

## THOMSON REUTERS GROUP PENSION PLAN

# INFORMATIONAL NOTICE – LUMP SUM DISTRIBUTIONS

## REMINDER FOR TERMINATED VESTED PLAN PARTICIPANTS

Thomson Reuters Group Pension Plan (“the Plan”) added a lump sum option on January 1, 2015. The addition of this option, which pays out your accrued benefit in a single, one-time (lump sum) payment, provides another way to manage your assets in retirement. The lump sum, which is generally available to eligible terminated participants regardless of age, is an ongoing payment option along with all other forms of distribution that are currently available<sup>1</sup>.

Selecting a form of distribution is a personal decision and depends on both your preferences and your anticipated financial needs in retirement. Please consider your options carefully as your choice is irrevocable once payments begin and remember that, under Plan rules, your election of a lump sum may require the consent of your spouse or domestic partner. We encourage you to discuss your options with your family and a professional financial, tax, or legal advisor.

**Model and compare your options.** Before selecting a form of payment, you are strongly encouraged to compare your benefit value under the different payment options. Please note, however, that your lump sum value will be calculated based on the interest rates in effect at the time you run the estimate. Because interest rates are updated quarterly, the amount reflected on your estimate may be higher or lower than the lump sum value actually distributed to you based on the interest rates in effect when your benefit commences (see How Is My Lump Sum Calculated?).

- Log on to *Your Benefits Resources*, [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters) to estimate your lump sum benefit, as well as model the different payment options available.
- You can also request a benefit calculation, and/or ask any other questions about the Plan, your benefit, or available payment options by contacting the Thomson Reuters HR Services Center – +1 866 443 MyHR (6947).

**Questions?** If you have additional questions, please visit the *Your Benefits Resources* website at [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters) or call the Thomson Reuters HR Services Center at +1 866 443 MyHR (6947). Representatives are available Monday through Friday between 8:00 a.m. and 8:00 p.m. Eastern time.

**Please remember to keep the Plan informed of your current address. Failure to timely notify the Plan of a change in address could result in the delay of Plan benefits.**

### FORGOT YOUR USER ID OR PASSWORD?

Go to [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters), and click on **Forgot User ID or Password**. You will be prompted to enter information to reset your password. If you cannot reset your password online, call the Thomson Reuters HR Services Center at +1 866 443 MyHR (6947) to speak with a representative.

### DON'T HAVE A USER ID OR PASSWORD?

Go to [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters), and click on **New User?** Enter the last four digits of your Social Security number as well as your birth date. You will be prompted to change your password the first time you log on.

## GENERAL QUESTIONS

### WHAT IS A LUMP SUM DISTRIBUTION?

The term “lump sum” refers to the one-time cash distribution of your entire benefit accrued in the Plan. When taking a lump sum distribution, the value of your accrued benefit is distributed in full, you are no longer a participant in the Plan, and there are no future benefits payable.

### HOW IS MY LUMP SUM CALCULATED?

Generally, lump sums are calculated by projecting what your total lifetime payments would likely equal if you opted for an annuity distribution, and then discounting that amount to today’s dollars. As a result, your lump sum benefit will not capture any early retirement subsidy you may be eligible for. In addition, interest rates used to calculate lump sum benefits are updated quarterly. Since your lump sum amount is determined based on the date you elect to receive the lump sum, the lump sum amount shown in your benefit estimate or statement may be lower or higher than the amount you actually receive.

For more information about the lump sum payment option under the Plan, or to calculate your lump sum distribution amount, please visit the *Your Benefits Resources* website at [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters).

### DO I HAVE TO REACH A CERTAIN AGE TO BE ELIGIBLE FOR A LUMP SUM DISTRIBUTION?

No. Generally, anyone who is no longer an active employee at Thomson Reuters and who has a vested pension benefit is eligible to receive a lump sum distribution, regardless of age. However, if you are age 70½, certain plan rules may restrict you from taking a lump sum distribution. Please contact Thomson Reuters HR Services Center to speak with a representative.

*continued*

<sup>1</sup> For more information on the other payment options available, please refer to your Summary Plan Description or contact the HR Services Center.

### CAN MY LUMP SUM DISTRIBUTION BE PROTECTED FROM TAXATION (BE ROLL-OVER ELIGIBLE)?

Yes. If you elect to roll over your money into an Individual Retirement Account (IRA), or a qualified retirement plan, you do not pay taxes on your distribution.

However, if you choose not to roll over your lump sum distribution, the distribution will be considered a "taxable event." Your cash payment will be automatically reduced by a 20% minimum federal withholding requirement and any required state withholding. You may owe additional federal and state taxes when you file your tax return. If you are under age 59½, your payment will be subject to an additional 10% excise tax on early distributions, unless an exception applies.

