leaving Sedgwick and repaid the employee contributions you made to the Sedgwick Plan plus interest within five years of reemployment.

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Benefit service impact

More...

Q How is my future MMC service going to impact the benefit service for calculating my Sedgwick retirement benefit?

A Periods of employment with an MMC company do not count as **benefit service** in determining the amount of any benefit to which you may be entitled under the Sedgwick Retirement Plan formula.

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Pay history

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Q How will my future MMC pay impact my Sedgwick retirement benefit?

A If you were employed by Sedgwick on November 3, 1998 and remained continuously employed by MMC through December 31, 1999 and have a Sedgwick benefit that has not been previously forfeited or distributed in a lump sum that has not been repaid to the Plan, your pay history after January 1, 2000 will be used to update your December 31, 1999 accrued Sedgwick benefit. Your benefit is multiplied by a factor that is determined by dividing your final average salary at termination of employment by your final average salary as of December 31, 1999.

For example, if your final average salary at termination is $125,000 and your final average salary as of December 31, 1999 was $100,000 your Sedgwick benefit accrued as of December 31, 1999 will be multiplied by 1.25 ($125,000/$100,000.)

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Early retirement factors

More...

Q What factors will be used to reduce my Sedgwick benefit attributable to the Sedgwick Retirement Plan and the pay update on that benefit if I commence benefits before age 65?

A If you have a Sedgwick Retirement Plan benefit and commence

payments prior to age 65, your accrued benefit from the Sedgwick Retirement Plan as of December 31, 1999 (as adjusted for any pay update applied to your benefit) are reduced by the early retirement factors that were in effect under the Sedgwick Retirement Plan as of December 31, 1999, as follows:

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit Accrued through December 31, 1999 Born Before 1955	You will receive this percentage of your benefit Accrued through December 31, 1999 Born After 1954
55	60%	56%
56	64%	62%
57	68%	68%
58	72%	72%
59	76%	76%
60	80%	80%
61	84%	84%
62	88%	88%
63	92%	92%
64	96%	96%
65	100%	100%

The MMC Retirement Plan Early Retirement factors will be applied to the benefit you accrue under the MMC Retirement Plan to compensate for the longer projected payout period.

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Prior Johnson & Higgins vesting service impact on Sedgwick benefit

More...

Special J&H rules

Q How will my prior Johnson & Higgins vesting service impact my Sedgwick retirement benefit?

A If you were employed by a Sedgwick company on November 3, 1998 and before that you worked at Johnson & Higgins, your Johnson & Higgins service will be counted in determining your **vest**ed status under the Sedgwick benefit if you are employed by MMC on or after January 1, 2000 and if:

- you left Johnson & Higgins with a vested Johnson & Higgins benefit; or
- you left Johnson & Higgins on or after November 3, 1993 before becoming vested and were hired by Sedgwick before November 3, 1998.

Otherwise, your prior Johnson & Higgins service does not count for vesting in your Sedgwick benefit.

Periods of employment with a Sedgwick or Johnson & Higgins

company do not count as **benefit service** in determining the amount of any benefit to which you may be entitled under the other company's Retirement Plan, as applicable.

Pay with a Sedgwick company does not count as pay in the J&H benefit formula. Pay with a Johnson & Higgins company does not count as pay in the Sedgwick benefit formula.

If you have prior Johnson & Higgins or MMC service that you believe should be counted in determining your eligibility and vesting in the plans described, notify your Human Resources Representative. Be sure to attach documentation supporting your assertion.

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Sedgwick vesting service impact on Johnson & Higgins benefit

More...

Special J&H rules

Q How will my Sedgwick vesting service impact my Johnson & Higgins retirement benefit?

A If you are employed by MMC on or after January 1, 2000, your Sedgwick/MMC vesting service that you earned after your date of hire by Sedgwick will count towards **vest**ing in your Johnson & Higgins benefit if you were hired by Sedgwick before November 3, 1998 and left Johnson & Higgins on or after November 3, 1993 before becoming vested.

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Johnson & Higgins vesting service impact on Sedgwick benefit

More...

Special J&H rules

Q How will my Johnson & Higgins vesting service impact my Sedgwick retirement benefit?

