



## Your Retirement Benefits

FedEx Corporation Retirement Savings Plan

FedEx Freight Pension Plan

A Summary Plan Description

### **February 2022**

For eligible employees of the following operating company:

FedEx Freight, Inc.  
(excluding employees residing in Puerto Rico)

# Your Retirement Hub

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Visit [retirement.fedex.com](https://retirement.fedex.com) and learn about your FedEx retirement plans, model your pension benefit, begin the pension process and plan for a more financially secure retirement.

Check out these features and more at [retirement.fedex.com](https://retirement.fedex.com):

- View your 401(k) Plan and, if eligible, your pension plan benefit
- Estimate your pension benefits
- Update your beneficiaries
- Access retirement related education and webinars

<b>Highlights of the FedEx Retirement Plans</b>	
<b>Your FedEx 401(k) Plan</b> <ul style="list-style-type: none"><li>▪ Employees:<ul style="list-style-type: none"><li>▪ Have a convenient way to accumulate savings for retirement.</li><li>▪ Can contribute from 1% to 50% of eligible earnings on a Pre-tax basis through payroll deductions.</li><li>▪ Can contribute After-tax or through qualified rollovers.</li></ul></li><li>▪ Additionally, those who are age 50 or older can make Catch-up contributions.</li><li>▪ FedEx makes Employer Matching contributions (Company match) for eligible employees who contribute.</li><li>▪ Investment options are varied and consist of all-in-one options, core options, supplemental options and the brokerage option.</li><li>▪ Participants are always 100% vested in their payroll contributions.</li><li>▪ Participants are fully vested in the Company match after one year of elapsed service.</li></ul>	<b>Your FedEx Pension Plan*</b> <p>* The pension plan is closed to employees hired or rehired after December 31, 2019 and employees who elected to participate in the “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period.</p> <ul style="list-style-type: none"><li>▪ The pension plan is funded entirely by FedEx—it costs you nothing to participate.</li><li>▪ Employees are eligible after one year of service (credited with at least 1,000 hours of service and age 21).</li><li>▪ Eligible employees accrue benefits under the Portable Pension Account (PPA) formula in the pension plan.</li><li>▪ Benefits accrue each plan year for which you are credited with at least 1,000 hours of service. (The plan year is June 1 through May 31.)</li><li>▪ There are no limits on service for benefit accrual.</li><li>▪ Accrued benefits consist of compensation credits and interest credits.</li><li>▪ Participants are vested in their accrued benefit after three years of credited service for vesting.</li><li>▪ Participants receive a statement of benefits following the end of the plan year after they receive their first compensation credit in the pension plan.</li><li>▪ Vested benefits can be paid as a lump sum or annual annuity.</li></ul>

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# Overview

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## About This Material

We are pleased to provide you with the 2022 edition of *Your Retirement Benefits (YRB)*. This *YRB* replaces the 2017 *Your Retirement Benefits* book. It describes in detail the retirement plans offered to eligible employees. The *YRB* is the Summary Plan Description (SPD) for the Plans detailed here and provides the following:

- **Introduction:** Basic information on the retirement plans.
- **Plan Administration:** Information on plan administration, plan trustees, enrollment, the claims process and your rights.
- **Retirement Savings Plan (RSP):** Description of eligibility, investment options and source of contributions.
- **Pension Plan:** Description of eligibility, benefit formulas, credited service, vesting and retirement dates.

Unless noted otherwise, all references to FedEx and Company throughout this SPD include all FedEx Companies participating in the FedEx Corporation Retirement Savings Plan (RSP) and the FedEx Freight Pension Plan.

***IMPORTANT:*** This *YRB* describes two 401(k) plans – the FedEx Corporation Retirement Savings Plan I (“RSP I”) and the FedEx Corporation Retirement Savings Plan II (“RSP II”). ***Wherever the term “RSP” is used, it is meant to apply to both RSP I and RSP II, unless specifically noted otherwise.***

**RSP I:** Employees participate in the RSP I if they were eligible for this Plan as of December 31, 2019 and remain in this Plan until either termination of employment or moving into an ineligible position, unless they elected the “all 401(k) plan” retirement benefit structure (RSP II) during the 2021 Retirement Choice window.

**RSP II:** Employees participate in the RSP II if they were hired or rehired after December 31, 2019 or if they elected the “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period.

The *YRB* is issued periodically. If a benefit changes before the next edition, you will receive a Summary of Material Modifications (SMM) to ensure that up-to-date information is available for you and your family.

**Note:** This SPD does not address any benefit you may have accrued under any other qualified plans sponsored by another FedEx Controlled Group Member. Refer to the separate SPD that covers employees of those FedEx Controlled Group Members for more information on any benefit you may have accrued under those plans.

## Learn About Your Retirement Plans

Take time to look through this *YRB* to understand your retirement plans. By doing so, you help to ensure you take maximum advantage of these benefits. Your retirement plans are an important part of your total benefits at FedEx.

Planning is a must if you want to have a financially secure retirement. Visit the **retirement.fedex.com** website and you will be directed to your operating company's Retirement Hub page where you can explore many topics to help you plan for retirement.

Retirement Services Department  
FedEx Corporate Services, Inc.

## To Whom This *YRB* Pertains

This SPD pertains to eligible employees of FedEx Freight, Inc. (excluding employees residing in Puerto Rico).

# Introduction

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## Overview

**Note:** References to FedEx or Company include all FedEx Companies participating in that retirement plan or program.

This *Your Retirement Benefits (YRB)* book explains your retirement plans as simply and accurately as possible. It is the Summary Plan Description (SPD) of the FedEx Corporation Retirement Savings Plan (RSP) and, if eligible, the FedEx Freight Pension Plan (pension plan) sponsored by Participating Employers. See “Participating Employers” in the “Retirement Savings Plan (RSP)” and the “Pension Plan” sections for details. **Note:** The RSP is a 401(k) plan and may be referenced in this way throughout this SPD.

This document is your SPD dated February 1, 2022, and describes the key features of the RSP and the pension plan.

Each benefit described here is based on a formal plan document or contract. While this information is intended to be accurate, retirement benefits are subject to the detailed provisions of the applicable plan documents. If there is a conflict between this SPD and the official plan documents, the plan documents always govern. You are not entitled to retirement plans benefits due to a misstatement in or omission from this document. FedEx reserves the right to amend or terminate any benefit plan at any time and for any reason.

