Allstate Retirement Plan

This Summary Plan Description ("SPD") describes the Cash Balance provisions of the Allstate Retirement Plan (the "Plan") in effect as of January 1, 2017.

The attached Appendix A describes provisions applicable to participants with a preserved December 31, 2013, Final Average Pay benefit.

The attached Appendix B describes how Pay Credits were determined January 1, 2003, through December 31, 2013.

The purpose of this Plan is to provide, at no cost to you, an income based on your level of compensation and length of employee service, when your employment ends or upon your retirement.

The Plan provides a retirement benefit to Regular Full-Time Employees, Regular Part-Time Employees, and certain Employee Agents of Participating Employers of The Allstate Corporation (Allstate Insurance Company and Allstate New Jersey Insurance Company). This benefit can supplement other sources of retirement income such as from the Allstate 401(k) Savings Plan, Social Security, your personal savings and other assets.

Allstate calls this combined approach to retirement planning “Total Retirement Income.” Planning ahead will help you understand and appreciate the value of your retirement plan. So, take the time to read this SPD carefully. By planning your retirement income needs, you’ll take the first step toward shaping your future financial goals today!

While Allstate expects to continue the Allstate Retirement Plan, The Allstate Corporation as Plan Sponsor or the Pension Committee, as applicable, reserves the right to change, amend or terminate the Plan at any time for any reason. While this SPD summarizes the provisions of the Plan, the official Plan documents govern the Plan’s actual operation and administration. The Plan reserves the right to correct any misstatements, errors or other mistakes of fact, and make adjustments in benefit amounts paid, unpaid or estimated, in order to remain in compliance with Plan documents. In all instances, the official Plan documents, and not this or any other summary, will control and govern the operation of the Allstate Retirement Plan. Participation in the Plan does not constitute a contract or guarantee of employment.

Table of Contents — *See Page*

HIGHLIGHTS

Under the Cash Balance Benefit, a hypothetical account is established for you for record keeping purposes. During the year, an amount equal to a percentage of your Eligible Annual Compensation will be allocated to your Cash Balance Account. This amount, known as Pay Credits, is based on your years of Vesting Service and will be shown as a lump sum. You must be vested in order to receive a benefit from the Plan, generally after three years of service. Before January 1, 2008, you would become vested after five years of service.

Your Cash Balance Account will also earn Interest Credits based on the applicable interest crediting rate used by the Plan, which is currently based on the Average 30-Year Treasury Bond rate in effect for August for the preceding Plan year as published by the Internal Revenue Service (IRS). Since this rate fluctuates from year to year, the actual Interest Credits allocated to your account will vary from year to year. In addition, changes in applicable laws and regulations may result in changes to the interest rate used by the Plan. (Refer to the “Calculating Your Cash Balance Benefit” section on page 9.)

The Cash Balance Benefit is portable. This means, provided you are vested, you can choose to have your Cash Balance Benefit paid to you when you end employment with all companies in the Allstate Controlled Group, regardless of your age or years of service. If you end employment with a vested Cash Balance Benefit and don’t elect to receive your benefit at that time, your Cash Balance Account will continue to earn Interest Credits until your Payment Start Date.

Your benefit payable under the Cash Balance Benefit provisions of the Allstate Retirement Plan is based on the value of your Cash Balance Account at the time of distribution.

You can choose to receive your benefit as a lump sum payment or in any one of the annuity forms of payment that are available. (Refer to the “Forms of Payment Available” section on page 18.)

ELIGIBILITY AND PARTICIPATION

Who is Eligible

The Plan covers certain employees of Participating Employers. These Employees are:

- Regular Full-Time Employees who are scheduled to work a full work week; and
- Regular Part-Time Employees who are regularly scheduled to work less than a full work week, provided that they complete 1,000 or more hours of employment during their first year, or any later year of employment; and
- Beginning January 1, 2014, those persons who are classified as an Employee Agent by a Participating Employer (Life Specialists, R830/R1500 Employee Agents) except R3000 Employee Agents and those classified as agent trainees (e.g., R2762 Agent Trainees). Note: For purposes of Allstate’s Human Resource system, these eligible agents are known as Employee Subgroup Code 8 Regular Employee Agent Exempt or an Employee Subgroup Code 18 New York Financial Specialist Agent Exempt (formerly referred to collectively as Employee Type 30 Agent Full Time).

NOTE

Hours of employment include time for which the Employee is entitled to be paid, but does not actually work, such as Paid Time Off days taken, holidays, short term disability, jury duty and military duty.

A Participating Employer is a subsidiary or affiliated corporation of The Allstate Corporation that becomes a party to the Plan. A Participating Employer is also referred to in this SPD as “Allstate” or an “Employer.” The Participating Employers are Allstate Insurance Company and Allstate New Jersey Insurance Company.

The following are not eligible to participate in the Plan:

- Independent contractors, including those persons who are an Exclusive Agent Independent Contractor or an Exclusive Financial Specialist Independent Contractor, regardless of whether such individuals are classified as common law or statutory employees of an Employer for tax or any other purposes. Independent contractors are those persons who provide services to an Employer under a contract or understanding between the Employer (or another Allstate Controlled Group company) and the person or the leasing organization, pursuant to which the person performs services as an independent agent or contractor or in any other status that is not classified as an "Employee" by an Employer.
- Leased employees (those persons who are not classified as a Regular Full-Time or Regular Part-Time Employee of an Employer, but who will have provided services for an Employer under primary direction or control by an Employer on a substantially full-time basis for a period of at least one year, pursuant to an agreement between the Employer and any other person (a "leasing organization")).
- Employees classified as Agents by an Employer, who are: R3000 Employee Agents, and those classified as agent trainees (e.g., R2672 Agent Trainees).
- International employees, who are those persons employed by a Participating Employer whose permanent employment location is outside the United States, regardless whether such person is on temporary assignment within the United States, and those persons who are neither a citizen nor a resident of the United States, with the exception of those persons who are employed by a Participating Employer and working in the United States on a visa.
- Persons classified as full-time temporary employees, and part-time employees who are not classified as Regular Part-Time Employees, and other persons excluded from participation by another provision in the Plan or by an agreement with an Employer.

If a person is not eligible to participate in the Plan, a later change in the person's status will not retroactively change their status for Plan purposes.

When You Become a Participant

Participation automatically begins on the date you complete one year of Vesting Service (with 1,000 hours of employment if you are a part-time employee). In addition, you must be at least age 21 and be employed by a Participating Employer as an eligible Employee.

If you are under age 21 when your employment with Allstate begins, you become a Plan Participant when you reach age 21 and complete the above participation requirement. Your years of service prior to age 21 will count for purposes of meeting the participation requirements and for earning Vesting Service. (Refer to the "Vesting Service" section on page 6.)

Pay Credits and Interest Credits will begin after you become a Participant, but if you first become a Participant on or after January 1, 2014, and did not earn a benefit under the Agents Pension Plan, you will receive Pay Credits based on your Annual Compensation paid to you during the twelve months preceding the month you became a Participant and all additional months of Annual Compensation paid to you in the quarter you became a Participant.

ELIGIBILITY FOR THE CASH BALANCE BENEFIT

Persons Covered Under the Cash Balance Benefit

Eligible Employees covered under the Cash Balance Benefit provisions of the Plan are those who:

- Became employed by a Participating Employer after August 1, 2002 and were not classified prior to January 1, 2014 as an Employee Agent by a Participating Employer;
- Were employed on or before August 1, 2002 and were also employed on January 1, 2003, and were not classified prior to January 1, 2014 as an Employee Agent by a Participating Employer and either:

  (a) made a valid irrevocable election to earn benefits under the Cash Balance Benefit provisions of the Plan during the Pension Benefit Choice Period from August 1, 2002 to September 30, 2002, or

  (b) did not make a valid election during the Pension Benefit Choice Period. (The Pension Benefit Choice defaulted to the Cash Balance Benefit for Employees who did not make a valid election during the Choice Period.)
- *Beginning January 1, 2014:* were Eligible Employees of Participating Employers who prior to January 1, 2014 earned preserved December 31, 2013 Final Average Pay benefits (described in Appendix A); or
- *Beginning January 1, 2014:* are classified as an Employee Agent by a Participating Employer (Life Specialists, R830/R1500 Employee Agents) except R3000 Employee Agents and those classified as agent trainees (e.g., R2672 Agent Trainees).

NOTE
Special rules apply upon reemployment. (Refer to the "Special Rules for Participants Upon Reemployment" on page 10.)

VESTING SERVICE

Vesting Service is used to determine:

- whether you are vested in your Plan benefit;
- when you become a Participant; and
- the percentage of Pay Credits in calculating your Cash Balance Benefit. (Refer to the "Calculating Your Cash Balance Benefit" section on page 9.)

NOTE
You are vested in your Cash Balance Benefit after three years of service or upon reaching age 65.* **Before January 1, 2008 five years of service was required.*

Vesting Service includes all of your years of service as an Employee beginning on your employment hire date through your last day of employment. The one year of service prior to becoming a Regular Part-Time Employee is included as Vesting Service. Vesting Service also includes years of service under the Final Average Pay and Agents Pension Plan.

Employment with a company in the Allstate Controlled Group of companies that is not a Participating Employer in the Plan, or any period of time as a leased employee, may count for Vesting Service. Contact the Allstate Benefits Center at (888) 255-7772 for more information. Employment through June 30, 1995 with another company in the Sears Controlled Group may also be included as Vesting Service.

You are entitled to your earned retirement benefit, payable no later than your Normal Retirement Date, once you meet the Vesting Service requirement.

Breaks in Service

A break in service begins on the day after your employment ends with the Allstate Controlled Group of companies. After you retire or when your employment ends, your Vesting Service stops.

NOTE

Any period during which you work as an Exclusive Agent Independent Contractor or Exclusive Financial Specialist Independent Contractor is not included as service for any purpose, including Vesting Service under the Plan. Only time worked as an Allstate Employee is eligible to be included.

If you are reemployed and become eligible to participate in the Plan, your previous service will count toward satisfying your Vesting Service requirement, regardless of whether you received any retirement benefit payments for that earlier service.

If you are reemployed by an employer in the Allstate Controlled Group of companies in less than 12 months after your employment ends, you receive Vesting Service for all your previous service earned under this Plan, plus the time away, as if you had not left. If your break in service is 12 months or more, you do not receive any Vesting Service for the time you were away. Special rules will apply upon reemployment. (Refer to the “Special Rules for Participants Upon Reemployment” section on page 10.)

Leaves of Absence

Non-Military Leave of Absence

If you are on an unpaid leave of absence, you continue to earn Vesting Service under the Plan.

Only your actual eligible Annual Compensation is used to determine Pay Credits. So, if you are not paid compensation during a calendar quarter, your Cash Balance Account will not be allocated with Pay Credits. You will, however, continue to accrue Interest Credits on your account balance.

Military Leave of Absence and Special Military Duty

If your absence is covered by the Special Military Duty policy of your Employer or you are on an approved military leave of absence, as described in Employer human resource policy, you continue to accrue benefits and earn Vesting Service under the Plan in accordance with section 414(u) of the Code and the Uniformed Services Employment and Reemployment Rights Act.

Interest Credits will be added to your Cash Balance Account while on leave.

NOTE

While on a leave of absence, you might receive long term disability benefits from another plan. Your benefit under this Plan will not be reduced by any long term disability benefits you may receive from the other plan.

ANNUAL COMPENSATION

Your Annual Compensation is the amount of the eligible cash compensation paid to you by an Employer for services as an Employee in a calendar year. The percentage of Pay Credits added to your Cash Balance Account each calendar quarter is based on the portion of your Annual Compensation paid to you during that quarter. (Refer to the “Pay Credits” section on page 11.)

Annual Compensation includes:

- salary, overtime pay, and bonuses;
- pay for Paid Time Off (PTO) days taken;
- holiday pay;

- Employer payments for short term disability; and
- pre-tax Employee deposits or contributions to either the Allstate 401(k) Savings Plan or any other Employer-sponsored benefit plan or arrangement such as a qualified profit sharing or stock bonus plan maintained by an Employer, a Flexible Spending Account, or a Health Savings Account.

Annual Compensation excludes:

- prizes or awards (including awards for special merit or achievement);
- payments for PTO days earned but not taken;
- payments related to the cash-out of PTO days bought but not taken;
- service allowances and stay bonuses;
- wellness incentives and surgery bonus payments;
- lump sum and periodic payments paid upon termination or retirement including payments in accordance with any severance policy or plan maintained by the Employers;
- retainers;
- payments made in settlement of disputes (including amounts in lieu of wages or salary);
- dividends on shares of restricted stock and dividend equivalents on restricted stock units and performance stock awards;
- value of, or cash payments received pursuant to, or any other Allstate equity incentive plan award;
- stock received in settlement of restricted stock units;
- payments under any long-term compensation plans;
- moving or living expense reimbursements or payments;
- foreign allowances;
- any incremental increases or earnings and any distributions from deferred compensation plans;
- taxable fringe benefits including tax gross-up payments on fringe benefits;
- payments (including bonuses) for Plan Business (i.e., business which is placed through or reinsured with a plan, association or organization established pursuant to a statute or regulation or a cooperative plan of the insurance industry including but not limited to assigned risk business, California Earthquake Authority, facility business and flood business);
- involuntary insurance business (including business written under a Joint Underwriting Association or FAIR Plan, and business which is written by the Company and its subsidiaries pursuant to an order mandating depopulation of Plan Business);
- General Underwriters Agency, Inc. business;
- any business owned by an Agent;
- Workers Compensation payments;
- any amount paid after death, disability (except Employer payments for Short-Term Disability), termination, or retirement; and
- certain other types of compensation as excluded by the Administrative Committee.

IRS Limits on Annual Compensation

For purposes of determining your Cash Balance Benefit, eligible Annual Compensation is limited by Section 401(a)(17) of the Code. This maximum amount may be indexed each year. The maximum Annual Compensation for 2017 is $270,000.

CALCULATING YOUR CASH BALANCE BENEFIT

You will begin to earn a Cash Balance Benefit once you become a Participant in the Plan. Your Cash Balance Benefit is determined based on the amount in your account. Your Cash Balance Benefit will be based on:

- Your Opening Account Balance
- Pay Credits
- Interest Credits

Pay Credits and Interest Credits begin after you become a Participant, but starting January 1, 2014, they are caught up once you are eligible. See the “When You Become a Participant” section on page 5 for additional information.