A If you are employed by MMC on or after January 1, 2000, your J&H **vest**ing service that you earned after your date of hire by Johnson & Higgins will count toward **vest**ing in your Sedgwick benefit if you were hired by Johnson & Higgins before October 1, 1997, left Sedgwick on or after November 3, 1993 before becoming vested and repaid the employee contributions you made to the Sedgwick Plan.

Remember that Sedgwick vesting service includes all calendar years in which you **earn**ed 1000 hours of service with Sedgwick.

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U.S. Retirement Program home page

Special Johnson & Higgins rules

Topics you will find on this page

- Johnson & Higgins overview
- Effect on eligibility requirement with prior Johnson & Higgins service
- Benefit accrual rates with prior Johnson & Higgins service
- Pay average to determine post-1997 MMC benefit
- Vesting requirement with prior Johnson & Higgins service
- Prior MMC service impact on Johnson & Higgins benefit
- Vesting effect for future MMC service
- Benefit service impact
- Pay history
- Early retirement factors
- Prior Johnson & Higgins vesting service impact on Sedgwick benefit
- Sedgwick vesting service impact on Johnson & Higgins benefit
- Johnson & Higgins vesting service impact on Sedgwick benefit

Johnson & Higgins overview

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These special rules apply to individuals with past Johnson & Higgins service who are actively employed by the Company on or after January 1, 1998. In general, individuals employed by MMC who were employed by Johnson & Higgins on the corporate merger date, March 27, 1997, were first eligible to participate in the MMC Retirement Program on January 1, 1998.

Effective as of January 1, 1998, the Johnson & Higgins Retirement Income Plan was merged into the MMC Retirement Plan. Your Johnson & Higgins benefit as of December 31, 1997, if any, updated for MMC pay history will be added to any benefit you **accrued** starting January 1, 1998 under the MMC Retirement Plan. The total combined benefit will be payable from the MMC Retirement Plan if you are **vest**ed when you leave the Company.

Note: Your Johnson & Higgins service will count for vesting in the MMC Retirement Program to the extent it was recognized under the Johnson & Higgins Retirement Income Plan if you were employed on the corporate merger date and remained employed through December 31, 1997; it does not count as **benefit service** under the MMC Retirement Program. Your benefit and vesting service dates on record can be found via MMC PeopleLink (www.mmcpeoplelink.com) by accessing, "Information About You" in the Retirement Program Calculator.

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Effect on eligibility requirement with prior Johnson & Higgins service

More...

Q How will the one year of service eligibility requirement be affected by my former Johnson & Higgins service?

A Your previous eligibility service with a Johnson & Higgins company will generally count toward the one year of service eligibility requirement under the program.

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Benefit accrual rates with prior Johnson & Higgins service

More...

Retirement Plan formula

Q How does my prior Johnson & Higgins service impact my future MMC retirement benefit accrual rates?

A The benefit that you **earn** after 1997 will be determined under the MMC Retirement Program formula using service with MMC after 1997. Prior Johnson & Higgins **benefit service** is not counted as benefit service under the MMC Retirement Program formula.

The MMC Retirement Program formula for the MMC Retirement Plan and Benefit Equalization Plan use a higher **accrual** rate (i.e. 1.6%) for the first 30 years of benefit service than the rate (1.0%) used in later years. To determine which rate applies when your MMC Retirement Plan benefit is calculated, your combined length of benefit service with both Johnson & Higgins and MMC will be considered as applicable for determining the period to measure average monthly earnings. Prior Johnson & Higgins benefit service is counted only to determine how many years of service count toward the 30 years.

For example, say you had 25 years of Johnson & Higgins credited

service as of December 31, 1997. You continue employment with MMC for 15 years beginning in 1998, until you retire with a combined total of 40 years of service. Your MMC Retirement Plan benefit for your post-1997 service would be calculated using the higher accrual rate for five years (because these five years, when added to your 25 years of Johnson & Higgins service, total 30), the lower accrual rate for the remaining 10 years, and your total base salary history with both MMC and Johnson & Higgins.