## Plan Eligibility Scope and Guidelines

Eligibility for each retirement plan, program or service is determined by the Participating Employers of that plan, program or service. Each section of this *YRB* describing a plan, program or service includes a list of Participating Employers of that plan, program or service and how transferring between the FedEx Controlled Group Members affects eligibility.



## FedEx Controlled Group Members

FedEx Controlled Group Members are FedEx companies under common control of the parent company. They include the following operating companies:

FedEx Controlled Group Members	
ATC Information Services, Inc.	FedEx Logistics, Inc.
FedEx Corporation	FedEx Office and Print Services, Inc.
FedEx Corporate Services, Inc.	FedEx Supply Chain, Inc.
FedEx Custom Critical, Inc.	FedEx Supply Chain Distribution System, Inc.
Federal Express Corporation (FedEx Express)	FedEx Supply Chain Logistics & Electronics, Inc.
Federal Express Guam	FedEx Trade Networks Trade Services, LLC
Federal Express Virgin Islands, Inc.	FedEx Trade Networks Transport & Brokerage, Inc.
FedEx Forward Depots, Inc.	GENCO Infrastructure Solutions, Inc.
FedEx Freight Corporation	GENCO Marketplace Inc.
FedEx Freight, Inc.	ShopRunner, Inc.
FedEx Ground Package System, Inc.	

## Who Is Not Eligible

An individual who is classified by a Participating Employer as an independent contractor or leased employee is not eligible to participate in any retirement plan sponsored by the employer, even if such person is later determined by a court or administrative agency having competent jurisdiction to be a common law employee of the employer.

An employee is not eligible to participate in any aspect of the retirement plans the day the terms and conditions of employment are covered by a collective bargaining agreement unless the agreement specifically incorporates a particular plan.

For more information on who is not eligible to participate in the retirement plans described in this YRB, see “Eligibility for Plan Participation” in the “Retirement Savings Plan (RSP)” and “Pension Plan” sections.

## Correspondence

All retirement plan correspondence is sent to your home address as listed in Workday. You are responsible for updating any change of address in Workday or reporting any change of address to your manager.

To change your address if you are no longer employed by FedEx:

- For the pension plan, call the FedEx Retirement Service Center at 1.855.604.6221.
- For the retirement savings plan/401(k), call Vanguard Participant Services at 1.800.523.1188.

## **Summary of Retirement Plans Benefits**

Your retirement plans benefits are listed below and descriptions of these benefits are included in this *YRB*, your Summary Plan Description (SPD).

This *YRB* describes two 401(k) plans – the FedEx Corporation Retirement Savings Plan I (“RSP I”) and the FedEx Corporation Retirement Savings Plan II (“RSP II”). Wherever the term “RSP” is used, it is meant to apply to both RSP I and RSP II, unless specifically noted otherwise.

### ***RSP—401(k) Plans***

- Pre-tax contributions.
- Employer Matching contributions (Company match).
- If eligible, After-tax contributions, and
- If eligible, Catch-up contributions.

### ***Pension Plan***

- Traditional Pension Benefit (TPB) formula, if applicable.
- Portable Pension Account (PPA) formula.

***IMPORTANT:*** Participation in the Pension Plan is closed to anyone hired or rehired on or after January 1, 2020 and employees who elected to participate in the “all 401(k) plan” retirement benefit structure (RSP II) during the 2021 Retirement Choice period.

## **Plan Year**

The RSP plan year begins on January 1 and ends on December 31. The pension plan, plan year begins on June 1 and ends on May 31 of the next year.

## **Plan Termination**

FedEx has established the retirement plans with the expectation that they will continue indefinitely. However, unforeseen circumstances or those beyond the control of FedEx (for example, bankruptcy, merger or serious business reversal) may make it impossible or inadvisable to continue one or more of the retirement plans.

FedEx reserves the right for any Participating Employer to modify, amend or suspend any plan or program by a written amendment signed by a duly authorized officer of the Participating Employer; a resolution of the FedEx Corporation Board of Directors or any committee of the Board; a resolution of the FedEx Corporation Retirement Plan Investment Board; or an amendment or termination of the underlying contract, where applicable, executed by an officer or other authorized person.

FedEx reserves the right to terminate any plan or program (or a Participating Employer's participation in any plan or program) by action of the Participating Employer's Board of Directors; by action of the FedEx Corporation Board of Directors or any committee of the Board; or by action of the FedEx Corporation Retirement Plan Investment Board. If such steps are taken, you will be informed of the effect of the changes on your rights to benefits.

### **Status of Benefits**

If a retirement plan is terminated, the following applies to the status of its benefits:

- If an RSP terminates, each participant is entitled to a distribution of their RSP account balance according to the value of the account on the distribution date.
- If the pension plan terminates, all participants' accrued benefits become 100 percent vested to the extent they are funded. Subject to approval by the Pension Benefit Guaranty Corporation (PBGC), the assets of the pension plan are allocated and distributed in the following order:
  1. To persons receiving or eligible to receive annuity payments from the pension plan, 36 months before the date the pension plan is terminated. (The five-year period dating back from the termination date is examined to determine whether or not retirement benefits were calculated under different formulas. If so, the method providing the smallest benefit is used.)
  2. To all benefits insured by the PBGC.
  3. To all other vested benefits.
  4. To all other benefits payable under the pension plan.

If pension plan assets cannot satisfy in full the benefits allocated and distributed to those identified in (1) and (2), they are prorated among them on the basis of the present value of their respective benefits as of the termination date. If there are not enough assets to satisfy in full the benefits of the individuals identified in (3), their benefits are calculated according to the provisions of the pension plan in effect five years before the termination date. If the benefits calculated under that method still exceed the available pension plan assets, they are calculated under the terms of the most recent amendment to the pension plan that satisfies these benefits.

Any residual assets of the pension plan may revert to the Company if not prohibited by any state or federal law and if all liabilities to participants, retirees and beneficiaries have been satisfied in full.