Opening Account Balance

The amount of your Opening Account Balance is based on the date you first became a Participant in the Plan or the date you first began accruing benefits under the Cash Balance Benefit.

If You Are Eligible For a Preserved Final Average Pay Benefit

If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit, your opening account balance will be equal to $0. Note: Your total benefit under the Plan will be the sum of your Cash Balance Benefit plus your preserved December 31, 2013 Final Average Pay Benefit.

If You Are Eligible For a Preserved Agents Pension Plan Benefit

If you are eligible for a preserved December 31, 2013 Agents Pension Plan Benefit, your opening account balance will be equal to $0. Note: Your total benefit under the Plan will be the sum of your Cash Balance Benefit plus your preserved December 31, 2013 Agents Pension Plan Benefit.

If You First Became a Participant on or After January 1, 2003

If you first became a Plan Participant on or after January 1, 2003 (regardless whether you were hired before that date), you will have an Opening Account Balance equal to $0.

Special Rules for 2002 Pension Choice Period

If you first became a Plan Participant before January 1, 2003 and you have not yet commenced payment of your benefit from the Plan (e.g., required minimum distribution at age $70^1/_2$ or a small lump sum payment following a prior end of employment), then your Opening Account Balance was calculated for you if you were employed with a Participating Employer on January 1, 2003 and one of the following occurred:

- you elected the Cash Balance Benefit during the Choice Period between August 1, 2002 and September 30, 2002;
- your choice “defaulted” to the Cash Balance Benefit; or
- you were reemployed between August 2, 2002 and December 31, 2002.

Method for Calculating an Opening Account Balance

The method for calculating an Opening Account Balance for Plan Participants described above in the "Special Rules for 2002 Pension Choice Period" section and Plan Participants described in the "If Reemployed Prior to January 1, 2014" on page 11 is as follows:

The amount of your Opening Account Balance was calculated as the **Final Average Pay Benefit you had accrued under the Plan as of December 31, 2002,** payable at age 65 in the form of a Straight Life Annuity, converted to a lump sum present value using the following assumptions:

- your age, in complete years and months, as of January 1, 2003;
- a 6.25% interest rate for discounting;
- your life expectancy calculated according to the modified 1994 GAR Mortality Table (1994 modified Group Annuity Reserving Table prescribed by the IRS for use in converting annuities to lump sum payments on or after January 1, 2003) assuming no pre-retirement mortality; and
- your Final Average Pay Benefit would begin at the earliest possible date that unreduced benefits are payable, as explained in the following box.

NOTE: Your Cash Balance Opening Account Balance was calculated based on your accrued benefit under the Final Average Pay Benefit at December 31, 2002. If you earned a benefit prior to 1989, the Social Security offset was calculated based on estimated compensation earned from 1951 through 1988, as applicable.

CONVERSION OF FINAL AVERAGE PAY BENEFIT TO CASH BALANCE OPENING ACCOUNT BALANCE—EARLY PAYMENT REDUCTION ASSUMPTIONS

If you first became a Plan Participant after 1988, the earliest possible date that unreduced benefits are payable is at age 65. If you were a Plan Participant prior to 1989, your Final Average Pay Benefit consists of several components that are reduced at different ages between age 60 and age 65 as follows:

Your benefit earned prior to 1989 is fully payable at age 60 and will be reduced from that date.

Your Post-1988 Benefit is comprised of a Base Benefit and an Additional Benefit, if applicable.

Any Additional Benefit you may have earned is fully payable at age 65.

The Base Benefit is fully payable at the "Base" Retirement Age shown below.

Year of Birth	*"Base" Retirement Age*
Before 1942	60
1942 to 1944	61
1945 to 1947	62
1948 to 1950	63
1951 to 1953	64
After 1953	65

NOTE: Your Opening Account Balance is reduced by the lump sum actuarial equivalent of any portion of your benefit that has already been paid.

Special Rules for Participants Upon Reemployment

Participants Who Accrued a Final Average Pay Benefit Prior to Ending Employment

If Reemployed January 1, 2014 or Later

If Reemployed January 1, 2014 or later, your Plan benefit under the Final Average Pay Benefit will be preserved and you will accrue benefits under the Cash Balance Benefit provisions and your Opening Account Balance will be $0.

Note: Your total benefit under the Plan will be the sum of your Cash Balance Benefit plus your preserved December 31, 2013 Final Average Pay Benefit.

If Reemployed Prior to January 1, 2014

If Reemployed prior to January 1, 2014, your Plan benefit will be converted into a Cash Balance Opening Account Balance and you will accrue benefit under the Cash Balance Benefit provisions if:

- upon your reemployment date you have not yet begun to receive your Plan benefit, and you did not choose the Final Average Pay Benefit during the Choice Period; or
- your choice was invalid (e.g., because you were not employed on January 1, 2003).

This applied whether or not you were vested in your accrued Final Average Pay Benefit when you ended employment. The Opening Account Balance was determined as of the first of the month after your rehire date and was based on the assumptions described in the "Method for Calculating an Opening Account Balance" section on page 10, with the exception that your age will be determined in complete years and months, as of the date the opening balance is determined. (Refer to the "Pay Credits" section on page 11 and "Interest Credits" section on page 12).

Participants Who Accrued a Cash Balance Benefit Prior to Ending Employment

If at the time your employment ended you had a *vested Plan benefit*, and at the time of your reemployment you have not yet begun to receive your Plan benefit, then upon your rehire date you will once again be eligible to earn Pay Credits. Your Cash Balance Account will continue to be credited with Interest Credits as it had been during the time you were away from Allstate.

If at the time your employment ended you were *not vested in your Plan benefit*, then upon rehire your Cash Balance Account will be reinstated, and Interest Credits will be credited to your Cash Balance Account retroactively for the period you were away from Allstate. You will once again be eligible to earn Pay Credits.

Participants Who Received a Distribution of Their Plan Benefit Before Reemployment

If upon your reemployment date you have already received a distribution of your Plan benefit, then your Opening Account Balance will be $0 and you will begin to accrue a Cash Balance Benefit going forward. If you are receiving your Plan benefit in the form of an annuity, then your annuity payments will be suspended upon reemployment. Upon your later retirement (ending employment with all Allstate Controlled Group members), your annuity payments will resume (and be adjusted to reflect your continued employment) and you will receive your accrued Cash Balance Benefit at that time in the form of payment you select.

Pay Credits

Each calendar quarter that you are eligible to earn a Cash Balance Benefit, the Plan will allocate to your Cash Balance Account an amount equal to a percentage of your eligible Annual Compensation paid during that quarter. These allocations are called Pay Credits.

Pay Credits are determined based on your years of Vesting Service on the date the Pay Credits are added to the Cash Balance Account. When you reach the next Vesting Service level during a calendar quarter, the new Pay Credit percentage will apply to your eligible Annual Compensation paid during that quarter.

Here's the schedule for how Pay Credits are determined beginning January 1, 2014:

Your Years of Vesting Service at the End of Each Calendar Quarter	% of Eligible Annual Compensation Paid During the Calendar Quarter Allocated to Your Account at the End of Each Calendar Quarter
0 years but less than 5 years	3.0%
5 years but less than 15 years	4.0%
15 years or more	5.0%

A different schedule for Pay Credits was in effect prior to January 1, 2014. See "Appendix B: Previous Cash Balance Formula" on page 50 for additional information.

The Plan also provides for a specific increase in certain of the above Pay Credits when and as required under the law to prevent prohibited backloading.

Pay Credits will be allocated following the end of each quarter or your date of termination, whichever is earlier, in accordance with procedures adopted by the Administrative Committee. Employees who become Participants during a calendar quarter will receive Pay Credits for the entire quarter.

If you first become a participant on or after January 1, 2014, and have not earned a benefit under the Agents Pension Plan, your Pay Credits for your Eligible Service will be based on the Annual Compensation, if any, paid to you during the twelve months preceding the month in which you become a participant and all additional months of Annual Compensation paid in the quarter you become a participant.

You will no longer earn Pay Credits under the Cash Balance Benefit after you terminate employment with an Employer or while you are on an unpaid leave of absence, unless you are on military leave of absence.

Interest Credits

Interest Credits will be added to the balance in your Cash Balance Account daily but before the addition of any Pay Credits. The amount of Interest Credits is based on the applicable interest crediting rate used by the Plan, which is currently based on the Average 30-year Treasury Bond rate in effect for August preceding the Plan year as published by the IRS. Since this rate fluctuates from year to year, the actual Interest Credits allocated to your account will vary from year to year. In addition, changes in applicable laws and regulations may result in changes to the interest rate used by the Plan. (Refer to the “Calculating Your Cash Balance Benefit” section on page 9.)

Interest Credits are allocated to your Cash Balance Account on a daily basis at a rate which, when compounded daily, will produce an annual yield equal to the interest rate described above.

You will also earn Interest Credits if you are on a leave of absence. If you end employment with a vested Cash Balance Benefit, and don’t elect to receive your benefit at that time, your Cash Balance account will continue to earn Interest Credits until the day prior to your Payment Start Date. (Refer to the “Payment Start Date for Cash Balance Benefit” section on page 13.)

DECEMBER 31, 2002 FINAL AVERAGE PAY PROTECTED BENEFIT

If you previously accrued a benefit under the Final Average Pay Benefit formula of the Plan on or before December 31, 2002, and your Final Average Pay Benefit was converted to an Opening Account Balance (as described under “Method for Calculating an Opening Account Balance” on page 10), there are certain circumstances under which the value of your Cash Balance Benefit could be less than the value of your protected (December 31, 2002) Final Average Pay Benefit for a limited period of time. This could occur because the methodology used to calculate the Cash Balance Opening Account and the methodology used to calculate lump sum payments under the Final Average Pay Benefit are different. The application of these methodologies to your individual circumstances (including your age and when you became a Participant) will produce different values at the date we converted your protected Final Average Pay Benefit to an Opening Account Balance. Future lump sum interest rates as well as any applicable retirement subsidies in the Final Average Pay Benefit approach may also produce a wear-away period.

WHEN YOUR CASH BALANCE BENEFIT IS PAYABLE

Payment Start Date for Cash Balance Benefit

If you are vested when your employment ends with all employers in the Allstate Controlled Group of companies, you must choose the date your benefit payments will start. The date you choose is called your Payment Start Date. It is used to determine the amount of your benefit, taking into account certain factors such as your age, as well as the optional form of payment you choose. The amount of your Cash Balance Account payable to you will be determined as of your Payment Start Date (i.e., no Interest Credits will be added beyond your Payment Start Date). It is also used to determine the applicable interest rate that will be used to calculate the optional annuity forms of payment under the Plan. (See the "Forms of Payment Available" on page 18.) A Payment Start Date is always the first day of the month you choose.

Note: If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit, you may also be eligible to choose a Payment Start Date for that benefit. In Appendix A, see "Early Retirement Benefit" on page 37 if you became a participant **before** 1989 or "Early Retirement Benefit" on page 41 if you became a participant on or after 1989.

Portability

Your Cash Balance Account is payable to you after you end employment. If you do not choose to have your benefit paid to you at that time, you may be eligible for a deferred vested benefit or a death benefit as explained below.

Deferred Vested Cash Balance Benefit

You will become a deferred vested Participant and will receive your benefit at age 65, if you are vested when you end employment with the Allstate Controlled Group of companies and do not elect a Payment Start Date at that time. You may choose a Payment Start Date for your deferred vested benefit at any time prior to, but not after, the first day of the month following the date you reach age 65. Your account will continue to grow with Interest Credits until you elect to receive your benefit.

Note: If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit, you may also be eligible to choose a Payment Start Date for that benefit. In Appendix A, see "If You Leave Before Retirement – Preserved December 31, 2013 Final Average Pay Benefit" on page 44.

Death Benefit

If you die, a death benefit may be payable to your spouse or other designated beneficiary. (Refer to the "Cash Balance Death Benefit" on page 20.)

NOTE

If you previously accrued a benefit under the Final Average Pay formula of the Plan on or before December 31, 2002 and your Final Average Pay benefit was converted to an Opening Account Balance (as described in "Method for Calculating an Opening Account Balance" on page 10), the benefit amount actually paid to you, or your surviving beneficiary in the event of your death, after you end employment will be the value of your Cash Balance Account or the value of your protected December 31, 2002 Final Average Pay accrued benefit, whichever is larger. This means that you will be entitled to receive a benefit of at least equal value to your Straight Life Annuity benefit accrued as of December 31, 2002. Also, this may result in "wear-away" until the value of your Cash Balance Account surpasses the value of your protected December 31, 2002 accrued benefit.

Normal Retirement

If you retire on your Normal Retirement Date, which is the last day of the month in which you reach age 65, your Payment Start Date is the first of the month following the date you reach age 65.

Working After Age 65

You can continue working and earning Vesting Service, Pay Credits, and Interest Credits after you reach age 65, which is your Normal Retirement age for purposes of the Plan. Under the terms of the Plan, your benefit will not begin until you actually end employment or until you reach age $70^{1}/_{2}$ as described below, whichever is earlier. If you choose to work past age 65, the Plan will automatically send you a notice explaining how working past your Normal Retirement age affects your retirement benefit under the Plan.

Working After Age $70^{1}/_{2}$

The Plan requires that your Cash Balance Benefit (and any Preserved Final Average Pay Benefit) payments begin no later than the April 1 following the year in which you reach age $70^{1}/_{2}$, even if you continue to work beyond that age. At that time, you will select the form of payment in which to receive your benefit. Each subsequent Plan year, during which you receive Pay Credits and Interest Credits, you will receive an additional distribution (in the form of payment you originally selected). Following each distribution, your Cash Balance Account will start again at $0. Should you die while employed with Allstate, your death benefit will be reduced by any required payments previously made to you as a result of reaching age $70^{1}/_{2}$.

Immediate Payment of Small Benefits

If you terminate employment with the Allstate Controlled Group of companies and your vested lump sum Cash Balance Benefit is $5,000 or less, you will automatically receive the lump sum within three to four months following your last day of employment.

- You can choose to receive the lump sum payment directly, or
- You can choose to roll it over to a retirement plan or account of your choosing.

If you do not make a choice and your vested lump sum Cash Balance Benefit is $1,000 or less, it will be paid to you directly.