If you were not an active employee participant in the Johnson & Higgins Retirement Income Plan on December 31, 1997, only your service and base salary with MMC on or after January 1, 1998, will count toward the benefit accrual rates.

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Pay average to determine post-1997 MMC benefit

More...

Q What portion of my pay is used to determine my post-1997 MMC benefit?

A The base salary that you **earn**ed with Johnson & Higgins will count for the MMC Retirement Program's five-year pay average that is used to determine benefits accrued as of December 31, 2005, if your Johnson & Higgins **benefit service** is counted for the MMC accrual rates under any of the situations described earlier. If your prior Johnson & Higgins base salary counts, then your Johnson & Higgins base salary and your MMC base salary will be taken into account when determining your overall MMC Retirement Program benefit accrued as of December 31, 2005.

Otherwise, only your base salary with MMC on or after January 1, 1998, will count toward the Retirement Plan benefit calculations.

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Vesting requirement with prior Johnson & Higgins service

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Q What is the vesting requirement if I had former Johnson & Higgins service?

A Generally, the MMC Retirement Program requires 60 months of service for full vesting. Your prior Johnson & Higgins **vest**ing service generally counts for the purpose and includes all years of service prior to January 1, 1998 with Johnson & Higgins.

Your previous vesting service with a Johnson & Higgins company will count toward the MMC Retirement Plan's 60 months of service vesting requirement if:

- you were vested or credited with vesting service under the Johnson & Higgins Retirement Income Plan when you left Johnson & Higgins employment; or
- you were an active employee participating in the Johnson & Higgins Retirement Income Plan on December 31, 1998; or
- you were employed at MMC on March 27, 1997 and left employment when you were not yet vested under the Johnson & Higgins Retirement Income Plan on or after March 27, 1997; or
- you were hired by MMC after March 27, 1997, within five

years of leaving a Johnson & Higgins company.

Otherwise, only your service with MMC on or after March 27, 1997, will count toward the 60 months of service vesting requirement.

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Prior MMC service impact on Johnson & Higgins benefit

More...

Q How does my prior MMC service impact my Johnson & Higgins retirement benefit?

A If you were employed by a Johnson & Higgins company on March 27, 1997 and before that you worked at MMC, your MMC service will count in determining your **vest**ing status under the Johnson & Higgins Retirement Income Plan if you are employed by MMC on or after January 1,1998 and if:

- you left MMC after 1984; or
- you left MMC before 1985 with a vested MMC retirement benefit.

Otherwise, your prior MMC service does not count for **vest**ing in your Johnson & Higgins benefit.

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Vesting effect for future MMC service

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Q How is my future MMC service going to impact the vesting of my Johnson & Higgins retirement benefit?

A If you previously worked at Johnson & Higgins, but terminated before becoming **vest**ed in your Johnson & Higgins Retirement Income Plan benefit, and you are employed by MMC on or after January 1, 1998, your MMC service beginning with the date of your employment with MMC will be counted in determining your vested status in the Johnson & Higgins benefit if:

- you were employed at MMC on March 27, 1997 and left Johnson & Higgins on or after March 27, 1997; or
- you were employed at MMC after March 27, 1997 within five years of leaving Johnson & Higgins.

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Benefit service impact

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Q How is my future MMC service going to impact the benefit service for calculating prior Johnson & Higgins retirement benefit?

A Periods of employment with an MMC company do not count as **benefit service** in determining the amount of any benefit to which you may be entitled under the Johnson & Higgins Retirement Income Plan formula.

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Pay history

More...

Q How is my future MMC pay history going to impact my Johnson & Higgins retirement benefit?

A If you were employed by Johnson & Higgins on March 27, 1997 and remained continuously employed by MMC through December 31, 1997 and have a Johnson & Higgins benefit that has not been previously forfeited or distributed in a lump sum that has not been repaid to the plan, your pay history after January 1, 1998 will be used to update your December 31, 1997 accrued Johnson & Higgins benefit. Your benefit is multiplied by a factor that is determined by dividing your final average salary at termination of employment by your final average salary as of December 31, 1997.

For example, if your final average salary at termination is $125,000 and your final average salary as of December 31, 1999 was $100,000 your Johnson & Higgins benefit accrued as of December 31, 1999 will be multiplied by 1.25 ($125,000/$100,000.)