## Assignment of Benefits

The RSP and the pension plan do not permit you to assign, alienate, transfer, pledge, encumber, commute or anticipate any interest in the trust fund or in any payments to be made under these plans, except in the case of a Qualified Domestic Relations Order (QDRO). Your benefits under the RSP and pension plan are generally not subject to levy, attachment or other legal process to enforce payment of any claim against you, as a participant in the RSP, except that the Internal Revenue Service (IRS) may levy benefits payable to you to satisfy a federal tax lien or pension plan, or garnishment as so ordered by a federal court under the Mandatory Victims Restitution Act (18 U.S.C. Section 3613) or the Federal Debt Collection Procedures Act (28 U.S.C. Section 3205).

# Plan Administration

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## Overview

**Note:** References to FedEx or Company include all FedEx Companies participating in that retirement plan or program.

This section provides details about the way the retirement plans are administered. Additionally, there is information regarding how and where to file a claim, the appeals process and related topics regarding your rights.

## Plan Trustees

**Trusteed Plans**—Assets for trusteed plans accumulate and are invested in separate trust funds maintained by designated trust companies. Benefit payments are paid from these trust funds.

### Plan Trustees

Trusteed Plans	Trustee
<b>FedEx Corporation Retirement Savings Plan (RSP I)</b>	Vanguard Fiduciary Trust Company Attn: Plan number 093111 100 Vanguard Boulevard Malvern, PA 19355
<b>FedEx Corporation Retirement Savings Plan (RSP II)</b>	Vanguard Fiduciary Trust Company Attn: Plan number 090381 100 Vanguard Boulevard Malvern, PA 19355
<b>FedEx Freight Pension Plan (pension plan)</b>	State Street Bank and Trust Company 2 Avenue de Lafayette 6th Floor Boston, MA 02111

## Plan Identification

The Internal Revenue Service (IRS) has assigned employer identification number (EIN) 71-0562003 to FedEx Freight, Inc. The pension plan is reported to the IRS under this tax identification number. The Internal Revenue Service (IRS) has assigned EIN 62-1721435 to FedEx Corporation; the RSP is reported to the IRS under this tax identification number. Each FedEx retirement plan is also assigned a plan number by FedEx. The plan numbers and plan administrators for the various employee retirement plans are listed in the following table. The plan administrator, and in some cases the plan claims paying administrator, has the authority and discretion to interpret the retirement plan provisions and to determine eligibility to receive benefits under the retirement plans.

# Plan Administration Contact Information

The following chart includes contact information for the Plan Administrators:

## Plan Administration

Plan Name	Plan Administration	Recordkeeper/Claims Paying Administrator
<b>RSP I</b>	FedEx Corporation Retirement Services Department 30 FedEx Parkway, 2 <sup>nd</sup> Fl Horizontal Collierville, TN 38017  Regulatory Plan Number: 001	The Vanguard Group, Inc. (Vanguard) Attn: Plan number 093111 P.O. Box 982902 El Paso, TX 79998-2902  Vanguard Participant Services 1.800.523.1188 1.800.828.4487 (Spanish-speaking) 1.800.523.8004 (hearing-impaired) <a href="http://vanguard.com/retirementplans">vanguard.com/retirementplans</a>
<b>RSP II</b>	FedEx Corporation Retirement Services Department 30 FedEx Parkway, 2 <sup>nd</sup> Fl Horizontal Collierville, TN 38017  Regulatory Plan Number: 004	The Vanguard Group, Inc. (Vanguard) Attn: Plan number 090381 P.O. Box 982902 El Paso, TX 79998-2902  Vanguard Participant Services 1.800.523.1188 1.800.828.4487 (Spanish-speaking) 1.800.523.8004 (hearing-impaired) <a href="http://vanguard.com/retirementplans">vanguard.com/retirementplans</a>
<b>FedEx Freight Pension Plan (pension plan)</b>	FedEx Corporation Retirement Services Department 30 FedEx Parkway, 2 <sup>nd</sup> Fl Horizontal Collierville, TN 38017  Regulatory Plan Number: 002	FedEx Retirement Service Center (RSC)* <b>Regular Mail:</b> Dept. 04471 P.O. Box 64116 The Woodlands, TX 77381-4116  <b>Overnight:</b> Dept. 04471 8770 New Trails Drive The Woodlands, TX 77381  Phone: 1.855.604.6221 Fax: 1.847.554.1836 Website: <a href="http://digital.alight.com/fedex">digital.alight.com/fedex</a>

## Claims Contact Information

Benefit payments are made by the following companies for the identified benefits. Please keep in mind that you should initially contact the appropriate service center (Vanguard Participant Services for the RSP and the RSC for the pension plan) to ensure you receive the required forms for the plan benefit you are requesting and that the completed forms are submitted according to the required procedure. See “Claims and Appeals,” in this section, for information on the claim reconsideration and appeal process.

Refer to the following chart for the appropriate address of where to send claims and appeals:

### Claims Administration

Plan	Claims Administration	Appeals	QDRO
<b>RSP</b>	<p>The Vanguard Group, Inc.                      Attn: Plan number                      093111 (RSP I) or                      090381 (RSP II)                      P.O. Box 982902                      El Paso, TX 79998-2902</p> <p>1.800.523.1188                      1.800.828.4487 (Spanish-speaking)                      1.800.523.8004 (hearing-impaired)</p>	<p>FedEx Corporation                      Attn: Retirement Appeals                      Committee                      30 FedEx Parkway                      2<sup>nd</sup> Floor Horizontal                      Collierville, TN 38017</p>	<p><b><u>Regular Mail:</u></b>                      FedEx Qualified Order Center                      P.O. Box 1433                      Lincolnshire, IL 60069-1433</p> <p><b>Phone:</b> 1.855.604.6221                      Monday through Friday                      8 a.m. – 6 p.m. Central time</p> <p><b>Fax:</b> 1.847.554.1969</p> <p><b>Email:</b>  <b><u>Qualified.Order.Operations</u></b>  <b><u>@alight.com</u></b></p> <p><b>Online:</b> <a href="http://qocenter.com">qocenter.com</a></p> <p><b><u>Overnight:</u></b>                      FedEx Qualified Order Center                      4 Overlook Point                      Lincolnshire, IL 60069-1433</p>