If you do not make a choice and your vested lump sum Cash Balance Benefit exceeds $1,000 but does not exceed $5,000, it will be paid in a direct rollover to an individual retirement account with Millennium Trust Company, LLC (“Millennium”). The rollover funds will initially be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity (e.g., a Federal Deposit Insurance Corporation insured interest-bearing bank demand account). Millennium will charge your account for any expenses associated with the establishment and maintenance of the individual retirement account and with the individual retirement account investments. You may transfer the individual retirement account funds, at any time, to any other individual retirement account you choose. Additional details about the account will be found in your Millennium welcome packet, which will arrive within weeks of the distribution. Contact the Allstate Benefits Center at (888) 255-7772 for further information regarding the automatic rollover provisions, Millennium, and the fees and expenses associated with the individual retirement account. This will be the only distribution from the Plan.

If the lump sum Cash Balance Benefit is payable to your surviving spouse or other designated beneficiary (including an Alternate Payee under a Qualified Domestic Relations Order) and is $5,000 or less, he or she will receive the lump sum within three to four months following the Payment Start Date.

The Plan was amended effective August 28, 2014, to provide for immediate payment of vested lump sum Cash Balance Benefits greater than $1,000 but not greater than $5,000 to participants who terminated employment after June 30, 2014. Participants whose employment terminated prior to July 1, 2014, whose vested Cash Balance Benefit was greater than $1,000 but not greater than $5,000 as of December 1, 2014, received an automatic lump sum payment in December 2014. Participants who were eligible for the immediate payment of their vested lump sum benefits were notified in writing.

HOW TO ACCESS YOUR BENEFIT INFORMATION

Pension Benefit Estimates

Pension benefit estimates are available on the *Your Benefits Resources*™ website (YBR) to all Participants up to age 70.

You can model the impact of salary increases, interest rate changes, and your assumed last day of employment to assist you with your retirement planning needs. There are two ways you can request a personalized projected pension benefit estimate, based on assumptions you choose:

- Access the *Your Benefits Resources*™ website (YBR) at http://resources.hewitt.com/allstate. Click on the "Savings & Retirement" tab at the top of the screen. Then click on the "Pension" tab near the top of the screen. Then from the drop down menu, click on "Project Your Retirement Income" to model different scenarios and compare up to three benefit estimates online, side-by-side. You can request unlimited pension benefit estimates via the website. You can retain up to 12 estimates online for future viewing and print out a copy of your estimate; or
- Call the Allstate Benefits Center at (888) 255-7772. From the main menu, select the "Retirement and Investments" option, and then select the "Pension" option. You will be connected with an Allstate Benefits Center representative who can assist you with your request.

  As you make your request, you will be asked to provide the following information:

  - Assumed last day of employment.
  - Assumed date you begin receiving benefits (i.e., your "Payment Start Date for Cash Balance Benefit" as described on page 13).
  - Your pension beneficiary relationship.
  - Your pension beneficiary's birth date. (Note, if you are married, enter your spouse's birth date.)
  - Interest rate adjustment to the current rate (you can select an interest rate adjustment of -1% to +3%). This rate is used for determining Interest Credits and to convert your Cash Balance Account to a Straight Life Annuity. (Refer to the "Interest Credits" section on page 12 and "Forms of Payment Available" section on page 18.) If you do not enter an interest rate, the current year interest rate will be used in your estimate even though that rate may not apply at the Payment Start Date selected. Currently, relative to historical measures, we are in a low interest rate environment that may or may not continue into the future. As interest rates fluctuate, the value of your annuity benefit is affected. No one can accurately predict how interest rates will vary in the future; therefore, you should model various annuity interest rate scenarios for your Cash Balance Benefit.
  - If you have a preserved Final Average Pay Benefit, you can also make an interest rate adjustment to the current rate (you can select an interest rate adjustment of -1% to +3%). This rate is used to convert your Straight Life Annuity to a Lump Sum. (Refer to "Lump Sum Payment of Final Average Pay Benefit" on page 48.) If you do not enter an interest rate, the current year interest rate will be used in your estimate, even though that rate may not apply at the Payment Start Date selected. Currently, relative to historical measures, we are in a low interest rate environment that may or may not continue into the future. As interest rates fluctuate, the value of your lump sum benefit is affected. No one can accurately predict how interest rates will vary in the future; therefore, you should model various lump sum interest rate scenarios for your preserved Final Average Pay Benefit.
  - Current annual pay (i.e., pension eligible Annual Compensation) and future annual pay increase percentage assumption, (0% – 15%), if applicable.
  - Allstate Incentive Plan (AIP) eligible participants can choose a target bonus percentage of 0% to 200%. If you are not a participant in the AIP, you should leave the percentage at 0%.

Note: If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit, then your benefit estimate may display both a Cash Balance Benefit and a separate preserved December 31, 2013 Final Average Pay Benefit. In Appendix A, see "If You Leave Before Retirement – Preserved December 31, 2013 Final Average Pay Benefit" on page 44 for additional Final Average Pay Benefit information.

NOTE

The projected benefit estimate you receive will be based on personal assumptions you choose. The projected benefit amounts and payment options provided in response to your request are only estimates. Because estimated compensation factors, length of service, beneficiary information, interest rate assumptions and federal limits are used, the assumptions used and the projected Plan benefits will differ from the benefit you actually receive on your Payment Start Date. All estimates are subject to any future changes to, or termination of, the Plan, including discretionary changes and those required by applicable laws and regulations.

While every effort has been made to insure the accuracy of the information provided, the Plan reserves the right to correct any errors. Specifically, if the projected benefit estimate conflicts with the benefit defined by the Plan, the Plan will prevail. ERISA requires that a plan be operated in accordance with its written terms.

Your Benefits Resources™ is a trademark of Hewitt Associates LLC.

Pension Benefit Statement

You can access your accrued pension benefit amount (stated as your Cash Balance Account) or information on the date you vest in the Plan benefit on YBR at http://resources.hewitt.com/allstate or by calling the Allstate Benefits Center at (888) 255-7772.

You may request and obtain a paper version of your pension benefit statement information once every two months, free of charge, by calling the Allstate Benefits Center at (888) 255-7772.

Note: If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit, then your benefit estimate may display both a Cash Balance Benefit and a separate preserved December 31, 2013 Final Average Pay Benefit. In Appendix A, see "If You Leave Before Retirement – Preserved December 31, 2013 Final Average Pay Benefit" on page 44 for additional Final Average Pay Benefit information.

HOW TO COMMENCE PAYMENT OF YOUR CASH BALANCE BENEFIT

If you are vested when your employment ends with all employers in the Allstate Controlled Group of companies, and you want to begin payment of your pension benefit, you must notify the Allstate Benefits Center at least seven days prior to the Payment Start Date you choose, but no earlier than 90 days before that Payment Start Date. To avoid delaying payment of your benefit, you should contact the Allstate Benefits Center at least 60 days prior to the Payment Start Date you select and have your properly completed paperwork returned no less than 30 days prior to your Payment Start Date.

A Payment Start Date is always the first day of the month. You must commence payment of your pension benefit no later than the Payment Start Date that would occur on the first day of the month following the date you reach age 65. If you are approaching payment of your benefit at age 65, you must contact the Allstate Benefits Center at least seven days prior to your Payment Start Date.

You can notify the Allstate Benefits Center via YBR at http://resources.hewitt.com/allstate or by calling (888) 255-7772 to speak with a representative. Representatives are available from 8:00 a.m. until 6:00 p.m. Central time, Monday through Friday.

Initiating Your Payment Via *Your Benefits Resources*

- Click on the "Savings & Retirement" tab at the top of the screen. Then click on the "Pension" tab near the top of the screen. Then from the drop down menu, click on "Retire."
- From the "Retire" page, click on "Make Pension Choices." Then click on the green box "Make Pension Choices" to begin the payment process for your pension benefit. You will review the required information about the forms of payment available to you, and you must select your form of payment at this time.

- You will choose how to receive your retirement information. You can review the information online or receive a paper or an electronic copy. The Plan is required to provide you with this information in writing so that you and your spouse, if you are married, have at least 30 days to consider the form of payment for distribution of your benefit. You can elect to waive this 30-day period.
- After choosing your form of payment, you will receive the Pension Election Authorization Form confirming your election. If you are single this form can be signed electronically during YBR payment processing. If you are married, your spouse may be required to give written and notarized consent on the Pension Election Authorization Form to your choice of distribution. You and your spouse, if you are married, must complete and return the Pension Election Authorization Form to the Allstate Benefits Center to complete the process for initiating payment of your benefit.

Initiating Your Payment Via Telephone Call to the Allstate Benefits Center

- Call the Allstate Benefits Center at (888) 255-7772. From the main menu, select the “Retirement and Investments” option, and then select the “Initiate Retirement” option. You will be connected with an Allstate Benefits Center representative who can assist you with your request. As you make your request, you will be asked to provide the following information:
    - Assumed last day of employment.
    - Assumed date you begin receiving benefits (i.e., your “Payment Start Date for Cash Balance Benefit” as described on page 13).
    - Your pension beneficiary relationship.
    - Your pension beneficiary’s birth date. (Note, if you are married, enter your spouse’s birth date.)
- A packet of information will be mailed to your home about your pension benefit and the forms of payment available. The Plan is required to provide you with this information in writing so that you and your spouse, if you are married, have at least 30 days to consider the form of payment for distribution of your benefit. You can elect to waive this 30-day period.
- Call the Allstate Benefits Center and inform them of the form of payment you and your spouse, if you are married, have selected.
- Shortly thereafter the Pension Election Authorization Form confirming your election will be mailed to you. If you are married, your spouse may be required to give written and notarized consent on the Pension Election Authorization Form to your choice of distribution. You and your spouse, if you are married, must complete and return the Pension Election Authorization Form to the Allstate Benefits Center to complete the process for initiating payment of your benefit.

To avoid delaying payment of your benefit, the properly completed form should be returned to the Allstate Benefits Center at least 30 days before your Payment Start Date.

Your pension benefit will not be paid prior to the Payment Start Date you have chosen, and will not be paid before you have an opportunity to review the required information for at least 30 days (unless you have waived the 30-day period). If the properly completed Pension Election Authorization Form is not returned to the Allstate Benefits Center by the later of your Payment Start Date or 60 days from the date you requested commencement of your pension benefit (and your Payment Start Date is prior to age 65), you will need to contact the Allstate Benefits Center to establish a new Payment Start Date and complete new paperwork.

Payment of your pension benefit will be made on or as soon as administratively possible following your Payment Start Date. Payments are typically made within two to three weeks of the Payment Start Date for those participants who return properly completed paperwork at least 30 days prior to their Payment Start Date.

Note: If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit, see “Commencement of Your Preserved December 31, 2013 Final Average Pay Benefit” on page 47 in Appendix A.

FORMS OF PAYMENT AVAILABLE

Your benefit will be paid in one of the forms of payment described below. You have the option of electing the form which best meets your individual needs and preferences. If you are eligible to receive both a Cash Balance Benefit and a Final Average Pay Benefit, you may elect separate forms of payment for each benefit.

You may cancel your election or make a new election through the last business day before your payment is issued. A new election may require your spouse's written and notarized consent. However, after you receive your first pension payment, your election and your spouse's consent to your election and your choice of beneficiary(ies), if applicable, are irrevocable and the form of payment cannot be changed.

Normal Forms of Payment

If you do not elect a form of payment, your benefit will be paid in the Plan's normal form of payment, as follows:

- If you are single, you will receive a Straight Life Annuity.
- If you are married, you will receive a 50% Joint and Survivor Annuity for you and your spouse.

Conversion of Cash Balance Benefit to Straight Life Annuity

If you select a Straight Life Annuity, the amount of your benefit will be determined by converting your Cash Balance Benefit to a Straight Life Annuity using the Plan's actuarial methods and assumptions. If you select any other annuity form of payment, your Cash Balance Account is first converted to a Straight Life Annuity using the Plan's actuarial methods and assumptions, and is then converted to the optional annuity form of payment you selected.

The Plan's method used to convert your Cash Balance Benefit account to a Straight Life Annuity will be calculated using a factor based on the applicable interest rate and mortality table under Section 417(e) of the Code.

The Pension Protection Act ("PPA") of 2006 changed the interest rate used from the 30-year Treasury Bond Rate to a corporate bond segmented yield curve. The corporate bond segmented yield curve applies to the calculation of the benefit in three different segments with an interest rate established for each segment. There is no longer a single interest rate used.

The first segment rate is used to value annuity payments within the first five years; the second segment rate is used to value annuity payments in the next 15 years; and the third segment rate is used to value annuity payments after 20 years. For Payment Start Dates in a calendar year the Plan will use the applicable average August segmented yield curve, from the prior year as published by the IRS. The PPA also requires the combined static Pension Protection Act funding mortality table with a blend of 50% males and 50% females, (as published annually by the IRS) be used.

Since the interest rate will fluctuate from year to year and the mortality table may change over time, the factors will fluctuate from year to year. In addition, changes in applicable laws and regulations may result in changes to the interest rates and mortality table used by the Plan.

Straight Life Annuity

This is the normal payment form if you are single, unless you elect otherwise. This option provides a monthly benefit as long as you live. However, all benefit payments stop when you die. If you are married and your spouse lives after your death, he or she receives no payments. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

50% Joint and Survivor Annuity

This is the normal payment form if you are married, unless you elect otherwise and your spouse consents. This option provides a monthly benefit as long as you live. If your spouse survives you, your spouse will receive monthly payments of 50% of the amount you had been receiving. If you survive your spouse, the amount you had been receiving remains the same. The monthly amount payable to you during your lifetime is less than the amount you would receive under the Straight Life Annuity. The reduction is because of the added cost of covering two lives. The amount of the reduction depends upon the age of both you and your spouse when you begin to receive your benefit.

Optional Forms of Payment

In addition to the normal forms of payment, you may choose one of the following optional forms of payment.

Life and 10-Year Certain Annuity

This option provides a monthly benefit as long as you live. If your death occurs before you receive payments for 10 years (120 monthly payments), the person(s) you name as primary beneficiary receives payments for the remainder of the 10-year period. If you and one or more of your primary beneficiaries dies before 120 monthly payments are made, the remainder of the deceased beneficiary's 120 monthly payments is divided equally among your remaining primary beneficiaries. If you and all of your primary beneficiaries die before 120 monthly payments are made, the person(s) you name as contingent beneficiary receives payments for the remainder of the period. If one or more of your contingent beneficiaries die, the remainder of the deceased beneficiary's 120 monthly payments is divided equally among your remaining contingent beneficiaries.

