

Payment Options – Modern Machine & Tool Co., Inc Employees’ Retirement Plan

Single Life Annuity

A life only annuity provides monthly benefits for your lifetime only. Upon your death, payments end. This is Modern Machine & Tool Co. Inc’s normal form of payment.

Joint and Survivor Annuity

A Joint and Survivor benefit provides a reduced monthly benefit for your lifetime, then a set percentage of that original amount for the lifetime of your beneficiary after your death. For example, a 50% Joint and Survivor Annuity will pay monthly benefits during your lifetime and, after your death, an amount equal to 50% of those benefits for his or her lifetime. Your beneficiary for a Joint and Survivor Annuity can only be a spouse.

Modern Machine & Tool offers you the choice of a 50%, 66 2/3%, or 100% Joint and Survivor Option.

Life Period Certain Annuity

The life period certain annuity provides monthly benefits for a minimum guaranteed number of years. If you die during the guaranteed period, your designated beneficiary would be paid for the remainder of the guaranteed periods. If you live beyond the guaranteed period of your benefit commencement date, the payments will continue each month until your death. Upon your death, payments end.

Modern Machine & Tool offers you the choice of a 10 year (120 month) or 15 year (180 month) life period certain option.

Voluntary Lump Sum Cash Out

If the present value of the final accrued benefit input into the options calculator is greater than \$1,000 and less than or equal to \$5,000, then you can elect to receive a lump sum equal to the final lump sum.

Mandatory Lump Sum Cash Out

If the present value of the final accrued benefit input into the options calculator is \$1,000 or less, then you will be paid a lump sum equal to the present value of the final accrued benefit.