Plan	Claims Administration	Appeals	QDRO
<b>Pension Plan</b>	<p>FedEx Retirement Service Center (RSC) Claims and Appeals Management P.O. Box 1407 Lincolnshire, IL 60069-1407</p> <p>1.855.604.6221 1.855.604.6221 (hearing-impaired will need to call in with local relay service)</p> <p><b>Fax:</b> 1.847.554.1441 or 1.847.554.1486</p> <p><b><u>Overnight:</u></b> FedEx Retirement Service Center (RSC) Claims and Appeals Management Attn: Box 1407 4 Overlook Point–Ste 4OB Lincolnshire, IL 60069</p>	<p>FedEx Retirement Appeals Committee c/o FedEx Retirement Service Center (RSC) Claims and Appeals Management P.O. Box 1407 Lincolnshire, IL 60069-1407</p> <p>1.855.604.6221 1.855.604.6221 (hearing-impaired will need to call in with local relay service)</p> <p><b>Fax:</b> 1.847.554.1441 or 1.847.554.1486</p> <p><b><u>Overnight:</u></b> FedEx Retirement Appeals Committee c/o FedEx Retirement Service Center (RSC) Claims and Appeals Management P.O. Box 1407 4 Overlook Point–Ste 4OB Lincolnshire, IL 60069</p>	<p><b><u>Regular Mail:</u></b> FedEx Qualified Order Center P.O. Box 1433 Lincolnshire, IL 60069-1433</p> <p><b>Phone:</b> 1.855.604.6221 Monday through Friday 8 a.m. – 6 p.m. Central time <b>Fax:</b> 1.847.554.1969</p> <p><b>Email:</b> <b><u>Qualified.Order.Operations@alight.com</u></b></p> <p><b>Online:</b> <a href="http://qocenter.com">qocenter.com</a></p> <p><b><u>Overnight:</u></b> FedEx Qualified Order Center 4 Overlook Point Lincolnshire, IL 60069-1433</p>

## Claims and Appeals

### Disability Retirement in the RSP

**Filing a Claim: Your Rights**—If you think you are eligible for a disability retirement benefit under the RSP, you must file a claim. You alone are responsible for making sure your claim is filed accurately and on time. To file a claim, contact the claims paying administrator, Vanguard, at 1.800.523.1188.



When you submit your claim to Vanguard, the plan administrator should process it within 45 days. Sometimes more time may be needed if additional information is required. If this happens, you will be notified in writing of the delay before the 45-day period expires and you will be told what is needed to complete the processing of your claim. You will have 45 days to provide the missing information. The plan administrator will make a decision within 30 days of receipt of additional information. The plan administrator may request an additional 30-day extension before the expiration of the first 30-day period. If the claim is denied, in whole or in part, a letter will be sent to you with an explanation of the following:

- The specific reason or reasons for the adverse determination.
- An explanation of the basis for disagreeing with or not following: (i) the views presented by the claimant to the plan of health care professionals treating the claimant and vocational professionals who evaluated the claimant; (ii) the views of medical or vocational experts whose advice was obtained on behalf of the plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and (iii) disability determination regarding the claimant presented by the claimant to the plan by the Social Security Administration.
- Reference to the specific plan provisions on which the benefit determination is based.
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access and copies of all relevant documents including any internal rules, guidelines, protocols or other similar criteria used as a basis for the denial or a statement that a protocol or other criteria was relied upon and that a copy will be made available to the claimant free of charge upon request.
- A statement informing the claimant about the right to bring a civil action under the Employee Retirement Income Security Act of 1974 (ERISA).

If an internal rule, guideline, protocol or other similar criterion was relied upon in making the adverse benefit determination, either the specific rule, guideline, protocol or other similar criterion, or statement that such a rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination and a copy of such rule, guideline, protocol or other criterion will be provided free of charge to the claimant upon request.

**It is your responsibility to provide information to support your claim.**

**Appealing a Denial: Your Rights**—If your claim has been denied, you will receive the denial letter described above, explaining the specifics of the denial. You or your authorized representative has the right to request a full and fair review of the denied claim at what is referred to as the appeal level. The request must be submitted in writing to the address provided in the denial letter within 180 days from the date you receive the written denial of the claim. It is your responsibility to provide information to support your appeal.

If you or your authorized representative fails to request the appeal within the time described in the above paragraph, you will be denied a review and you may be giving up legal rights to later contest the denial of benefits.

In support of your appeal, you may submit written comments, documents, records and other information relating to your claim to the address provided in the denial letter for review by an appeal committee. The committee will make the final determination on your appeal.

As part of this appeal, you or your authorized representative has the right to review, upon request and free of charge, all documents, records and information relevant to the basis on which your claim for benefits was decided. Relevant information includes any information submitted, considered, generated or relied upon in making your benefit decision. To receive a copy of these documents, send your request to the address shown on the denial letter or call the phone number shown on the letter. You can include this request as part of your appeal.

Your appeal will be reviewed by the FedEx Retirement Appeals Committee. The RSP provides that the appeal committee has the authority and discretion to interpret the provisions of the RSP and to determine eligibility under the RSP to receive benefits.

The appeal committee normally issues a decision on your case within 45 days of receipt of your request. Sometimes more time may be needed if there are special circumstances, such as a need for additional information. If this happens, you will be notified in writing of the delay before the first 45-day period expires and you will be told what is needed to complete the processing of your appeal. The appeal process will be delayed until you respond on or before the response date provided in your letter with the requested information.

The appeal committee should issue a decision within 45 days after receiving your information. This decision is sent to you in writing and includes the specific reasons and references to the plan provisions on which the decision is based.

### **Appeals by Authorized Representative**

If you designate an authorized representative to appeal for you or you are submitting personal medical information, you must complete a Claim/Appeal Authorization/Release of Information form and submit it with your appeal request. If you fail to authorize the disclosure under the "Claim/Appeal Disclosure Information/Release of Information" section of the form, the appeal will be processed without your medical information. As a result, the denial of benefits may continue to be upheld. Except as described on the form, information that is disclosed under this authorization may be subject to re-disclosure by the authorized representative designated on the form and no longer protected by law.

You can obtain the Claim/Appeal Authorization/Release of Information form by calling the FedEx Retirement Service Center at 1.855.604.6221.

### **All Other Retirement Claims**

**Filing a Claim: Your Rights**—If you think you are eligible for a retirement plan benefit, you must file a claim. You alone are responsible for making sure your claim is filed accurately and on time. Addresses for filing claims are included, see "Claims Contact Information" in this section. The general rules that are stated here apply to all of the retirement plans.