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Early retirement factors

More...

Q What factors will be used to reduce my Johnson & Higgins benefit attributable to the Johnson & Higgins Retirement Income Plan and the pay update on that benefit if I commence benefits before age 65?

A If you have a Johnson & Higgins Retirement Income Plan benefit and commence payments prior to age 65, your accrued benefit from the Johnson & Higgins Retirement Income Plan as of December 31, 1997 (as adjusted for any pay update applied to your benefit) are reduced by the Early Retirement factors that were in effect under the Johnson & Higgins Retirement Income Plan as of December 31, 1997.

If you leave employment on or after age 55 and had five years of vesting service, your Johnson & Higgins Retirement Income Plan benefit and the applicable pay update will be subject to the following early reduction factors:

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit accrued through December 31, 1997
55	58%
56	64%
57	70%
58	76%
59	82%
60	88%
61	94%
62	100%
63	100%
64	100%
65	100%

If you leave employment prior to attaining age 55 and had five years of vesting service, your Johnson & Higgins Retirement Income Plan benefit and the applicable pay update will be subject

to the following early reduction factors:

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit accrued through December 31, 1997
55	40%
56	46%
57	52%
58	58%
59	64%
60	70%
61	76%
62	82%
63	88%
64	94%
65	100%

The MMC Retirement Plan Early Retirement factors will be applied to the benefit you accrue under the MMC Retirement Plan to compensate for the longer projected payout period.

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Prior Johnson & Higgins vesting service impact on Sedgwick benefit

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Q How will my prior Johnson & Higgins vesting service impact my Sedgwick retirement benefit?

A If you were employed by a Sedgwick company on November 3, 1998 and before that you worked at Johnson & Higgins, your Johnson & Higgins service will be counted in determining your **vest**ed status under the Sedgwick Plan if you are employed by MMC on or after January 1, 2000 and if:

- you left Johnson & Higgins with a vested Johnson & Higgins benefit; or
- you left Johnson & Higgins on or after November 3, 1993 before becoming vested and were hired by Sedgwick before November 3, 1998.

Otherwise, your prior Johnson & Higgins service does not count for vesting in your Sedgwick benefit.

Periods of employment with a Sedgwick or Johnson & Higgins company do not count as **benefit service** in determining the amount of any benefit to which you may be entitled under the Johnson & Higgins Retirement Income Plan or Sedgwick Retirement Plan, as applicable.

Pay with a Sedgwick company does not count as pay in the Johnson & Higgins Retirement Income Plan benefit formula. Pay with a Johnson & Higgins company does not count as pay in the Sedgwick benefit formula.

If you have prior Johnson & Higgins or MMC service that you believe should be counted in determining your eligibility and vesting in the plans described, notify your Human Resources representative. Be sure to attach documentation supporting your assertion.

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Sedgwick vesting service impact on Johnson & Higgins benefit

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Q How will my Sedgwick vesting service impact my Johnson & Higgins retirement benefit?

A If you are employed by MMC on or after January 1, 2000, your Sedgwick and MMC vesting service that you earned after your date of hire by Sedgwick will count towards **vest**ing in your Johnson & Higgins benefit if you were hired by Sedgwick before November 3, 1998 and left Johnson & Higgins on or after November 3, 1993 before becoming vested.

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Johnson & Higgins vesting service impact on Sedgwick benefit

More...

Q How will my Johnson & Higgins vesting service impact my Sedgwick retirement benefit?

A If you are employed by MMC on or after January 1, 2000, your Johnson & Higgins and MMC **vest**ing service that you earned after your date of hire by Johnson & Higgins will count towards **vest**ing in your Sedgwick benefit if you were hired by Johnson & Higgins before October 1, 1997, left Sedgwick on or after November 3, 1993 before becoming vested and repaid the employee contributions you made to the Sedgwick Plan.

Remember that Sedgwick vesting service includes all calendar years in which you **earn**ed 1000 hours of service with Sedgwick.