In lieu of receiving payments for the remainder of the 10-year period, beneficiaries may convert the remaining payments into an equivalent lump sum payment. If you die and all of your named primary and contingent beneficiaries who subsequently began receiving benefit payments die before 120 monthly payments are made, the estate of the last living beneficiary receives a single lump-sum payment (based on the value of the remaining payments). If all of your named primary and contingent beneficiaries die and you subsequently die before 120 monthly payments are made, your estate receives a single lump-sum payment (based on the value of the remaining payments). If you die after you receive 120 monthly payments, no further benefits are payable to any beneficiary.

The monthly amount payable to you during your lifetime is less than the amount you receive under the Straight Life Annuity. The reduction is because of the guaranteed 120 monthly payments. The size of the reduction depends on your age when you begin to receive your benefit. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

50% Contingent Annuity

This option provides a monthly benefit as long as you live. If your spouse survives you, your spouse will receive monthly payments of 50% of the amount you had been receiving. If you survive your spouse, you also will receive monthly payments of 50% of the amount you had been receiving. The monthly amount payable to you during your lifetime depends upon the age of both you and your spouse when you begin to receive your benefit. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

75% Joint and Survivor Annuity

This option provides a monthly benefit as long as you live. If your spouse survives you, your spouse will receive monthly payments of 75% of the amount you had been receiving. If you survive your spouse, the amount you had been receiving remains the same. The monthly amount payable to you during your lifetime is less than the amount you would receive under the Straight Life Annuity. The reduction is because of the added cost of covering two lives. The amount of the reduction depends upon the age of both you and your spouse when you begin to receive your benefit. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

100% Joint and Survivor Annuity

This option provides a monthly benefit as long as you live. If you or your spouse dies, monthly benefits of 100% of the amount you receive will be payable to you or your spouse for as long as you or your spouse lives. The monthly amount payable to you during your lifetime is less than the amount you would receive under the Straight Life Annuity. The reduction is because of the added cost of covering two lives. The amount of the reduction depends upon the age of both you and your spouse when you begin to receive your benefit. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

10-Year Certain and 50% Joint and Survivor Annuity

This option provides a monthly benefit as long as you live. In addition, if your death occurs before you receive payments for 10 years (120 monthly payments), your spouse receives the same monthly payment for the remainder of the 10-year period. If your spouse lives beyond the 10-year period, he or she receives 50% of the amount you received on a monthly basis for his or her lifetime. If your death occurs after you receive 120 payments, your spouse receives 50% of the monthly amount you received for his or her lifetime.

The Plan pays benefits as described below in the following situations:

- If you and your spouse die before receiving 120 monthly payments, the person(s) you name as primary beneficiary receives payments for the remainder of the 10-year period or may convert the remaining payments into an equivalent lump sum payment.
- If you, your spouse, and one or more of your primary beneficiaries die before 120 monthly payments are made, the remainder of the deceased beneficiary's 120 guaranteed monthly payments is divided equally among your remaining primary beneficiaries.
- If you, your spouse and all of your primary beneficiaries die before 120 monthly payments are made, the person(s) you name as contingent beneficiary receives payments for the remainder of the period.
- If one or more of your contingent beneficiaries die, the remainder of the deceased beneficiary's 120 monthly payments is divided equally among your remaining contingent beneficiaries.
- If you die and your spouse dies and all of your primary and contingent beneficiaries who subsequently began receiving benefit payments die before 120 monthly payments are made, the estate of the last living beneficiary receives a single lump sum payment (based on the value of the remaining payments).
- If your spouse and all of your named primary and contingent beneficiaries die and you subsequently die before 120 monthly payments are made, your estate receives a single lump-sum payment (based on the value of the remaining payments).

The monthly amount payable to you during your lifetime is less than the amount you receive under the Straight Life Annuity. The reduction is because of the guaranteed 120 monthly payments and the added cost of covering two lives. The amount of the reduction depends upon the age of both you and your spouse when you begin to receive your benefit. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

Lump Sum Payment of Cash Balance Benefit

If you are single when you commence your benefit, or married and your spouse provides notarized consent, you can receive your pension benefit in a Lump Sum Payment. A Lump Sum Payment is a single payment of your entire Cash Balance Account.

If you choose the Lump Sum Payment option, neither you, your spouse, nor any other previously named beneficiary will receive any further payments from the Plan.

CASH BALANCE DEATH BENEFIT

When you die, a benefit may be paid to your spouse (the spouse you are married to at the time of death) or another designated beneficiary, as described below:

- If you are an active Employee participating in the Plan, the death benefit will be equal to 100% of your Cash Balance Account. The optional forms of payment available under the Plan to your spouse or designated beneficiary will be based on your spouse or other designated beneficiary's age at the Payment Start Date. You do not have to be vested in the Plan to be eligible for a death benefit. Your death benefit will be reduced by any required payments made to you as a result of reaching age $70^1/_2$.

- If you die as a terminated deferred vested Participant, a death benefit will be payable to your spouse or other designated beneficiary. In this event, your beneficiary will receive a benefit equal to 100% of your Cash Balance Account value when your death benefit is paid. The optional forms of payment available under the Plan to your spouse or designated beneficiary will be based on your spouse or other designated beneficiary's age at the Payment Start Date.
- If you die after benefit payment begins, the benefit payable to your spouse and/or beneficiary depends on the optional form of payment you had chosen at your Payment Start Date. (Refer to the "Payment Start Date for Cash Balance Benefit" section on page 13.) If you received your pension as a Lump Sum Payment or a Straight Life Annuity, there is no benefit payable to your spouse and/or beneficiary.

NOTE
If your Final Average Pay Benefit was converted to a Cash Balance Benefit before January 1, 2014, the amount payable to your spouse or other beneficiary will never be less than the value of your December 31, 2002 Final Average Pay accrued benefit converted to a lump sum death benefit at the Payment Start Date.

If the value of your Cash Balance Account is more than $5,000 and is payable to your spouse or other beneficiary, payment will be made in the form of a Lump Sum Payment, Straight Life Annuity, or a Life and 10-Year Certain Annuity. If the death benefit is payable to your spouse, your spouse may choose any Payment Start Date prior to your Normal Retirement Date once all events which entitle your spouse to receive the benefit have occurred. Payment of a death benefit to a trustee designated as beneficiary will be made in a Lump Sum Payment. If the death benefit is payable to a person other than your spouse or to a trustee, the Payment Start Date is the first day of the month after all events which entitle your beneficiary to receive the benefit have occurred.

Note: If you are eligible for a preserved December 31, 2013 Final Average Pay Benefit or were entitled to a deferred vested Final Average Pay Benefit, then your spouse or designated beneficiary may also be eligible to commence a Final Average Pay death benefit. In Appendix A, see "Death Benefit" on page 44 for additional information.

CHOOSING YOUR BENEFICIARIES

One beneficiary designation will apply to all benefits payable under the Allstate Retirement Plan including Cash Balance and Final Average Pay Benefits.

You may designate, in writing on the Plan's Beneficiary Authorization Form, one or more beneficiaries to receive a benefit that may be payable to you, if you die before commencing payment of your pension benefit. You may designate any person or persons, including a trustee or other legal representative (acting in a fiduciary capacity) as your beneficiary.

You may choose one or more primary beneficiaries. You may also choose one or more contingent beneficiaries. Your living primary beneficiary will be eligible to receive your Plan benefit upon your death. Your living contingent beneficiary is eligible only if no primary beneficiary is living at your death.

IMPORTANT
If you are married, your spouse must be your only primary beneficiary until the first day of the calendar year in which you attain age 35.

If you are married at the time of your death and you have not commenced payment of your Plan benefit, your benefit will be paid to your surviving spouse unless you have designated another beneficiary and your spouse has given written notarized consent to the designation on the Beneficiary Authorization Form. Your spouse cannot revoke his or her consent to your beneficiary designation unless you file with the Plan a new Beneficiary Authorization Form, with spousal consent if required, provided you have not yet commenced payment of your Plan benefit.

If you marry after you have filed a Beneficiary Authorization Form with the Plan, your marriage will automatically invalidate that Beneficiary Authorization Form if the Plan receives notice of the marriage prior to your benefit being paid. It will be necessary to file a new Beneficiary Authorization Form, with spousal consent, if required, to have a valid beneficiary designation on file with the Plan.

Your Plan benefit will be distributed among your beneficiaries as you have directed on the Beneficiary Authorization Form.

To designate or change your beneficiary, log on to *Your Benefits Resources*™ at http://resources.hewitt.com/allstate.

- Click on the "Savings & Retirement" tab at the top of the screen. Then click on the "Pension" tab near the top of the screen. Then from the Pension drop down menu, click on "Beneficiaries" to show current beneficiaries and choose new beneficiaries.

You may, if you don't have Internet access, call the Allstate Benefits Center at (888) 255-7772 to speak to a representative to designate or change your beneficiary. You will need to provide the following information for each beneficiary:

- Name
- Social Security Number
- Birth date
- Gender
- Relationship to you
- Address
- Portion of the benefit to be paid to each beneficiary

In order for your beneficiary designation to be valid:

- you must certify your marital status and date of birth on the form by signing and dating the form;
- if you are married and choose anyone other than your spouse as a primary beneficiary, your spouse must also sign and date the form and your spouse's signature must be witnessed by a notary public;
- you must sign and date the Beneficiary Authorization Form **[NOTE: Please do not mark or change the form since any written changes to the form will not be effective. If you want to change your designations in any way you will need to start the process over in order for your new designations to be effective]**; and
- the Allstate Benefits Center must receive the Beneficiary Authorization Form by the deadline printed on the form (90 days from the date your submit your request).

You should check *Your Benefits Resources* to ensure your beneficiary designation has been recorded correctly.

IMPORTANT
*Once you log on to Your Benefits Resources, you will enter your beneficiary designation information and submit your request. A printed Beneficiary Authorization Form will be sent to you. Once you receive your Beneficiary Authorization Form, you should review it to make certain that your beneficiary designation is stated accurately on the form. After you have determined that the designation is accurate, **follow the instructions on the form carefully**.*

Your beneficiary designation *will not be valid* if:

- the Beneficiary Authorization Form is not properly signed and dated, with notarized spousal consent, if applicable; or
- the Beneficiary Authorization Form is received by the Allstate Benefits Center after the deadline printed on the form (90 days from the date you submit your request).

Your new valid Beneficiary Authorization Form will be effective only when the form is received by the Plan while you are alive, and will cancel all previous beneficiary designations you have made.

If you die without a valid designated beneficiary, the death benefit will be paid in the following order:

- to your spouse; or, if no surviving spouse,
- to your estate; or, if no estate, then
- according to Illinois laws of descent and distribution.

Your beneficiary may disclaim all or any portion of your Plan benefit provided that the disclaimer meets the requirements for a qualified disclaimer under the Internal Revenue Code and any applicable state law, is in writing in a form acceptable to the Plan and is executed before receiving the benefit. A disclaimer is a voluntary waiver. The person who disclaims is treated as having predeceased the participant in the Plan. If there is no other designated primary or contingent beneficiary(ies) on the Beneficiary Authorization Form in effect at the time of your death, your Plan benefit will be paid as described above.

CONTROLLED GROUP TRANSFERS

If you transfer to another company in the Allstate Controlled Group of companies that is not a Participating Employer in this Plan, your Pay Credits will cease. If you are vested, Interest Credits will continue to be applied to your Cash Balance Account while you are employed with a non-Participating Employer. You also may receive Vesting Service for your employment with a non-Participating Employer while in the Allstate Controlled Group of companies. You cannot select a Payment Start Date and you may not receive a benefit from the Plan during the time you are employed by any employer in the Allstate Controlled Group of companies.

If you transfer from another company in the Allstate Controlled Group of companies that is not a Participating Employer, your service with the non-Participating Employer may count for Vesting Service in this Plan. (Refer to the “Vesting Service” section on page 6.) You will receive Vesting Service for periods of eligible service before June 30, 1995 with a company in the Sears Controlled Group.

TRANSFERS TO AND FROM AGENT STATUS

If you become an Allstate eligible Employee Agent, your participation in the Allstate Retirement Plan continues.

If you stop being an Allstate Employee Agent and become an eligible (non-agent) Employee, your participation in the Allstate Retirement Plan may continue.

If you convert to Exclusive Agent Independent Contractor or Exclusive Financial Specialist Independent Contractor status, your participation and your Vesting Service in the Allstate Retirement Plan stops. If you are vested at the time of your conversion, refer to the “When Your Cash Balance Benefit Is Payable” section on page 13.

YOUR ERISA RIGHTS

As a participant in the Allstate Retirement Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator’s office and at other specified locations such as worksites, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, copies of the latest annual report (Form 5500 Series), and an updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the plan’s annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve months. The plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your Employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file a suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

PLAN AMENDMENT AND TERMINATION

The Allstate Corporation reserves the right, by action of the Pension Committee, to amend the Plan at any time and for any reason. The Allstate Corporation may terminate the Plan at any time and for any reason by action of its Board of Directors. If the Plan is ever terminated, you would stop earning benefits and become fully vested in all benefits you had earned up to the time the Plan ended, regardless of your service.

Money in the trust fund, to the extent possible, would be used to provide the benefits due according to the priority required by law. If the Plan is ever terminated, the trust fund will be used to provide the benefits for which each person (including active and retired Participants, and beneficiaries) is entitled.

If the assets of the Plan are not sufficient to do this, payment will be made in the following order:

- retirees and survivors receiving benefits and Employees entitled to later or deferred vested benefits;
- former Employees entitled to a deferred vested benefit;
- all other active Employees with an accrued benefit not yet vested; then
- any other benefits.

No assets could be returned to any Participating Employer unless funds for all earned benefits had been fully provided. Benefits may be paid as soon as the Plan termination has been approved by government agencies, or payment could be deferred to a later time. The Administrative Committee, with government approval if applicable, will determine when benefits are to be paid.