When you have filed the completed claim form, where applicable, along with any required documentation, the claims paying administrator should process your claim within 90 days.

Sometimes more time may be needed if additional information is required. If this happens, you will be notified in writing of the delay before the first 90-day period expires and you will be told what is needed to complete the processing of your claim.

The processors will complete the processing of your claim and inform you of the decision within a second 90-day period, even if you do not provide the information requested.

If the claim is denied, in whole or in part, a letter will be sent to you with the following:

- Specific reason or reasons for the denial.
- Specific reference to the relevant plan provision on which the decision is based.
- Information on how to appeal your claim, should you wish to pursue it further.
- Description of the appeal procedures and time limits.
- Statement of your right to bring a civil action under ERISA if your appeal is denied.

**Appealing a Denial: Your Rights**—You have the right to request a full and fair review of the denied claim at what is referred to as the appeal level. Your request must be submitted in writing to the address provided in the denial letter within 60 days from the date that you receive the written denial of the claim.

**It is your responsibility to provide information to support your appeal.**

If you or your authorized representative fails to request the appeal within the time described in the above paragraph, you will be denied a review and you may be giving up legal rights to later contest the denial of benefits.

In support of your appeal, you may submit written comments, documents, records and other information relating to your claim to the address provided in the statement. This information will be reviewed by the Retirement Appeals Committee, which will make the final determination on your appeal.

As part of this appeal, you or your authorized representative has the right to review, upon request and free of charge, all documents, records and information relevant to the basis on which your claim for benefits was decided. Relevant information includes any information submitted, considered, generated or relied upon in making your benefit decision. To receive a copy of these documents, send your request to the address shown on the denial letter or call the phone number shown on the letter. You can include this request as part of your appeal.

Your appeal will be reviewed by the FedEx Retirement Appeals Committee. The pension plan provides that the appeal committee has the authority and discretion to interpret the provisions of the pension plan and to determine eligibility under the pension plan to receive benefits.

The decision on your appeal will normally be issued within 60 days of receipt of your request. Sometimes more time may be needed if there are special circumstances, such as a need for additional information. If this happens, you will be notified in writing of the delay before the first 60-day period expires and you will be told what is needed to complete the processing of your appeal. The decision on your appeal will be issued within 60 days of receipt of the additional information. This decision is sent to you in writing and includes:

- The specific reason or reasons for the adverse determination.
- Reference to the specific plan provisions on which the benefit determination is based.
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access and copies of all relevant documents including any internal rules, guidelines, protocols or other similar criteria used as a basis for the denial or a statement that a protocol or other criteria was relied upon and that a copy will be made available to the claimant free of charge upon request.
- A statement informing the claimant about the right to bring a civil action under ERISA.

## Legal Action

A participant or beneficiary may not bring legal action to recover benefits under the Plans until they have exhausted the internal administrative process described in “Claims and Appeals” in this section. If you or your beneficiary fail to comply with, or exhaust, the claims procedures herein stated you or your beneficiary must initiate legal proceedings in a court of law within one year of the date you or your beneficiary is deemed to have exhausted the claims procedure. Also, if you receive a denied appeal you must initiate legal proceedings in a court of law within one year of the date the appeal is issued.

If you want to take legal action for any reason related to your retirement benefit claim, you may serve the summons and complaint on FedEx at:

Federal Express Corporation  
Building B, 3rd Floor  
3620 Hacks Cross Road  
Memphis, TN 38125-8800

Legal process may also be served on the retirement plan’s trustee or CT Corporation, which is the corporate agent responsible for receiving legal process. You may contact CT Corporation at 1.800.325.2671 for the physical address for serving legal process.

# Your Rights Under ERISA

As a participant in the FedEx retirement plans, you are entitled to certain rights and protections under ERISA. ERISA provides that all retirement plans participants shall be entitled to the following:

## Receive Information About Your Retirement Plans and Benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all plan documents, including insurance contracts and copies 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 all documents governing the operation of the plan, including insurance contracts, copies of the latest annual report (Form 5500 Series) and updated Summary Plan Descriptions (SPDs). The administrator may charge a reasonable fee 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 the annual funding notice.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefit under the plan is estimated to be at normal retirement age if you stop working now. The statement will show your vesting percentage. This statement is required to be given once a year and must be provided 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 plans. The people who operate your retirement plans, called fiduciaries, 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 terminate 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 or welfare 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 retirement plan documents or the latest annual report from the retirement plan and do not receive it within 30 days, you may file 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 material, unless the material was not sent because of reasons beyond the control of the plan 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 administrator's decision or lack thereof concerning the qualified status of a Domestic Relations Order (DRO) or medical child support 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 retirement plan(s), you should contact the plan administrator(s). 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 write:

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 at 1.866.444.3272.

### **Pension Benefit Guaranty Corporation (PBGC)**

The RSP is not insured by the PBGC since the PBGC does not insure qualified defined contribution plans. Your vested pension plan benefits are insured by the PBGC, a federal insurance agency. If the pension plan terminates without enough money to pay all benefits, the PBGC will step in to pay pension plan benefits up to a maximum amount prescribed for the year in which the pension plan terminates.

## Benefit Guarantees

The PBGC guarantee generally covers:

- Normal and early retirement benefits.
- Disability benefits if you become disabled before the pension plan terminates, and
- Certain benefits for your beneficiaries.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the pension plan terminates.
- Some or all benefit increases and new benefits based on pension plan provisions that have been in place for fewer than five years at the time the pension plan terminates.
- Benefits that are not vested because you have not worked long enough for the Company.
- Benefits for which you have not met all the requirements at the time the pension plan terminates.
- 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 pension plan's normal retirement age.
- Non-pension plan 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 pension plan has and how much the PBGC collects from employers.

## Where to Get More Information

For more information about the PBGC and its guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Branch, 1200 K Street, N.W. Washington, D.C. 20005-4026 or call 1.800.400.7242 or 1.202.326.4000 (not a toll-free number).

TTY/TDD users may call the federal relay service toll free at 1.800.877.8339 and ask to be connected to 1.800.400.7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website at [pbgc.gov](https://www.pbgc.gov).