You may want to consult a tax or financial advisor to review the best approach for your personal circumstances.

### HOW DO I KNOW IF A LUMP SUM IS RIGHT FOR ME?

Everyone's situation is different, and only you know what your financial needs are likely to be in retirement. The *Your Benefits Resources* website at [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters) contains a wealth of information, including calculators to help you forecast your needs, project your benefits, and consider the various distribution options. Since we cannot provide you with legal, tax, or financial advice, we suggest you also discuss your options with a financial advisor.

### WHAT IF I CHANGE MY MIND?

Once you begin distributions, you cannot change the type of distribution you receive. You should therefore carefully evaluate the options available in light of your current and anticipated income needs to determine the best distribution type for your unique situation.

### HAVEN'T I ALWAYS HAD A LUMP SUM OPTION AVAILABLE?

Generally speaking, January 1, 2015 marked the introduction of the lump sum option to the Plan as an ongoing distribution choice. Other than a special, limited-time "window" in 2012, most participants were not eligible for a lump sum distribution (though certain former Harcourt and Newspaper employees were eligible for a lump sum on a portion of their grandfathered benefits).

### CAN I ROLL OVER MY LUMP SUM INTO THE THOMSON REUTERS 401(K) SAVINGS PLAN ("SAVINGS PLAN")?

Effective January 1, 2018, if you are a participant in the Savings Plan, you may elect to roll over all or a portion of your eligible roll-over distribution into the Savings Plan, if your Savings Plan vested account balance is greater than \$5,000 when your roll-over request is processed. If you elect this option, your pension distribution will be electronically transferred to your Savings Plan account. More information about this option is provided during the commencement process.

## PROCESS

### HOW DO I REQUEST A LUMP SUM?

There are two ways by which you can request a lump sum. The quickest way is by logging on to *Your Benefits Resources* at

[digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters) to commence your benefit. If you prefer to request a lump sum distribution over the phone, you may contact the Thomson Reuters HR Services Center at +1 866 443 MyHR (6947).

### HOW LONG WILL IT TAKE TO PROCESS MY LUMP SUM REQUEST?

It's helpful to think of the process in two steps: First, your preparation of the required documentation and second, the time between your final submission and payment.

Federal regulations allow you to begin the process as early as (but no earlier than) 90 days prior to the date when you would like the distribution made. It can take some time to gather the needed information and to follow the steps to submit complete and accurate documentation, so it is a good idea to begin the process as early as possible.

Once all the completed and correct paperwork is received, it takes less than 30 days to process payment. However, distributions are made on the first business day of every month, so your paperwork needs to be submitted by the 10th of the month for payment on the first business day of the following month, unless otherwise noted. If you miss the cutoff date for the upcoming month, you will receive your distribution the following month.

**Going forward**, let's say you would like to receive your distribution on July 1. You could initiate the process by April 1 and submit all required documentation, in good order, no later than June 10. If you miss that deadline – let's say your paperwork is submitted on June 11 – you would receive your distribution with the cycle paying out on August 1.

### WHAT IF I HAVE EARNED A BENEFIT UNDER THE THOMSON REUTERS DEFINED BENEFIT RETIREMENT PLUS PLAN?

Participants whose benefit cannot be fully paid by the Plan due to IRS limits may have earned a benefit under the Thomson Reuters Defined Benefit Retirement Plus Plan ("the Plus Plan"). If you are eligible for benefits under the Plus Plan, you will be notified of such when you apply for your benefit under the Plan.

For those who separated from service in 2005 or later, the addition of the lump sum option to the Plan does not impact the amount or form of benefit payable under the Plus Plan. The Company did not make any changes to the distribution options under the Plus Plan, and your decision to elect or not elect a lump sum under the Plan will have no impact on any Plus Plan benefits you receive.

For those who separated from service prior to 2005, however, distribution of your Plus Plan benefit is tied to the distribution of your Plan benefit in both form and timing. Therefore, if you elect to take a lump sum distribution of your Plan benefit, you will also be electing a concurrent lump sum distribution of your Plus Plan benefit.

### WHOM DO I CONTACT FOR MORE INFORMATION?

Visit the *Your Benefits Resources* website at [digital.alight.com/thomsonreuters](https://digital.alight.com/thomsonreuters) or call the Thomson Reuters HR Services Center at +1 866 443 MyHR (6947). Representatives are available Monday through Friday between 8:00 a.m. and 8:00 p.m. Eastern time.