Benefit Protection

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

- The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.
- The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the time the plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

THE CLAIM REVIEW PROCEDURE

If you or your beneficiary files a Claim for Benefits, your claim must be in writing and filed with the Secretary of the Administrative Committee as the Plan Administrator. Within 90 days after receiving your claim, the Administrative Committee will either approve or deny the claim and notify you in writing of the decision. If your claim is denied, the notice will include specific reasons for the denial and references to the Plan provisions on which the denial is based. The notice will also include an explanation of the Plan's appeal procedures including time limits for consideration of an appeal, a description of any additional materials or information necessary to review your claim, as well as an explanation of why such additional information is necessary and a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial on review.

If special circumstances arise which require an extension of time for processing your claim, written notice will be given to you before the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render its final decision. In no event will the extension period exceed a period of 90 days from the initial 90-day period. If notice of the denial of a claim is not furnished within the 90- or 180-day period, you will be deemed to have satisfied all administrative procedures and may bring a civil action under Section 502(a) of ERISA.

You or your duly authorized representative have 60 days after receipt of a claim denial in which to appeal the denied claim in writing to the Administrative Committee and to receive a full and fair review of the claim. As part of the review, you or your duly authorized representative may, upon request and free of charge, obtain reasonable access to, and copies of, documents, records and other information relevant to your Claim for Benefits, as determined in accordance with regulations, and submit written comments, documents, records and other information relating to the claim.

The Administrative Committee will conduct a review that takes into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination, and will decide the appeal within 60 days after the request for review is made. If the Administrative Committee determines that special circumstances require an extension of time for processing, in that case a decision will be rendered not later than 120 days after receipt of the request for review and you will be furnished with written notice of the extension before the end of the original 60-day period which explains the reasons for the extension and the date a decision is expected.

The decision on review will be written in clear and understandable language and will include specific reasons for the decision, as well as specific references to the pertinent Plan provisions on which the decision is based, a statement that you are entitled to receive upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim, and a statement of your right to bring a civil action under Section 502(a) of ERISA.

If the decision on review is not made within the time limits specified above, you will be deemed to have satisfied all administrative procedures and may bring a civil action under Section 502(a) of ERISA. All interpretations, determinations, and decisions of the Administrative Committee with respect to any claim will be final and binding.

Except for actions to which the statute of limitations prescribed by section 413 of ERISA applies, (1) no legal or equitable action under ERISA may start later than one year after you receive a final decision from the Administrative Committee in response to your request for review of a denied claim, and (2) no other legal or equitable action involving the Plan may start later than two years from the time you knew, or had reason to know, of the circumstances giving rise to the action. This provision does not bar the Plan or its fiduciaries from (1) recovering overpayments of benefits incorrectly paid to any person under the Plan at any time, or (2) bringing any legal or equitable action against any party.

Any legal action involving the Plan that is brought by any participant, beneficiary, or other person must be brought in the United States District Court for the Northern District of Illinois and no other federal or state court.

ASSIGNMENT OF BENEFITS AND QUALIFIED DOMESTIC RELATIONS ORDERS

This Plan is intended to pay benefits only to you or your eligible survivors. Your benefits are not subject to your debts or other obligations and cannot be used as collateral for loans or assigned in any other way, except as may be required by federal or state income tax provisions or pursuant to a Qualified Domestic Relations Order (QDRO). If a QDRO is entered against you, the Plan may be required to pay all or part of your benefit to someone else sooner than the earliest date you would be eligible to receive your benefit.

A domestic relations order is a court-ordered judgment or decree under state law that requires you to pay alimony, child support or other property rights (which could include all or a portion of your benefit from this Plan) to a spouse, former spouse, child or other dependent (defined as an “Alternate Payee”). A domestic relations order must be qualified by the Plan. You will be notified if such an order is received against you.

Participants and beneficiaries can obtain, without charge, a copy of the Plan’s QDRO procedures and a model domestic relations order by contacting:

QDRO Consultants Co.
3071 Pearl Road
Medina, OH 44256
Phone: (800) 527-8481
Fax: (330) 722-2735

NOTE

Participant benefits, for which a domestic relations order has been received, are not payable to the Participant until the order has been qualified by the Plan, or the domestic relations order is vacated.

OTHER INFORMATION

Other information you should know includes some general facts about the Plan.

The Allstate Retirement Plan is a qualified defined benefit pension plan under Section 401(a) of the Code. The Plan provides a Cash Balance Benefit. The benefits described in this SPD apply to Allstate Employees who are Plan Participants covered under the Cash Balance Benefit provisions of the Plan. (Note: Some participants may also have a preserved December 31, 2013 Final Average Pay Benefit.)

Duration of Plan

The Allstate Corporation, by action of the Pension Committee, may change or amend the Plan at any time for any reason, and The Allstate Corporation reserves the right to terminate the Plan.

Participation in the Allstate Retirement Plan does not constitute a contract or guarantee of employment.

Maximum Pensions

Each year, the Internal Revenue Service establishes a limit on the compensation (indexed for inflation) that can be used to calculate pension benefits. Also, IRS regulations may affect the benefits paid to highly compensated Participants.

Plan Financing

Participating Employers pay for the entire cost of the Plan by making periodic contributions to a trust fund. These contributions to the Plan and investment gains and losses are not allocated separately among individual Participants. The fund, which is the sole source of benefits, is held in trust by The Bank of New York Mellon, One Wall Street, New York, NY 10286.

The Plan's Investment Committee, which is appointed by the Pension Committee, has control over the investments of the Plan assets held by the trustee. The Bank of New York Mellon, as trustee, makes benefit payments as authorized by the Administrative Committee.

Tax Withholding

Your pension is subject to federal income tax withholding. It may also be subject to state income tax withholding in certain jurisdictions. However, you may elect not to have taxes withheld from some forms of pension payments. If the Lump Sum Payment option is elected, but not transferred directly to an individual retirement arrangement (or other qualified retirement plan) the Plan must, by law, withhold 20% for federal income tax purposes. Tax situations vary depending on individual circumstances. Consult with your tax advisor before making any decisions on tax withholding from your pension payments.

Plan Administration

The Plan is administered by an Administrative Committee appointed by the Pension Committee. This Committee authorizes benefit payments, considers any appeals, resolves questions and makes rules to assure the Plan is fair to all. The Administrative Committee has the exclusive discretionary right to interpret the terms and provisions of the Plan, to correct any misstatements, errors, or other mistakes of fact and make such adjustments in benefit amounts paid, unpaid, or estimated, as the Committee deems equitable and practicable, and to remedy any possible ambiguities, inconsistencies or omissions. All interpretations, determinations and decisions of the Administrative Committee shall be final, conclusive and binding upon all persons.

The Secretary of the Administrative Committee serves as Plan Administrator and is responsible for maintaining records, filing reports and distributing information to Plan Participants and beneficiaries.

Additional information about the Plan is available by accessing *Your Benefits Resources*™ at http://resources.hewitt.com/allstate or calling the Allstate Benefits Center at (888) 255-7772.

Legal Fees

Any award of legal fees against the Plan, the Company or any of its affiliates, any of the Plan committees or their members, the Board of Directors, any Plan fiduciary, or any officers, directors, employees, or agents (collectively, the "Plan Parties") in connection with an action involving the Plan shall be calculated pursuant to a method that results in the lowest amount of fees being paid, which amount shall be no more than the amount that is reasonable. In no event shall legal fees be awarded against Plan Parties for work related to (a) administrative proceedings under the Plan; (b) unsuccessful claims brought by a Participant, beneficiary, or any other person; or (c) actions that are not brought under ERISA.

IDENTIFYING INFORMATION

Name of Plan:

Allstate Retirement Plan

Plan Number:

002

Type of Plan:

Defined benefit, providing a Cash Balance Benefit (Note: Some participants may also have a preserved December 31, 2013 Final Average Pay Benefit).

Plan Year:

The 12-month period beginning on January 1 and ending on the following December 31

Plan Sponsor:

The Allstate Corporation
2775 Sanders Road, Suite F5
Northbrook, Illinois 60062-6127

Employer Identification Number:

36-3871531

Participating Employers:

- Allstate Insurance Company, and
- Allstate New Jersey Insurance Company.

Plan Administrator and Agent for Service of Legal Process:

Secretary, Administrative Committee
Allstate Retirement Plan
2775 Sanders Road, Suite F5
Northbrook, Illinois 60062-6127
(847) 402-8827

Service of legal process may also be made upon the Trustee.

Administrative Committee:

Secretary, Administrative Committee
Allstate Retirement Plan
2775 Sanders Road, Suite F5
Northbrook, Illinois 60062-6127
(847) 402-8827

Trustee:

The Bank of New York Mellon
225 Liberty Street
New York, NY 10286
Attn: Keith Bear or Anthony Murino

Record Keeper for Participant Services:

Hewitt Associates LLC is the Plan's record keeper for Participant services. You may access these services as follows:

- Website:

  Your Benefits Resources™ at http://resources.hewitt.com/allstate

- Toll-free Phone Number:

  (888) 255-7772

- Mailing Address:

Allstate Benefits Center
4 Overlook Point
P.O. Box 1463
Lincolnshire, Illinois 60069-1463

Individual Retirement Plan Provider:

Millennium Trust Company, LLC
2001 Spring Road, Suite 700
Oak Brook, Illinois 60523
(877) 682-4727

APPENDIX A: FINAL AVERAGE PAY BENEFIT

NOTE:

This Appendix A applies to preserved December 31, 2013 Final Average Pay Benefits. If you did not earn a Final Average Pay Benefit, you should disregard this Appendix A.

If you previously earned Final Average Pay Benefits but were earning Cash Balance Benefits on or before December 31, 2013 (your Final Average Pay Benefit was converted to an Opening Cash Balance Account), then you should also disregard this Appendix A.

The Final Average Pay and Cash Balance Benefits share many of the same Plan provisions (i.e., definition of Annual Compensation, Forms of Payment, establishing beneficiary designation). This Appendix A is intended to summarize key Final Average Pay Benefit formulas and Plan provisions.

Effective January 1, 2014:

- Any Final Average Pay Benefits you have earned as of December 31, 2013 are preserved;
- All future benefit accruals under the Final Average Pay formula are discontinued; and
- Benefits for periods of employment after December 31, 2013 will be earned under the new Cash Balance Benefit formula.

Your Allstate Retirement Plan benefit may consist of two parts:

A. Your Preserved Final Average Pay Benefit as of December 31, 2013,

PLUS

B. Your Cash Balance Benefit beginning January 1, 2014 or later.

Service

Service is counted for different purposes under the Final Average Pay Benefit as shown below.

Vesting Service

Vesting Service is used to determine when you become a Participant, whether you are entitled to receive a Plan benefit when you end employment, and when you may commence your benefit. You are entitled to your earned (accrued) retirement benefit following your Normal Retirement Date once you meet the Vesting Service requirement. (Refer to the "Normal Retirement Benefit" section on page 32.)

- If you become a Participant on or after January 1, 1989, you have a vested right to a benefit payable following your Normal Retirement Date after you complete five years of Vesting Service or reach age 65, whichever comes first.
- If you became a Participant before January 1, 1989, you have a vested right to a benefit payable following your Normal Retirement Date after you complete five years of Vesting Service or reach age 60, whichever comes first.
- Employment through June 30, 1995 with another company in the Sears Controlled Group may be included as service for vesting and benefit payment eligibility purposes only.
- Employment with a company in the Allstate Controlled Group of companies that is not a Participating Employer in the Plan or any period of time as a leased employee may count for Vesting Service. Contact the Allstate Benefits Center at (888) 255-7772 for more information.

In addition, Vesting Service:

- includes all of your years of service as an Employee beginning on your employment hire date through your last day of employment;
- includes the one year of service prior to becoming a Regular Part-Time Employee;
- can be non-Continuous Service; and
- is not used to calculate benefit accruals under the Final Average Pay Benefit.

Credited Service

Credited Service is the period of your employment used in determining the amount of your Final Average Pay Benefit at your last day of employment but no later than December 31, 2013. Up to a maximum of 28 years of Credited Service will be used to calculate your benefit.

Credited Service is your years of service beginning on your employment date as a Regular Full-Time Employee, or when you qualify as a Regular Part-Time employee with Allstate. It includes approved leaves of absence, Paid Time Off days taken and short term disability. (Refer to page 32 if you were employed by Allstate before January 1, 1978.)

Credited Service does not include any period of employment with:

- another employer in Allstate's Controlled Group of companies during the time that employer is not a Participating Employer in this Plan, or
- any period of employment with a Participating Employer after December 31, 2013.

Agent Independent Contractor Status

Any period in which you worked as an Exclusive Agent Independent Contractor or Exclusive Financial Specialist Independent Contractor is not included as service for any purposes, including Credited Service under the Plan. Only time worked as an Allstate Employee is eligible to be included.

Continuous Service

Continuous Service is service which is uninterrupted by termination of employment. However, certain circumstances may interrupt your employment without interrupting Continuous Service, as follows:

- If your employment ends and you are reemployed in less than 12 months, the period between the end of your employment and reemployment is counted as Continuous Service.
- If your employment ends and you are reemployed in less than 12 months by an employer in the Allstate Controlled Group of companies, the period between the end of your employment and reemployment is counted as Continuous Vesting Service.
- If, prior to June 30, 1995, you transferred to Allstate in less than 12 months from another company in the Sears Controlled Group that was not a Participating Employer in the Plan, the time you worked for the other Sears Controlled Group company prior to June 30, 1995 is counted as Continuous Vesting Service. However, this service is not used as Credited Service in calculating benefit accruals under the Plan.

Note: 20 years of Continuous Service is required for eligibility to receive a retirement subsidy under the Plan preserved Final Average Pay Benefit.

IRS Limits on Annual Compensation

For purposes of determining your preserved December 31, 2013 Final Average Pay Benefit, eligible Annual Compensation was limited by Section 401(a)(17) of the Code. This maximum amount was indexed each year. The maximum Annual Compensation for 2013 was $255,000. The Internal Revenue Service determined the limit in effect for each year and we applied those limits to each year of your eligible Annual Compensation. Future increases to the limit due to indexing will not affect your preserved December 31, 2013 Final Average Pay Benefit.

Covered Compensation

Covered Compensation is the average of the maximum annual salary taxable for Social Security (i.e., the taxable wage base) over the 35-year period ending the year you would reach your Social Security retirement age. By law, your Social Security retirement age is based on your year of birth:

Year of Birth	Social Security Retirement Age
1937 and before	65
1938 to 1954	66
1955 and after	67

The Internal Revenue Service ("IRS") publishes a table each year that lists the Covered Compensation by year of birth. Past years are calculated using the actual wage base for those years. Future years are projected at the current taxable wage base. Before you reach your Social Security retirement age, Covered Compensation increases as each year passes because the estimated wage base for the past year is replaced by the higher, new actual wage base.