# Retirement Savings Plan (RSP)—401(k) Plan

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## Introduction to the Plan

The FedEx Corporation Retirement Savings Plan (RSP) is a defined contribution plan designed to provide you a convenient way of accumulating additional savings for your retirement.

**Note:** The RSP is a 401(k) plan and may be referenced in this way throughout the *Your Retirement Benefits (YRB)*. Also, references to FedEx or Company include all FedEx Companies participating in the RSP.

**IMPORTANT:** This YRB describes two 401(k) plans – the FedEx Corporation Retirement Savings Plan I (“RSP I”) and the FedEx Corporation Retirement Savings Plan II (“RSP II”). Wherever the term “RSP” is used, it is meant to apply to both RSP I and RSP II, unless specifically noted otherwise.

**RSP I:** Employees participate in the RSP I if they were eligible for this plan as of December 31, 2019 and remain in this plan until either termination of employment or moving into an ineligible position, unless they elected the “all 401(k) plan” retirement benefit structure (RSP II) during the 2021 Retirement Choice window.

**RSP II:** Employees participate in the RSP II if they were hired or rehired after December 31, 2019 or if they elected the “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period.

The RSP allows you to make Pre-tax contributions, After-tax contributions\* and, if eligible, Catch-up contributions\*\* through convenient payroll deductions. In addition, your FedEx Participating Employer will contribute an Employer Matching contribution (Company match) on a portion of your Pre-tax contributions and, if eligible, Catch-up contributions. The Vanguard Group, Inc. (Vanguard) serves as the recordkeeper.

The RSP I is closed to employees hired or rehired after December 31, 2019. Eligible employees hired or rehired on or after January 1, 2020 participate in the RSP II.

For online access to your account at Vanguard, go to [vanguard.com/retirementplans](https://vanguard.com/retirementplans) and register using your plan number 090381 for RSP II and 093111 for RSP I. Once you’ve signed up, you can log on to check your account performance, get smarter about investing and keep tabs on information about your retirement plan at Vanguard. While registering for online access, you will be asked if you want e-delivery of documents emailed to your preferred email address. Elect this to receive important plan communications electronically. For convenient access to your account on the go, download the Vanguard free mobile app.

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\* Highly compensated employees (HCEs) in the RSP are not allowed to make After-tax contributions. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

\*\* A participant is eligible to make Catch-up contributions if they are or will be age 50 or older by the end of the applicable plan year.



## Participating Employers

The chart below lists the Participating Employers of the RSP.

<b>FedEx Corporation Retirement Savings Plan Participating Employers</b>	
FedEx Corporation	FedEx Freight Corporation
FedEx Corporate Services, Inc.	FedEx Freight, Inc. (excluding employees residing in Puerto Rico)
FedEx Custom Critical, Inc.	
Federal Express Corporation (FedEx Express) (excluding employees residing in Puerto Rico)	FedEx Ground Package System, Inc. (excluding employees classified as any type package handlers and package handler – parcel assistants)
Federal Express Guam	FedEx Logistics, Inc.
Federal Express Virgin Islands, Inc.	FedEx Trade Networks Trade Services, LLC
FedEx Forward Depots, Inc.	FedEx Trade Networks Transport & Brokerage, Inc. (excluding employees residing in Puerto Rico)

If you are classified by your Participating Employer as an independent contractor or leased employee, you are not eligible to participate in any benefit plans sponsored by the employer, even if you are later determined by a court or administrative agency having competent jurisdiction to be a common law employee of the employer.

If you are employed at the same time by both a Participating Employer and another FedEx Controlled Group Member that is not a Participating Employer, upon satisfaction of the eligibility requirements:

- You will be eligible to participate in this Plan if your earliest date of continuous employment is with a Participating Employer, unless you belong to an excluded class of employees at the Participating Employer, in which case you will participate in the non-participating FedEx Controlled Group Member's Plan.
- You will be eligible to participate in the non-participating FedEx Controlled Group Member's plan if your earliest date of continuous employment is with the non-participating FedEx Controlled Group Member, unless you belong to an excluded class of employees at the non-participating FedEx Controlled Group Member, in which case you will participate in this Plan.

You are not eligible for the RSP if your employment is covered by a collective bargaining agreement that does not provide for your participation in the RSP.

The following persons are also not eligible:

- Employees of FedEx Ground Package System, Inc., whose job code is that of an hourly-paid package handler (unless such an employee was eligible to participate on December 31, 1993 and has remained in an hourly-paid package handler position since then with no breaks in service) or whose job code is that of an hourly-paid package handler – parcel assistants, special assignment package handler, occasional package handler or other class of package handler.
- Non-resident aliens who receive no income from U.S. sources subject to U.S. income taxes.
- Employees residing in Puerto Rico.

## Plan Year

The plan year for the RSP is January 1 through December 31.

## Eligibility for Plan Participation

### **Eligibility for Pre-tax and After-tax\* Contributions**

If you are employed by a Participating Employer, you can begin making Pre-tax contributions and After-tax contributions on your plan entry date. Your plan entry date is the exact day of:

- Your attaining age 21, and
- Completing one month of service with a Participating Employer, FedEx Controlled Group Member or foreign affiliate. For a list of FedEx Controlled Group Members, see “Plan Eligibility Scope and Guidelines” in the “Introduction” section.

### **Eligibility for Company Match**

If you are employed by a Participating Employer, you are eligible to receive the Company match on your Pre-tax contributions and, if eligible, Catch-up contributions on the exact day of:

- Your attaining age 21, and
- Completing one month of service with a Participating Employer, FedEx Controlled Group Member or foreign affiliate. For a list of FedEx Controlled Group Members, see “Plan Eligibility Scope and Guidelines” in the “Introduction” section.

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\* HCEs in the RSP are not allowed to make After-tax contributions. For current IRS limits, visit [vanguard.com/contributionlimits](http://vanguard.com/contributionlimits).

## Eligibility for Rollover Contributions

If you are employed by a Participating Employer, you are eligible to make an eligible Rollover contribution(s) on your date of hire.

Following retirement or termination of employment with FedEx, RSP participants cannot make rollover contributions into a FedEx Plan.