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U.S. Retirement Program home page

Taxes

Topics you will find on this page

- Taxes on Retirement Plan benefit payment
- Changing withholdings
- Taxes on a lump sum

Reported withholdings

Taxes on Retirement Plan benefit payment

More...

IRS Special Tax Notice Regarding Plan Payments

Q How is my Retirement Plan benefit taxed after I receive a payment?

A After your payments start, your benefits are taxed as ordinary income. Make your tax **withholding** election by filling out an IRS Federal Form W-4P. If you contributed to the Sedgwick Retirement Plan, the portion of your payment attributable to your employee contributions is not taxable.

You will be sent federal tax withholding forms with your retirement paperwork. If you don't return a form, federal taxes will be withheld as if you are married with three withholding allowances.

If you don't have sufficient taxes withheld, you may have to pay estimated taxes on a quarterly basis.

Consult with a financial or tax professional for information about your personal tax situation.

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Changing withholdings

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Q How do I change my tax withholdings?

A You may change your tax **withholding** election by completing a new IRS form W-4P. You may get a copy of the form at the **IRS website**.

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Taxes on a lump sum

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Rollovers

Q Is a lump sum payment taxed?

A If you are eligible for a **lump sum** distribution and don't roll it over, it will be considered a part of your **taxable income**.

In addition to any taxes, your distribution may be subject to a 10% penalty tax unless you:

- receive the distribution on or after you reach age 59 1/2 or
- leave the Company and receive the distribution on or after age 55 or
- use the distribution for an IRS deductible medical expense or
- are disabled (as defined by the Internal Revenue Code) or
- are an alternate payee and receive a distribution pursuant to a **Qualified Domestic Relations Order**.

Lump sum payments are subject to a mandatory 20% federal tax withholding if not directly rolled over to the trustee or custodian of another plan or **IRA**.

You can avoid a required 20% federal withholding and the 10% penalty if the check is made payable to the trustee or custodian of another eligible employer plan that accepts rollovers or an IRA.

Your contributions to the Sedgwick Retirement Plan can be rolled over only to an IRA or eligible employer plan that accepts after-tax contributions.

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Reported withholdings

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Q How are taxes reported?

A Your Retirement Plan benefit payments and withholdings are reported on an IRS Form 1099R. The form is mailed to you no later than January 31.

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U.S. Retirement Program home page

Explanation of vesting

Topics you will find on this page

- Vesting requirement
- Vesting at normal retirement date
- Vesting in other circumstances

Vesting requirement

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Q When am I vested in my retirement benefit?

A You are fully vested in or have a nonforfeitable right to your benefit in the retirement benefit Plan when you earn 60 months of vesting service. If you leave voluntarily or involuntarily with less than 60 months of service, you are not vested in your retirement benefit

and no benefits are payable from the Plan.

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Vesting at normal retirement date

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Q Am I fully vested at my normal retirement date?

A If you are not already vested, you are automatically vested at age 65, and your normal retirement date is the first of the month after your 65th birthday (or your 65th birthday if your birthday falls on the first of the month). After you meet the requirements, this is your normal retirement date.

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Vesting in other circumstances

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Q What other circumstances result in vesting under the Retirement Plan?

A You will be fully vested in your accrued benefit (to the extent funded) if the Plan has a partial termination affecting you or if the Retirement Plan is completely terminated.

You are also fully vested in the portion of your accrued benefit attributable to any employee contributions you made to a merged plan.

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U.S. Retirement Program home page

Definitions

Topics you will find on this page

- Accrued or earned benefit
- Benefit commencement date
- Benefit service
- Benefit service date
- Covered compensation
- Deferred retirement date
- Defined benefit plan
- Early retirement date
- Eligible monthly salary

- Final average salary
- Normal retirement date
- Retired employee
- Retirement Plan calculator
- Tax qualified plan
- Vesting service
- Vesting service date
- Vested termination benefit

Accrued or earned benefit

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This is the amount of benefit that (1) you have earned to date, as determined under the benefit calculation formula based on your salary and benefit service and (2) is payable at age 65 if you terminate employment and are vested.

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Benefit commencement date

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This is the first day of the month in which your benefit from the Plan is paid. Once you elect a benefit commencement date and payments commence, you may not change it.