Benefits for Employees Who Became Plan Participants Before January 1, 1989

NOTE

*If you became a Plan participant **after** December 31, 1988, refer to "Benefits for Employees Who Became Plan Participants on or After January 1, 1989" on page 40.*

Normal Retirement Benefit

If you have a vested right to a pension benefit at the time your employment ends with the Allstate Controlled Group of companies, you will become eligible to receive your accrued pension benefit on the first of the month following your 65th birthday (your Normal Retirement Date is the last day of the month you reach age 65).

- If you end employment on or after reaching age 65, your Payment Start Date will be the first day of the month following the date of your retirement. If you are eligible to commence a Final Average Pay Benefit, you will be asked to review paperwork for your Final Average Pay Benefit.
- You can elect a different form of payment for your Final Average Pay Benefit than you elect for your Cash Balance Benefit.
- You can elect to defer payment of your Final Average Pay Benefit until no later than the Payment Start Date that would occur on the first day of the month following the date you reach age 65.

Your pension benefit is based on your years of Credited Service, Average Annual Compensation and Covered Compensation each ending on December 31, 2013. Depending on the date you became a Plan Participant, you may be eligible to receive a post-1988 benefit, a 1978-1988 benefit, and a pre-1978 benefit, as shown in the following table. In no event will Credited Service include any service beyond December 31, 2013 for purposes of determining your pension benefit.

This table shows the benefit formulas that will be used to calculate your pension benefit when you end employment, depending on when you became a Plan Participant.

If You Became A Plan Participant:	Your Benefit Is The Sum of:
On or after January 1, 1978*	Post-1988 benefit, plus 1978-1988 benefit
Before January 1, 1978	Post-1988 benefit, plus 1978-1988 benefit, plus pre-1978 benefit

* If you were a Plan Participant and were employed with Allstate on December 31, 1978, you are also entitled to a past service element. (Refer to "Early Retirement Payment Reduction of Post-1988 Benefit" on page 37.)

How Credited Service Was Used to Calculate Your Preserved December 31, 2013 Final Average Pay Benefit

Up to a maximum of 28 years of Credited Service is used in determining the amount of your preserved December 31, 2013 Final Average Pay Benefit when you end employment. In no event will Credited Service include any service beyond December 31, 2013. Employment before January 1, 1978 is included as Credited Service for calculating a pre-1978 benefit only if you were a Participant in the preceding plan, the Supplemental Retirement Plan, on December 31, 1977. If you were employed by Allstate before January 1, 1978, but did not participate in the Supplemental Retirement Plan, your Credited Service began on January 1, 1978. If your date of employment is on or after January 1, 1978, your Credited Service began on your employment date as a Regular Full-Time employee or when you qualified as a Regular Part-Time Employee.

If you participated in the Supplemental Retirement Plan and complete more than 28 years of Credited Service, each additional year of Credited Service over 28 is dropped from years of service used when calculating the pre-1978 benefit.

NOTE
Credited Service was earned in years and months. (Refer to "Credited Service" on page 31.)

Examples

For example, Joe was employed on January 1, 1972 and ended employment on December 31, 2003 at age 65 with 32 years of Credited Service. When calculating his total pension benefit, 28 years of Credited Service would be counted as follows:

Total Pension Benefit	Years of Credited Service	
Post-1988 Benefit	15	(January 1, 1989—December 31, 2003)
1978-1988 Benefit	11	(January 1, 1978—December 31, 1988)
Pre-1978 Benefit	2	(January 1, 1976—December 31, 1977)
	0	(January 1, 1972—December 31, 1975)
Total Years	**28**	

Unlike the pre-1978 benefit, the years used to calculate your 1978-1988 benefit remain fixed. No service can be dropped from the 1978-1988 benefit and added to the post-1988 benefit. Consequently, additional years of Credited Service are handled as follows:

Sue was employed January 1, 1980, and ended employment December 31, 2012, with 33 years of Credited Service. When calculating her benefit, 28 years of Credited Service are counted as follows:

Total Pension Benefit	Years of Credited Service	
Post-1988 Benefit	19	(January 1, 1994—December 31, 2012)
	0	(January 1, 1989—December 31, 1993)
1978-1988 Benefit	9	(January 1, 1980—December 31, 1988)
Total Years	**28**	

The Pension Formula

Post-1988 Benefit

Your Post-1988 Benefit was calculated using Credited Service earned after December 31, 1988. Your Post-1988 Benefit is the total of your Base Benefit added to your Additional Benefit as shown in the formulas below:

1.55%	×	Average annual Compensation	×	Years of Credited Service	=	Base Benefit
PLUS						
0.65%	×	Average Annual Compensation in excess of Covered Compensation	×	Years of Credited Service	=	Additional Benefit

Base Benefit + Additional Benefit = Post-1988 Benefit

NOTE

Average annual compensation is the average of the five highest consecutive full years of eligible annual compensation out of the participant's most recent 10 years of service.

1978-1988 Benefit

You are eligible for a 1978-1988 Benefit based on your Credited Service from January 1, 1978, through December 31, 1988. Your 1978-1988 Benefit will be adjusted to reflect increases in your Average Annual Compensation. In addition, the benefit earned as of December 31, 1988 (before the adjustment) will be increased by 18% to convert it to a Straight Life Annuity.

The four steps used in calculating your 1978-1988 Benefit are:

Step 1: Determine your Future Service Element using years of Credited Service from 1978 through 1988. The amount of your Future Service Element is determined by the Plan provisions in effect before January 1, 1989, and your service and Average Annual Compensation on December 31, 1988. In this step, a limited portion of the Social Security benefit you have earned as a worker, payable at age 65, is taken into account in calculating your Future Service Element.

Step 2: Multiply the Future Service Element obtained in Step 1 by 1.18 to increase the amount by 18% and convert it to a Straight Life Annuity.

Step 3: Index your Future Service Element to reflect increases in your Average Annual Compensation by:

(a) Subtracting your Average Annual Compensation as of December 31, 1988 from your Average Annual Compensation at retirement (if this results in a number less than 0, Step 3 is not applied);

(b) Dividing the number resulting from (a) by your Average Annual Compensation as of December 31, 1988; and

(c) Multiplying the number resulting from (b) by your Future Service Element as determined in Step 1.

Step 4: Add the results of Steps 2 and 3 to obtain your total 1978-1988 Benefit.

NOTE

*You are entitled to a **Past Service Element** if you have one full calendar year of service and were employed with Allstate Insurance Company on December 31, 1978. The Past Service Element is 0.2% of your 1978 Annual Compensation up to $15,000, multiplied by the number of your completed calendar years of service prior to and including 1978. This Past Service Element will then be increased 18% to convert it to a Straight Life Annuity.*

How to Obtain Your Actual Compensation from the Social Security Administration

The Future Service Element calculation of your Pre-1989 benefit contains a Social Security offset, which is calculated based on your estimated compensation you earned from 1951 through 1988. You have the option of having your *actual* compensation from 1951 through 1988 (as recorded by the Social Security Administration) used in the calculation, instead of your estimated compensation. You may obtain your actual compensation from the Social Security Administration and forward it to the Allstate Benefits Center so that it may be used in your benefit calculation.

Using actual prior compensation in the calculation of your pension benefit may produce a higher pension benefit for the following Participants:

- Those whose employment includes a substantial number of years during which their compensation did not reach the Social Security maximum taxable earnings base.
- Those whose prior earnings were not covered by Social Security. People in this group include those who worked for the U.S. government, some state and local governments, religious or charitable organizations, or Allstate employees who had one or more unpaid leave(s) of absence.
- Those who did not work every year from 1951 through 1988.

Using actual prior compensation will never result in a decrease in the pension benefit you are entitled to receive and will not affect the benefit you are entitled to receive from Social Security.

If you choose to have your benefit calculated using your actual prior compensation, you need to do the following:

- You may request your actual earnings history listed by year from 1951 through 1988 by accessing the Social Security Administration website at http://www.ssa.gov/ and requesting your "Social Security Statement." You may also call your local Social Security office. This information is free of charge. (Do not request the "Detailed Earnings Information.")
- Forward your compensation history to the Allstate Benefits Center upon receipt, or request that it be sent directly to the Center. The Allstate Benefits Center must receive your compensation history no later than four months from your Payment Start Date. If your compensation history is received after four months following your Payment Start Date, it will not be considered for purposes of recalculating any portion of your benefit.

Pre-1978 Benefit

You are eligible for a Pre-1978 Benefit if you participated in the Supplemental Retirement Plan on December 31, 1977. Your Pre-1978 Benefit will be adjusted to reflect increases in your Average Annual Compensation. In addition, the benefit earned as of December 31, 1988 (before the adjustment) will be increased by 18% to convert it to a Straight Life Annuity.

Prior Service Element (increased 18% and indexed) = Pre-1978 Benefit

Determining Your Pre-1978 Benefit

The four steps to increasing and indexing the Prior Service Element are:

Step 1: Determine your Prior Service Element as of December 31, 1988, using the Plan provisions in effect before January 1, 1989.

Step 2: Increase the Prior Service Element 18% by multiplying it by 1.18.

Step 3: Determine the indexed Prior Service Element to account for increases in your Average Annual Compensation (AAC) at retirement. The formula below shows how to index the Prior Service Element.

2-1/8%	×	Final AAC as of 12/31/88	×	Years of Credited Service before 1/1/78	=	Indexed Prior Service Benefit

Step 4: Add Steps 2 and 3.

Calculating Normal Retirement Benefits

Here is an example of how a normal retirement benefit is calculated:

Betty became an employee on January 1, 1975, and was a Participant in the Supplemental Retirement Plan. She decides to end employment on December 31, 2010, at age 65. Betty's Payment Start Date is January 1, 2011. Betty's Average Annual Compensation (AAC) on December 31, 1988 was $45,000. Her AAC at retirement is $80,000. On her retirement date, her Covered Compensation is $61,000. Total Credited Service is limited to 28 years.

HOW TO CALCULATE A NORMAL RETIREMENT BENEFIT

The calculations for Betty's normal retirement benefit amounts are rounded to whole dollars to make the example easier to follow. Even though Betty has more than 33 years of service, total Credited Service in her Plan benefit calculation is limited to 28 years and some years are not included when determining her Plan benefit. The 11 years of 1978 to 1988 Credited Service are the most valuable and must always be included in Betty's benefit calculation. The remaining 17 years of Credited Service are next applied to the Post-1988 Benefit and then to the Pre-1978 Benefit.

Post-1988 Benefit – 17 years of Credited Service from 1/1/89 through 12/31/10 (only 17 years of 22 total are included in order to reach a total of 28 years)

Step 1:	Calculate the Base Benefit:		
	1.55% × $80,000 (AAC at retirement) × 17 years of Credited Service	=	$21,080
Step 2:	Calculate the Additional Benefit:		
	Betty's AAC in excess of her Covered Compensation: $80,000 - $61,000	=	$19,000
	0.65% × $19,000 × 17 years of Credited Service	=	$2,099
Step 3:	$21,080 + $2,099	=	$23,179

Betty's Total Post-1988 Benefit is $23,179 a year

1978-1988 Benefit – 11 years of Credited Service from 1/1/78 through 12/31/88

Step 1:	Calculate Increased Future Service Element. For this example, assume her Future Service Element is $8,000. Adjust her Future Service Element by increasing it 18%:		
	$8,000 × 1.18	=	$9,440
Step 2:	Calculate Indexed Future Service Element		
	Betty's AAC as of 12/31/88 subtracted from her AAC at retirement is $35,000		
	$35,000 ÷ $45,000	=	0.77778
	0.77778 × $8,000	=	$6,222
Step 3:	$9,440 + $6,222	=	$15,662

Betty's Total 1978-1988 Benefit is $15,662 a year

Pre-1978 Benefit – 3 years of Credited Service from 1/1/75 through 12/31/77 (0 years included)

All of Betty's 28 years of Credited Service were allocated above to her 1978-1988 Benefit and per Post-1988 Benefit, therefore Betty's Pre-1978 Benefit is zero.

Betty's Total Pre-1978 Benefit is $0 a year

Past Service Element

Betty's Past Service Element is $90. Adjust Past Service Element by 18%:		
$90 × 1.18	=	$106

Betty's Total Past Service Element is $106 a year.

Betty's Total Retirement Benefit

Betty's total benefit is the sum of her Total Post-1988 Benefit, Total 1978-1988 Benefit, Total Pre-1978 Benefit and Total Past Service Element:

$23,179 + $15,662 + $0 + $106	=	$38,947

Betty's Total Retirement Benefit is $38,947 a year ($3,245.58 a month)

Early Retirement Benefit

You will be eligible for an early retirement benefit from the Plan if, when your employment ends with the Allstate Controlled Group of companies:

- you are age 55 or over with at least 20 years of Continuous Service, and retire from Allstate in accordance with the Company's voluntary early retirement policy; or
- you are age 60 or over.

You must elect your Payment Start Date, which can be the first day of the month following your date of retirement, or the first day of any month thereafter. You can always choose to delay the start of your pension benefits until your Normal Retirement Date. However, your Payment Start Date cannot be later than the first day of the month following the date you reach age 65.

Your Early Retirement Benefit is calculated by using the same formula used for normal retirement benefit shown in "The Pension Formula" on page 33. However, if you choose a Payment Start Date prior to age 65, the amount of your benefit will be reduced because it is expected to be paid over a longer period of time.

If you do not have 20 years or more of continuous service when your employment ends on or after age 55, or you convert to an Exclusive Agent Independent Contractor or Exclusive Financial Specialist Independent Contractor, your termination is not considered an early retirement for purposes of the Plan. You are eligible for a deferred vested benefit. (Refer to "Deferred Vested Benefit" on page 44.)

Early Retirement Payment Reduction of Post-1988 Benefit

Both the Base Benefit and the Additional Benefit parts of the formula used to calculate your pension benefit will be reduced as follows.

Your **Base Benefit** will be reduced 4.8% for each year of early payment before your "base" retirement age as shown in the chart below.