## Eligibility for Catch-up Contributions

If you are employed by a Participating Employer, you can begin making Catch-up contributions at age 50 or older, provided you are eligible to make Pre-tax contributions to the RSP. In the calendar year you reach age 50, you can contribute Catch-up contributions anytime in that calendar year. You are eligible to contribute up to the Catch-up contribution limit if:

- You have contributed up to the Pre-tax contribution limit of 50 percent of your eligible earnings, or
- You reach the Internal Revenue Service (IRS) pre-tax dollar limit during the plan year. For information on current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

## If You Are Re-Employed

**Eligibility for Pre-tax, After-tax\* and Company Match**—If you terminate employment and are later re-employed by a Participating Employer, you will become a participant in the RSP II and the following rules apply to your eligibility for making Pre-tax and After-tax contributions and your eligibility to receive a Company match:

- If you were a participant prior to your termination date, you are eligible on your re-employment date.
- If you had satisfied all conditions for eligibility prior to your termination date and are re-employed, you will be eligible on your re-employment date.
- If you had not satisfied the conditions for eligibility prior to your termination date and are re-employed, you will become a participant according to the following:
  - If your period of severance is less than 12 months after your last termination date, you will enter the Plan on the later of (i) your re-employment date or (ii) the exact day on which you attain age 21 and complete one month of service after your original employment date with a Participating Employer, FedEx Controlled Group Member or foreign affiliate. Please note that the period beginning on your severance date and ending on the date you first perform an hour of service is counted toward the one-month service requirement.

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\* HCEs in the RSP are not allowed to make After-tax contributions. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

- If your period of severance is 12 months or more after your last termination date and you had previously satisfied the one-month eligibility requirement, you will enter the Plan on the later of your re-employment date or the date you attain age 21. Otherwise, you will enter the Plan on the exact day on which you attain age 21 and complete one month of service after your re-employment date with a Participating Employer.

**Note:** If an employee in the RSP I terminates from a FedEx company that sponsors a pension plan and transfers directly within 10 calendar days to a FedEx company that sponsors a pension plan, the employee will remain in RSP I and will continue to be eligible for the pension plan. If the reemployment date is greater than 10 calendar days, the employee will be eligible for the RSP II and will not be eligible to participate in the pension plan.

**Employee Transfers from Puerto Rico to a US Participating Employer**—If an employee residing in Puerto Rico chose to remain in the Pension Plan at the lower 401(k) Company match structure during the 2021 Retirement Choice period and later transfers directly, within 10 calendar days, to a U.S.-based company that is a Participating Employer, they will be automatically enrolled in the RSP I and will remain in the same retirement benefit structure that they chose. If the movement between Participating Employers is great than 10 calendar days, or the employee transfers to a non-Participating Employer, they will be automatically enrolled in the RSP II and will no longer participate in a FedEx Pension Plan.

**Eligibility for Rollover Contributions**—If you are re-employed by a Participating Employer, you are eligible to make Rollover contributions on your date of rehire.

**Eligibility for Catch-up Contributions**—If you are re-employed by a Participating Employer, you can begin making Catch-up contributions at age 50 or older, provided you are eligible to make Pre-tax contributions to the RSP. In the calendar year you reach age 50, you can contribute Catch-up contributions anytime in that calendar year. You are eligible to contribute up to the Catch-up contribution limit if:

- You have contributed up to the Pre-tax contribution limit of 50 percent of your eligible earnings, or
- You reach the IRS pre-tax dollar limit during the plan year. For information on current IRS limits, visit [vanguard.com/contributionlimits](https://www.vanguard.com/contributionlimits).

## Correspondence

All correspondence regarding the RSP is sent to your home address as listed in Workday. You are responsible for updating any change of address in Workday or reporting any change of address to your manager. If you are no longer employed by FedEx, call Vanguard Participant Services at 1.800.523.1188, to change your address.

## Enrollment

The RSP is structured as a Qualified Automatic Contribution Arrangement (QACA), which means the IRS safe harbor designation applies. The Plan's structure as a QACA means:

- Once eligible for participation in the Plan, employees must be automatically enrolled no later than the earlier of the pay date for the second payroll period beginning after the date the eligibility notification is provided, or the first pay date that occurs at least 30 days after the eligibility notification is provided.
- Once enrolled, participants may choose not to participate or to change their contribution rates. Matching contributions are 100 percent vested after you complete one year of service. The match formula is defined under "Company Match" in the "Sources of Contributions" subsection of this section.

### **Automatic Enrollment Through One Step®**

Shortly before you become eligible to participate in the RSP, you will receive eligibility notification from Vanguard that explains the One Step® program.

One Step includes three automatic features: enrollment, investment selection and annual savings rate increases. You have the option to change or cancel any of these features if you wish, as instructed under "Opting Out of One Step" in this subsection.

Here's how One Step works if you are a newly hired employee:

- Employees hired or rehired on or after January 1, 2020 will be enrolled into the FedEx Corporation Retirement Savings Plan II (RSP II).
- You will be automatically enrolled at a contribution rate of 6 percent of your eligible earnings within 14 days of your plan entry date (the date you attain age 21 and complete one month of employment).
- Your contributions will be invested automatically in the Vanguard® Target Retirement Trust closest to the year in which you will attain age 65. See "Investment Options" in this section for details. Once enrolled, you may change your investment allocation at any time.
- After one year of employment, and each subsequent year on your enrollment anniversary, your contribution rate will increase automatically by one percentage point (unless you choose a different contribution level) until it reaches 10 percent of your eligible earnings.

If you are automatically enrolled in the RSP and subsequently are on any type of unpaid leave of absence, including short- or long-term disability, your automatic enrollment contributions will continue with your next paycheck unless you opt out or change your contribution election.

If you do not wish to participate in the RSP, you must contact Vanguard Participant Services as soon as possible after receiving your eligibility notification.

As a result of the One Step program, you are deemed to have:

- Enrolled in the RSP starting at a contribution rate of 6 percent.
- Your eligible earnings reduce by an additional 1 percent each year, until such Pre-tax contributions reach 10 percent of your eligible earnings.
- Enrolled in a date-specific Vanguard Target Retirement Trust, based on your age and an assumed retirement age of 65.
- Agreed to be bound by all terms and conditions of the RSP.

Investments in Target Retirement Trusts are subject to the risks of their underlying investments. The year in the investment name refers to the approximate year (the target date) when an investor in the trust would retire and leave the workforce. The trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Trust is not guaranteed at any time, including on or after the target date.