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Benefit service

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Benefit service is used to calculate your U.S. Retirement Program benefit amount, and generally includes the number of months and years of your salaried employment with the Company. Benefit service begins on your benefit service date and ends on your date of termination of employment. Any month in which you worked at least one hour as a salaried employee of a participating company counts as a full month for benefit service.

If you are placed on a leave of absence (other than for an approved disability or military leave of absence) that is more than 12 months in duration, you will not receive benefit service after the first 12 months of the leave.

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Benefit service date

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This is the start of your benefit service and, for most salaried employees, is the first of the month in which you worked at least one

hour. For example, if you were hired on October 31, your benefit service date would be October 1.Your benefit service date may be determined differently if you became an eligible employee through an acquisition, if you left the Company and were later rehired, or if you had service as an hourly or leased employee or were employed outside the U.S. Your Human Resources Representative can tell you your benefit service date, as currently maintained in the Company's records; this date can also be found via MMC PeopleLink (www.mmcpeoplelink.com) by accessing, “Information About You” in the Retirement Program Calculator.

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Covered compensation

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This is a set of annually issued Federal Government values of the average of the Social Security maximum Taxable Wage Bases over the 35-year period that ends at your Social Security normal retirement age. The Taxable Wage Base is the maximum amount of compensation recognized in determining your Social Security retirement benefit. (Currently, Social Security normal retirement age is 65 if you were born before 1938; 66 if you were born in 1938 through 1954; and 67 if you were born in 1955 or later. If you have not yet reached your Social Security normal retirement age, the current wage base is projected to your Social Security normal retirement age assuming no increases.) Each year the Federal Government issues an updated Taxable Wage Base Table. A copy of the table can be found on the Internet by accessing: http://www.irs.gov/irb/2004-46_IRB/ar07.html or go to “IRS.gov” and search for “Internal Revenue Bulletin (IRB) 2004-46”.

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Deferred retirement date

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If your employment with the Company continues beyond your 65th birthday, your retirement benefit will be deferred, and you will begin receiving your benefit as of the first of the month that immediately follows the day you terminate employment. You will continue to accrue a benefit until you retire.

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Defined benefit plan

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This is a type of retirement benefit plan in which benefits are determined by a formula that usually considers salary and service. The plans in the Retirement Program are all defined benefit plans.

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Early retirement date

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If you have completed at least 60 months of vesting service and are under age 65, you may retire on the first of any month on or after age 55. Your accrued benefit considers salary and service through the end of the month in which you terminate employment. If you retire before age 62 and commence your benefit payments before age 62, your benefit accrued as of December 31, 2005 is reduced by the applicable benefit reduction percentage to reflect the longer payment period. If you retire before age 65, your benefit accrued on or after January 1, 2006 is reduced by the applicable benefit reduction percentage to reflect the longer payment period. Benefits accrued under plans of an acquired company may have different

early retirement reductions that apply.

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Eligible monthly salary

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For the Retirement Plan and Benefit Equalization Plan:

Eligible monthly salary is your monthly base salary paid during periods when you were employed as a salaried employee by a participating MMC company. Salary does not include overtime, bonuses, commissions and other extra compensation but does include before-tax salary reduction amounts that you may contribute to other programs sponsored by MMC in which you were eligible to participate, such as the Stock Investment Plan or a Flexible Spending Account, but excluding compensation you defer under the Stock Investment Supplemental Plan. The amount of your salary that can be used in determining your eligible monthly salary under the Plan is subject to an annual limit prescribed by the IRS. The annual limit is pro-rated so that your eligible monthly salary cannot exceed one-twelfth of the annual IRS limit in effect for the applicable calendar year.

For the Supplemental Retirement Plan:

Same as above but includes compensation you defer under the Stock Investment Supplemental Plan.

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Final average salary

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For the Retirement Plan and Benefit Equalization Plan:

Final average salary is the average of your highest eligible monthly salary paid during periods when you were employed as a salaried employee by a participating MMC company, over a 60 consecutive month period during your employment. Salary does not include overtime, bonuses, commissions and other extra compensation but does include before-tax salary reduction amounts that you may contribute to other programs sponsored by MMC in which you were eligible to participate, such as the Stock Investment Plan or a Flexible Spending Account, but excluding compensation you defer under the Stock Investment Supplemental Plan. The amount of your salary that can be used in determining your final average salary for a qualified plan is subject to an annual limit prescribed by the IRS.