WHEN UNREDUCED "BASE" BENEFITS ARE AVAILABLE (FOR PERSONS WHO FIRST BECAME PLAN PARTICIPANTS BEFORE JANUARY 1, 1989)	
Year of Birth	**"Base" Retirement Age**
Before 1942	60
1942 to 1944	61
1945 to 1947	62
1948 to 1950	63
1951 to 1953	64
After 1953	65

Your **Additional Benefit** reduction (as required by law) will be:

- 8% for each year of early payment from age 62 to age 65; and
- 4% for each year of early payment from age 55 to age 62.

The reductions for an early retirement payment calculation are prorated on a monthly basis, based on your actual age at the Payment Start Date you have chosen.

Early Retirement Payment Reduction of 1978-1988 Benefit, Pre-1978 Benefit, and Past Service Element

The 1978-1988 Benefit, Pre-1978 Benefit, and Past Service Element are fully payable at age 60. If you end employment before age 60, the 1978-1988 Benefit, the Pre-1978 Benefit, and the Past Service Element will be reduced 4.8% for each year of early payment before age 60.

The reductions for an early payment calculation are prorated on a monthly basis, based on your actual age at the Payment Start Date you have chosen.

Calculating Early Retirement Payment Reductions

Here is an example of how a pension benefit is reduced for an early payment for an employee who became a Plan Participant before January 1, 1989. Peter became employed at Allstate in 1971. He decides to end employment on July 5, 2009, at age 59. Peter chooses his Payment Start Date to be August 1, 2009.

Although Peter chose a Payment Start Date of August 1, 2009, he could have deferred payment until the first day of the month following the date he reached age 65. Peter's normal retirement benefit is:

➢ Post-1988 Benefit:	
• Base:	$15,700
• Additional:	$608
➢ 1978-1988 Benefit:	$11,529
➢ Pre-1978 Benefit:	$1,613
➢ Past Service Element:	$248
Total:	**$29,698 Annually**

HOW TO CALCULATE AN EARLY RETIREMENT PAYMENT REDUCTION

Here's how Peter's benefit is reduced:

Post-1988 Base Benefit

Peter's Base Benefit is reduced from his Base Retirement Age (shown in "When Unreduced "Base" Benefits are Available" on page 37). Since Peter was born in 1950, his Base Retirement Age is 63. His $15,700 Base Benefit is reduced from age 63 as follows:

Step 1:	Number of years between Peter's Payment Start Date and age 63	=	4 years
Step 2:	4 years × 4.8% (.048)	=	.192
Step 3:	$15,700 (annual normal retirement benefit) × .192	=	$3,014
Step 4:	$15,700 - $3,014	=	$12,686

Peter's Base Benefit payable at his Payment Start Date is $12,686.

Post-1988 Additional Benefit

Peter's Additional Benefit is reduced from age 65.

Step 1:	Number of years between Peter's Payment Start Date and age 65	=	6 years
Step 2:	3 years × 8% (.08)	=	.24
	3 years × 4% (.04)	=	.12
Step 3:	.24 + .12	=	.36
Step 4:	$608 (annual normal retirement benefit) × .36	=	$219
Step 5:	$608 - $219	=	$389

Peter's Additional Benefit payable at his Payment Start Date is $389.

Peter's total Post-1988 Benefit is $13,075 ($12,686 + $389).

1978-1988 Benefit, Pre-1978 Benefit, and Past Service Element

Peter's 1978-1988 Benefit, Pre-1978 Benefit, and Past Service Element ($11,529 + $1,613 + $248 = $13,390) are reduced from age 60.

Step 1:	Number of years between Peter's Payment Start Date and age 60	=	1 year
Step 2:	1 year × 4.8% (.048)	=	.048
Step 3:	$13,390 × .048	=	$643
Step 4:	$13,390 - $643	=	$12,747

Peter's 1978-1988 Benefit, Pre-1978 Benefit, and Past Service Element payable at his Payment Start Date is $12,747.

Peter's Total Pension Benefit after Reductions

Peter's total benefit is the sum of his:

Post-1988 Benefit, plus	=	$13,075
1978-1988 Benefit, Pre-1978 Benefit, and Past Service Element	=	$12,747
Total reduced pension benefit (payable at his Payment Start Date)	**=**	**$25,822 per year**

Remember that the actual calculation of an early payment reduction is prorated on a monthly basis, based on your age at your Payment Start Date.

Benefits for Employees Who Became Plan Participants on or After January 1, 1989

Normal Retirement Benefit

If you have a vested right to a pension benefit at the time your employment ends with the Allstate Controlled Group of companies, you will become eligible to receive your accrued pension benefit on the first of the month following your 65^{th} birthday (**your Normal Retirement Date is the last day of the month you reach age 65**).

If you end employment with Allstate on or after reaching age 65, your Payment Start Date will be the first day of the month following the date of your retirement.

If you are eligible to commence a Final Average Pay benefit, you will be asked to complete paperwork for your Final Average Pay benefit.

You can elect a different form of payment for your Final Average Pay benefit than you elect for your Cash Balance benefit.

You can elect to defer payment of your Final Average Pay benefit until no later than the Payment Start Date that would occur on the first day of the month following the date you reach age 65.

Your pension benefit is based on your years of Credited Service, Average Annual Compensation, and Covered Compensation. Your benefit will be calculated using the following formulas. In no event will Credited Service include any service beyond December 31, 2013 for purposes of determining your pension benefit.

Pension Formula

Your benefit is the total of your Base Benefit added to your Additional Benefit as shown in the formulas below:

Base Benefit + Additional Benefit = Your Total Benefit

1.55%	×	Average Annual Compensation	×	Years of Credited Service (up to 28)	=	Base Benefit

PLUS

0.65%	×	Average Annual Compensation in excess of Covered Compensation	×	Years of Credited Service (up to 28)	=	Additional Benefit

Calculating Normal Retirement Benefits

Here is an example of how a normal retirement benefit is calculated:

Sally became a Participant in the Allstate Retirement Plan on January 1, 1991. She retires in 2010, at age 65, with 20 years of service. Her Payment Start Date is the first day of the month following the day she reached age 65.

In addition, we know the following about Sally:

- Average Annual Compensation is $70,000 (in 2010).
- Covered Compensation is $55,000.

HOW TO CALCULATE A NORMAL RETIREMENT BENEFIT			
The following steps show how Sally's pension would be calculated:			
Step 1:	Calculate Base Benefit 1.55% × $70,000 × 20	=	$21,700
Step 2:	Calculate Additional Benefit. Sally's Average Annual Compensation in excess of her Covered Compensation is $15,000 ($70,000 - $55,000). 0.65% × $15,000 × 20	=	$1,950
Step 3:	Add the results of Steps 1 and 2 $21,700 + $1,950	=	$23,650
Sally's annual pension benefit will be $23,650 ($1,970.83 per month).			

Early Retirement Benefit

You will be eligible for an Early Retirement Benefit from the Plan if, when your employment ends with the Allstate Controlled Group of companies, you are age 55 or over with at least 20 years of continuous service, and you retire from Allstate in accordance with the Company's voluntary early retirement policy.

You must elect your Payment Start Date, which can be the first day of the month following your date of retirement or the first day of any month thereafter. You can always choose to delay the start of your pension benefits until your Normal Retirement Date. However, your Payment Start Date cannot be later than the first day of the month following the date you reach age 65.

Your Early Retirement Benefit is calculated by using the same formula used for normal retirement benefit shown in "The Pension Formula" on page 33. However, if you choose a Payment Start Date prior to age 65, the amount of your benefit will be reduced because your pension is expected to be paid over a longer period of time.

Both the Base Benefit and the Additional Benefit parts of the formula used to calculate your pension benefit will be reduced as follows:

- Your Base Benefit will be reduced 4.8% for each year of early payment before age 65.
- Your Additional Benefit reduction (as required by law) will be:
  - 8% for each year of early payment from age 62 to age 65; and
  - 4% for each year of early payment from age 55 to age 62.

The reductions for an early retirement payment calculation are prorated on a monthly basis, based on your actual age at the Payment Start Date you have chosen.

EARLY RETIREMENT PAYMENT REDUCTION TABLE

Percent of Normal Retirement Benefit (Annual)

This table shows how benefits are reduced on an annual basis at Payment Start Dates prior to age 65. Keep in mind, however, that the actual reductions for an early retirement payment calculation are prorated on a monthly basis, based on your age at your Payment Start Date.

Age at Payment Start Date	Base Benefit	Additional Benefit
65	100.0%	100.0%
64	95.2%	92.0%
63	90.4%	84.0%
62	85.6%	76.0%
61	80.8%	72.0%
60	76.0%	68.0%
59	71.2%	64.0%
58	66.4%	60.0%
57	61.6%	56.0%
56	56.8%	52.0%
55	52.0%	48.0%

Calculating Early Retirement Payment Reductions

Here is an example of how an Early Retirement Benefit (both Base Benefit and Additional Benefit) would be calculated using the reduction factors.

Michael ends employment on July 31, 2010, at age 58 and chooses a Payment Start Date of August 1, 2010. Although he chose a Payment Start Date of August 1, 2010, he could have deferred payment until the first day of the month following the date he reached age 65. Michael has a Normal Retirement Benefit consisting of a Base Benefit of $65,100 a year and an Additional Benefit of $9,100 a year.

HOW TO CALCULATE AN EARLY RETIREMENT PAYMENT REDUCTION

Because Michael chose to receive his benefit seven years early, his benefit is reduced as follows:

Base Benefit

Step 1:	Number of years between Michael's Payment Start Date and age 65	=	7 years
	7 years × 4.8% (.048)	=	.336
Step 2:	$65,100 (annual normal retirement benefit) × .336	=	$21,874
Step 3:	$65,100 - $21,874	=	$43,226

Michael's Base Benefit payable at age 58 is $43,226 a year.

This Base Benefit is added to his Additional Benefit (as calculated below) to determine Michael's total yearly pension benefit.

Additional Benefit

Step 1:	Number of years of Michael's early payment between ages 62 and 65	=	3 years
	3 years × 8% (.08)	=	.24
Step 2:	Number of years between Michael's Payment Start Date and age 62	=	4 years
	4 years × 4% (.04)	=	.16
Step 3:	.24 + .16	=	.40
Step 4:	$9,100 (annual normal retirement benefit) × .40	=	$3,640
Step 5:	$9,100 - $3,640	=	$5,460

Michael's Additional Benefit is $5,460 a year.

Michael's Total Benefit

Michael's total benefit is the sum of his:

Base Benefit, plus	=	$43,226
Additional Benefit	=	$5,460
Total reduced pension benefit (payable at his Payment Start Date)	**=**	**$48,686 per year**

Remember that the actual calculation of an early payment reduction is prorated on a monthly basis, based on your age at your Payment Start Date.

If You Leave Before Retirement – Preserved December 31, 2013 Final Average Pay Benefit

If a normal retirement benefit or an early retirement benefit is not immediately payable to you when your employment ends with an Allstate Controlled Group company, you may be eligible for a deferred vested benefit, a death benefit or a disability benefit as explained below.

Deferred Vested Benefit

If you are a Plan Participant with at least five years of Vesting Service and your employment with the Allstate Controlled Group of companies ends before reaching age 65, you will become a terminated deferred vested Participant and you will receive a deferred vested benefit at age 65. Your deferred vested benefit is calculated using the pension formula for a normal retirement benefit. Refer to the "Normal Retirement Benefit" sections on pages 32 and 40.

Your deferred vested benefit may be payable earlier than age 65, if you are:

- at least age 55 at your Payment Start Date, and have or had at least 20 years of Vesting Service as of your last day of employment; or
- age 60 at your Payment Start Date, and were a Plan Participant prior to January 1, 1989.

Benefits are reduced for early payment (refer to the "Early Retirement Benefit" sections on pages 37 and 41 for additional information). You must commence payment of your benefit no later than the Payment Start Date that would occur on the first day of the month following the date you reach age 65.

Death Benefit

If you die as a terminated deferred vested Participant, a death benefit will be payable to your spouse or other designated beneficiary. The death benefit will be the actuarial equivalent value of 50% of the deferred vested benefit accrued at the time of death, based on your spouse's or other designated beneficiary's age at the Payment Start Date.

If you were a Plan Participant prior to January 1, 1989 or if you die after you become eligible to receive your retirement benefit, the death benefit will be the actuarial equivalent value of 100% of the deferred vested benefit accrued at the time of death, based on your spouse's or other designated beneficiary's age at the Payment Start Date.

If you are eligible to receive your benefit at the time of your death, the Plan will pay the greater of the death benefit or the actuarial equivalent value of the retirement benefit which you would have received had you actually ended employment on your date of death.

For additional important information see "Choosing Your Beneficiaries" on page 49.

Disability Benefit

If you become disabled, your Plan benefit may be payable to you earlier than your Normal Retirement Date as described in the "Normal Retirement Benefit" sections on pages 32 and 40.

If you are either an active Employee or a terminated Employee and you have at least five years of Vesting Service, you may be entitled to a disability pension benefit upon reaching age 50, if the Plan's Administrative Committee determines your disability is permanent or of a long duration.

If you are ending employment and your termination is due to disability or is classified as a health retirement, you will have 12 months from the date your employment ends to request distribution of your disability pension benefit. If you do not request a distribution within 12 months, or if you become disabled after your employment ends with the Allstate Controlled Group of companies, you will need to follow the approval process for determining disability for terminated Employees as described in the following section.

Approval Process for Determining Disability for a Terminated Employee

Documentation dated in the last 18 months indicating you are disabled must be sent to the Allstate Benefits Center. The following documentation will be considered:

- Evidence of current eligibility for disability payments from the Social Security Administration. **Please note:** your request may be eligible for expedited approval if you submit one of the following documents:
  - a Social Security Administration Notice of Award for disability, or
  - a Social Security Administration Notice of Decision—Fully Favorable for disability, or
  - a Social Security Administration letter which indicates a current benefit amount for a disability benefit.
- Physician's statement, including the physician's address, concluding you are disabled.
- Any other piece of documentation that shows evidence of entitlement due to disability.

Your documentation will be forwarded to the Plan's Administrative Committee for review. This review will be made as soon as administratively possible after receiving the documentation (in accordance with Title 29 of the Code of Federal Regulations, section 2560.503-1 related to disability claims). If additional information is needed, or your request is denied, you will receive a letter of explanation from the Plan. If you are approved to receive a disability benefit from the Plan, the Allstate Benefits Center will contact you.

Your disability pension is calculated using the same formula used for normal retirement with applicable reductions for early payment to your age at your Payment Start Date, as follows:

- Your Past Service Element, Pre-1978 Benefit, and 1978 to 1988 Benefit are each reduced 4.8% per year from age 60.
- Your Base Benefit will be reduced 4.8% for each year of early payment before your Base Retirement Age or, if you first became a Plan Participant on or after January 1, 1989, before age 65.
- Your Additional Benefit will be reduced 8% for each year of early payment from age 62 up to age 65, and 4% for each year of early payment before age 62.

Disability Offset

Your benefit under this Plan *will not* be reduced by any long term disability benefits you may receive from another plan. However, benefits payable to you under a long term disability insurance plan may be reduced by the disability benefits you receive from this Plan. If you have secured disability insurance coverage, you should consult with an attorney or tax advisor and the disability insurance provider prior to commencing payment of your disability pension benefit from this Plan.

Immediate Payment of Small Benefits

If you terminate employment with the Allstate Controlled Group of companies and the vested lump sum actuarial equivalent of your annual benefit is $5,000 or less, you will automatically receive the lump sum within three to four months following your last day of employment.

- You can choose to receive the lump sum payment directly, or
- You can choose to roll it over to a retirement plan or account of your choosing.

If you do not make a choice and your vested lump sum actuarial equivalent of your annual benefit is $1,000 or less, it will be paid to you directly.

If you do not make a choice and your vested lump sum actuarial equivalent of your annual benefit exceeds $1,000 but does not exceed $5,000, it will be paid in a direct rollover to an individual retirement account with Millennium Trust Company, LLC (“Millennium”). The rollover funds will initially be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity (e.g., a Federal Deposit Insurance Corporation insured interest-bearing bank demand account). Millennium will charge your account for any expenses associated with the establishment and maintenance of the individual retirement account and with the individual retirement account investments. You may transfer the individual retirement account funds, at any time, to any other individual retirement account you choose. Additional details about the account will be found in your Millennium welcome packet, which will arrive within weeks of the distribution. Contact the Allstate Benefits Center at (888) 255-7772 for further information regarding the automatic rollover provisions, Millennium, and the fees and expenses associated with the individual retirement account. This will be the only distribution from the Plan.

If upon termination of your employment with the Allstate Controlled Group of companies your annual benefit is less than $1,800 and the lump sum actuarial equivalent is greater than $5,000, you will have the option of receiving a lump sum or a reduced immediate annuity within three to four months following your last day of employment, or you may defer your benefit up to your Normal Retirement Date.

If your annual benefit is $1,800 or greater and the lump sum actuarial equivalent exceeds $5,000 or greater, you are not eligible for an immediate payment.

The Plan was amended effective August 28, 2014, to provide for immediate payment when the vested lump sum actuarial equivalent of an annual benefit is greater than $1,000 but not greater than $5,000 to participants who terminated employment after June 30, 2014. Participants whose employment terminated prior to July 1, 2014, whose vested lump sum actuarial equivalent of their annual benefit was greater than $1,000 but not greater than $5,000 as of December 1, 2014, received an automatic lump sum payment in December 2014. Participants who were eligible for the immediate payment of their vested lump sum actuarial equivalent of their annual benefits were notified in writing.

NOTE

The immediate payment of small benefits also applies to payments to beneficiary(ies) upon death or to an Alternate Payee as a result of a Qualified Domestic Relations Order (QDRO).

How to Access Your Benefit Information

Final Average Pay Benefit Estimate

See “How to Access Your Benefit Information” on page 15.

Estimated Death Benefit Amount

Your estimated death benefit amount, stated as a lump sum form of payment, is payable if you die before commencing payment of your Plan benefit.

If you have terminated employment, you can access your estimated death benefit amount, calculated as of the prior year-end, at the Allstate Benefits Center by calling (888) 255-7772. Following the prompts, select the “Retirement and Investments” option, then select the “Pension” option. You will be connected with an Allstate Benefits Center representative who will assist you with your request.

If you are an active employee, you can access your estimated death benefit amount, calculated as of the prior year-end, by clicking on Express Lane underneath “Highlights for You” on the Your Benefits Resources Home page. Then scroll down to A Snapshot of Your Total Pay and click on View your Printable Statement. Finally, scroll down to the Pension Plan section to see your Lump Sum death benefit.

The value of your estimated death benefit could increase or decrease as the interest rate the Plan uses to calculate lump sum benefits fluctuates over time.

Commencement of Your Preserved December 31, 2013 Final Average Pay Benefit

- If you are eligible to commence a Final Average Pay benefit you will be asked to complete paperwork for your Final Average Pay benefit.
- You can elect a different form of payment for your Final Average Pay benefit than you elect for your Cash Balance benefit.
- You can elect to defer payment of your Final Average Pay benefit until no later than the Payment Start Date that would occur on the first day of the month following the date you reach age 65.

Payment Start Date

If you are vested when your employment ends with all employers in the Allstate Controlled Group of companies and you want to begin payment of your pension benefit once you are eligible, you must choose the date your benefit payments will start. The date you choose is called your Payment Start Date.

A Payment Start Date is always the first day of the month. It is used to determine the amount of your benefit, taking into account certain factors such as your age (for purposes of calculating any reductions for early payment), as well as the optional form of payment you choose. It is also used to determine the applicable interest rate, which will be used to calculate the optional Lump Sum form of payment under the Plan. (Refer to the “Forms of Payment Available” section on page 47.) Payment of your pension benefit will be made on or as soon as administratively possible following your Payment Start Date. Payments are typically made within two to three weeks of the Payment Start Date for those participants who return properly completed paperwork at least 30 days prior to their Payment Start Date. Participants who do not return properly completed paperwork 30 days prior to their Payment Start Date may be subject to delays in payment or may be required to pick a new Payment Start Date.

Note: If you are also entitled to a Cash Balance Benefit, see “Payment Start Date for Cash Balance Benefit” on page 13.

Early Retirement

If you are eligible for an Early Retirement benefit under the Plan, your Payment Start Date can be the first day of any month following the month your employment with Allstate ends. For example, if your Early Retirement date is November 30, 2007, you may choose a Payment Start Date of December 1, 2007, January 1, 2008, February 1, 2008, etc. However, you must begin receiving your benefit no later than the first of the month following the date you reach age 65. (Refer to the “Early Retirement Benefit” sections on pages 37 and 41.)

If You Leave Before Retirement

If you leave before retirement and become eligible for a benefit as a terminated deferred vested Participant, your Payment Start Date will be the first of the month following the date you reach age 65. However, if you are at least age 55 at your Payment Start Date and had 20 years of vesting service as of your last day of employment, or are age 60 and were a Plan Participant prior to January 1, 1989, you may choose a Payment Start Date to receive a reduced deferred vested benefit at any time prior to, but not after, the first of the month following the date you reach age 65. (Refer to the “If You Leave Before Retirement – Preserved December 31, 2013 Final Average Pay Benefit” section on page 44.)

Forms of Payment Available

Your benefit will be paid in one of the forms of payment identified below. You have the option of electing the form which best meets your individual needs and preferences. If you are eligible to receive both a Final Average Pay and a Cash Balance Benefit, you may elect separate forms of payment for each benefit.

You may cancel your election or make a new election through the last business day before your payment is issued. A new election may require your spouse’s written and notarized consent. However, after you receive your first pension payment, your election and your spouse’s consent to your election and your choice of beneficiary(ies), if applicable, are irrevocable and the form of payment cannot be changed.

Normal Forms of Payment

If you do not elect a form of payment, your benefit will be paid in the Plan's normal form of payment, as follows:

- If you are single, you will receive a **Straight Life Annuity**.
- If you are married, you will receive a **50% Joint and Survivor Annuity** for you and your spouse.

For more information about these forms of payment, refer to the "Normal Forms of Payment" on page 18.

Optional Forms of Payment

In addition to the normal forms of payment, you may choose one of the following optional forms of payment.

- Life and 10-Year Certain Annuity
- 50% Contingent Annuity
- 75% Joint and Survivor Annuity
- 100% Joint and Survivor Annuity
- 10-Year Certain and 50% Joint and Survivor Annuity
- Lump Sum Payment of Final Average Pay Benefit

For more information about these forms of payment, refer to the "Optional Forms of Payment" on page 19, except for Lump Sum Payment of Final Average Pay Benefit, which you can find below.

Lump Sum Payment of Final Average Pay Benefit

If you are single when you commence your benefit, or married and your spouse provides notarized consent, you can receive your pension benefit in a Lump Sum Payment. A Lump Sum Payment is the single amount of cash, which, when invested and credited with interest at the assumed interest rate, would pay the monthly retirement benefit over your expected lifetime.

A Lump Sum Payment is calculated by applying a lump sum conversion factor to a Participant's Straight Life Annuity benefit. The conversion factor includes interest rate and mortality assumptions. Since life expectancy decreases as a person gets older, the lump sum equivalent of the same Straight Life Annuity benefit will decrease as the age at the Payment Start Date increases.

The Plan's method used to convert your Final Average Pay Benefit annuity to a lump sum will be calculated using a factor based on the applicable interest rate and mortality table under section 417(e) of the Code.

The Pension Protection Act ("PPA") of 2006 changed the interest rate used to calculate Final Average Pay Lump Sum Payments from the 30-year Treasury Bond Rate to a corporate bond segmented yield curve. The corporate bond segmented yield curve applies to the calculation of the lump sum benefit in three different segments with an interest rate established for each segment. There is no longer a single interest rate used for Lump Sum Payments.

The first segment rate is used to value annuity payments within the first five years; the second segment rate is used to value annuity payments in the next 15 years; and the third segment rate is used to value annuity payments after 20 years. To determine Lump Sum Payments for Payment Start Dates in a calendar year, the Plan will use the applicable average August segmented yield curve from the prior year as published by the IRS. The PPA also requires that the combined static Pension Protection Act funding mortality table with a blend of 50% males and 50% females (as published annually by the IRS) be used for Lump Sum Payments.

In general, if the average interest rates decrease, the lump sum equivalent would increase, and vice versa. Since the interest rates will fluctuate from year to year and the mortality table may change over time, the lump sum factors will fluctuate from year to year. In addition, changes in applicable laws and regulations may result in changes to the interest rates and mortality table used by the Plan. If you choose the Lump Sum Payment option, neither you, your spouse, nor any other previously named beneficiary will receive any further payments from the Plan.

Death Benefit

You may be entitled to a Cash Balance Benefit and a preserved December 31, 2013 Final Average Pay Benefit. The following describes payment of your preserved December 31, 2013 Final Average Pay Benefit.

When you die, a benefit may be paid to your spouse (the spouse you are married to at the time of death) or another designated beneficiary(ies), as described below:

- If you are an active Employee participating in the Plan, the death benefit will be the actuarial equivalent value of your preserved December 31, 2013 Final Average Pay Benefit accrued at the time of death. The optional forms of payment available under the Plan to your spouse or designated beneficiary will be based on your spouse's or other designated beneficiary's age at the Payment Start Date. You do not have to be vested in the Plan to be eligible for a death benefit.

  If you are retirement eligible, the death benefit will be the greater of this amount or the actuarial equivalent value of the retirement benefit which you would have received had you actually ended employment on your date of death. Your death benefit will be reduced by any required payments made to you as a result of reaching age $70^1/_2$.
- If you are a terminated deferred vested Participant, your death benefit is explained in "If You Leave Before Retirement – Preserved December 31, 2013 Final Average Pay Benefit" on page 44.
- If you die after benefit payment begins, the benefit payable to your spouse and/or beneficiary depends on the optional form of payment you had chosen at your Payment Start Date. (Refer to the "Payment Start Date" on page 47.) If you are eligible to commence a Final Average Pay Benefit, you will be asked to review paperwork for your Final Average Pay Benefit.
- You can elect a different form of payment for your Final Average Pay Benefit than you elect for your Cash Balance Benefit.
- You can elect to defer payment of your Final Average Pay Benefit until no later than the Payment Start Date that would occur on the first day of the month following the date you reach age 65.
- If you received your benefit as a Lump Sum Payment or a Straight Life Annuity, there is no benefit payable to your spouse and/or beneficiary.

If the lump sum actuarial equivalent of your death benefit is more than $5,000 and is payable to your spouse or other beneficiary, payment will be made in the form of a Lump Sum Payment, Straight Life Annuity or a Life and 10-Year Certain Annuity. If the death benefit is payable to your spouse, your spouse may choose any Payment Start Date prior to your Normal Retirement Date once all events which entitle your spouse to receive the benefit have occurred. Payment of a death benefit to a trustee designated as beneficiary will be made in a Lump Sum Payment. If the death benefit is payable to a person other than your spouse or to a trustee, the Payment Start Date is the first day of the month after all events which entitle your beneficiary to receive the benefit have occurred.

Choosing Your Beneficiaries

One beneficiary designation will apply to all benefits payable under the Allstate Retirement Plan including Cash Balance and Final Average Pay Benefits.

Controlled Group Transfers

Sears Controlled Group

The Plan provided for the calculation of benefits for "Transferred Participants" using the Wrap-around method. Benefit accruals under the Wrap-around method ended December 31, 2013. You were considered to be a Transferred Participant if you transferred to Allstate from another employer in the Sears Controlled Group (Sears) which sponsored another pension plan based on final average compensation (rather than career average earnings) between January 1, 1984 and June 30, 1995, provided you were an active Plan Participant on June 30, 1995, and that your service with all employers was continuous. In that case, your benefit was calculated under the Allstate Retirement Plan based on all eligible service from Sears and Allstate, up to a maximum of 28 years. This amount will be offset by the amount that was earned at Sears, which will be paid (or may have already been paid) from the pension plan sponsored by Sears. Therefore, your total benefit will be paid from both the Allstate Retirement Plan and the plan sponsored by Sears.

APPENDIX B: PREVIOUS CASH BALANCE FORMULA

Here's the schedule for how Pay Credits were determined January 1, 2003 through December 31, 2013:

Your Years of Vesting Service at the End of Each Calendar Quarter	% of Eligible Annual Compensation Paid During the Calendar Quarter Allocated to Your Account at the End of Each Calendar Quarter
Less than 1 year	0%
1 year but less than 5 years	2.5%
5 years but less than 10 years	3.0%
10 years but less than 15 years	4.0%
15 years but less than 20 years	5.0%
20 years but less than 25 years	6.0%
25 years or more	7.0%