For the Supplemental Retirement Plan:

Same as above but includes compensation you defer under the Stock Investment Supplemental Plan.

Normal retirement date

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Your normal retirement date is the first day of the month on or after reaching age 65.

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Retired employee

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The Company considers you a retired employee starting the first of the month following the last day for which you are paid (if you are not at that time expected to return to work), provided you are at least age 55 with 60 months of vesting service on that date, or age 65 and over with any amount of service.

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Retirement program calculator

The Retirement Program Calculator is a tool you can use to estimate your benefits under the U.S. Retirement Program based on assumptions (selected age expected to retire, salary, years of service, etc.) you choose and also view your prior estimates. The calculator is meant for planning purposes and only provides an estimate of the final amount you may receive during retirement. The Retirement Program Calculator icon can be accessed via MMC PeopleLink (www.mmcpeoplelink.com).

Tax qualified plan

More...

A plan that satisfies the Internal Revenue Service requirements governing retirement plans and pays benefits within IRS limits and allows the Company to set aside assets in a tax-exempt trust to fund participant benefits, without subjecting participants to tax until they receive distributions from the plan.

The IRS imposes certain limits on tax-qualified plans, such as establishing a maximum amount of salary that can be used to calculate plan benefits, and the maximum benefit that a retirement plan can pay a participant at age 65 and other retirement ages. The government adjusts these limits from time to time. Lower limits applicable for prior years may affect your benefits.

The MMC Retirement Plan is a tax-qualified plan and was last approved by the IRS on July 31, 2002. The 2006 IRS limits for the MMC Retirement Plan are:

- maximum annual pensionable compensation: $220,000
- annual life annuity benefit at age 65; the lesser of $175,000 or the average of your highest Company annual compensation over a three consecutive calendar year period.

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Vesting service

More...

Vesting service is used to determine when you become vested and are entitled to a benefit under the U.S. Retirement Program and your eligibility for early retirement, even if you terminate employment before you are eligible to retire. Most employees are vested after completing 60 months of vesting service. However, you are vested at age 65, even if you have less than 60 months of vesting service. Any month in which you worked at least one hour as a salaried employee counts as a full month of vesting service.

Vesting service generally includes the number of months and years of your salaried employment with the Company (that is, your benefit

service) but may also include service:

- with an acquired company to the extent determined by the Company Representative
- with an MMC company that does not participate in the U.S. Retirement Program
- pre-merger vesting service recognized under a merged plan
- as an hourly or **leased employee** if you later became a salaried employee and have at least 1000 hours of service in your employment year.

Vesting service does not include service for employees who declined participation in the Sedgwick Retirement Plan prior to November 1, 1998, except for the one-year waiting period. (Special rules apply to certain former Sedgwick employees.)

If you are placed on a leave of absence (other than for disability or military) that is more than 12 months in duration, you will not receive vesting service after the first 12 months of the leave.

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Vesting service date

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Vesting service date is the date on which your vesting service begins. For most salaried employees, the vesting service date is the same as the benefit service date: the first of the month in which you worked at least one hour. Your vesting service date may vary, however, if you became an eligible employee through an acquisition, if you participated in a plan that was merged into this Plan, if you left the Company and later were rehired, if you had service as an hourly or leased employee, or if you did not work for a participating company. Your vesting service date can be found via MMC PeopleLink (www.mmcpeoplelink.com) by accessing, “Information About You” in the Retirement Program Calculator.

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Vested termination benefit

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This is the benefit you receive if you terminate employment after you are vested but before age 55. You may elect to receive this benefit from the Program on the first of any month following your 55th birthday (or your 55th birthday if your birthday falls on the first of the month), up until your normal retirement date. If you elect to begin receiving benefits before age 65, your benefit is reduced to reflect the longer payment period. You must begin receiving your benefit no later than your normal retirement date (the first of the month on or after age 65).

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