It is important to note that you can increase or decrease your contribution rate and/or change your investment options at any time. You may also change your annual automatic increase rate—to 1 percent, 2 percent or 3 percent—and have the increase occur on your enrollment anniversary or in any other month you designate. You may automatically increase your Pre-tax contributions up to 50 percent of your eligible earnings.

If you are a rehired employee, special rules apply to your enrollment when you return to the Company. Generally, if you have been separated from service for less than 24 months and were automatically enrolled in the RSP II prior to your termination, and following rehire you fail to choose to participate in the RSP, you will be automatically re-enrolled at the same Pre-tax contribution rate in effect prior to your termination. In addition, any automatic contribution rate increases that would have occurred during that time will be applied. Rehires terminated from service for at least 24 months will be automatically enrolled with an initial payroll deduction of 6 percent. This savings rate will be increased by one percentage point until such Pre-tax contributions reach 10 percent of your eligible earnings. If you were participating in the RSP I at the time of your termination, you will be automatically enrolled in the RSP II after you are rehired.

## Opting Out of One Step

If you choose not to be enrolled in the RSP automatically through One Step, you may opt out by contacting Vanguard Participant Services as soon as possible following receipt of your eligibility notification. Once you are enrolled, money will be automatically taken from your pay and contributed to your 401(k) plan account. It's important to remember that you may "opt out," or elect not to make any contributions, if you wish. To opt out, contact Vanguard Participant Services by logging in to [vanguard.com/retirementplans](https://vanguard.com/retirementplans) at any time or call a Vanguard Participant Services associate at 1.800.523.1188 Monday through Friday from 8:30 a.m. – 9 p.m., Eastern time (7:30 a.m. – 8 p.m., Central time). If you do nothing, RSP contributions will be deducted from each of your paychecks on a pre-tax basis.

New hires have the option to withdraw all payroll deferrals (adjusted for gains or losses) within 90 days of the first automatic withdrawal. This "permissible withdrawal" is not subject to any early withdrawal penalty and is included in your gross income for the year in which the withdrawal occurs. To request a permissible withdrawal, you must contact Vanguard Participant Services at 1.800.523.1188.

**Employee Transfers from Puerto Rico to a US Participating Employer**—If an employee residing in Puerto Rico chose to remain in the Pension Plan at the lower 401(k) Company match structure during the 2021 Retirement Choice period and later transfers directly, within 10 calendar days, to a U.S.-based company that is a Participating Employer, they will be automatically enrolled in the RSP I and will remain in the same retirement benefit structure that they chose. If the movement between Participating Employers is great than 10 calendar days, or the employee transfers to a non-Participating Employer, they will be automatically enrolled in the RSP II and will no longer participate in a FedEx Pension Plan.

## Enroll in the RSP on Your Own

If you opt out of automatic enrollment through One Step, you can enroll on your own at any time using Vanguard's automated VOICE® Network or online at [vanguard.com/enroll](https://vanguard.com/enroll).

Enroll using Vanguard's 24-hour interactive VOICE Network:

- Call 1.800.523.1188. To use VOICE you will need a Personal Identification Number (PIN). To create a PIN, follow the prompts.

Spanish-speaking: Call 1.800.828.4487.

Hearing-impaired: Call 1.800.523.8004.

The VOICE Network guides you through the enrollment process for payroll deferral percentage elections and selecting your investment options. Written confirmation of your payroll deduction and investment choices will be mailed to your home address within seven business days.

Enroll online at [vanguard.com/enroll](https://vanguard.com/enroll):

- Enter **vanguard.com/enroll** in your computer's browser.

To ensure the privacy and security of retirement plan account information, Vanguard requires two-factor authentication by online participants.

- Follow the online instructions to register and enroll. You will need your Plan number (for RSP I the plan number is 093111 or RSP II the plan number is 090381).

## Your Vanguard Personal Identification Number (PIN)

Your PIN is confidential. It is important that you keep your PIN in a secure location; you will not be able to access your accounts through the VOICE Network without it. If you forget your PIN, follow the prompts to create a new one. Your PIN is not required to speak to a Vanguard Participant Services associate.

## Your Cost

The performance returns as stated on the Fund or Trust Fact Sheets and your quarterly statements issued by Vanguard show the various investment options' net returns, after expenses have been deducted. The expenses for each investment option are explicitly stated on the Fund or Trust Fact Sheets and on your statements and may vary from investment to investment offered in the RSP. Expenses deducted are declared in terms of basis points; therefore, the larger your balance in the RSP, the larger your expenses will be. You pay management fees for the investments in the RSP through expense ratios of the investments in your account and administrative expenses such as loan origination fees. FedEx pays for the recordkeeping expenses of the RSP. You may access investment performance information on [vanguard.com/retirementplans](https://vanguard.com/retirementplans).

If you separate from employment or retire and elect to maintain a balance in the RSP, a recordkeeping fee will be deducted from your plan account beginning in the calendar quarter following the quarter in which you separate from employment.

## Designating a Beneficiary

It is important that you name the person or persons you wish to receive any RSP benefits upon your death. You may only designate a beneficiary on the Vanguard website or by contacting them by phone.

You can name your beneficiary(ies) online at [vanguard.com/retirementplans](https://vanguard.com/retirementplans). You also have the option to call Vanguard Participant Services at 1.800.523.1188 and designate a beneficiary over the phone. Vanguard will send the completed beneficiary form to you for your signature. The designated beneficiary will not be valid until the signed form is received by Vanguard at the address indicated on the form.



*If you choose to name a person(s) under the age of majority (i.e., a minor) as primary or secondary beneficiary(ies), as applicable, any vested death benefit payment will be made only to the legal guardian of the minor. In the event of your death, Vanguard must receive acceptable legal documentation which establishes the guardianship of the minor(s).*

*If you are married at the time of your death, your spouse is automatically the beneficiary unless your spouse previously consented to the designation of another person as your beneficiary on the beneficiary form. Your spouse's written consent must have been witnessed by a notary public. The completed, signed beneficiary designation must be on file with Vanguard prior to the date of your death. It is important that you periodically review your beneficiary designation, which appears on your quarterly statement, because the most recent valid beneficiary form on file determines who receives any death benefits.*

When you designate a beneficiary, you must designate beneficiaries for 100% of your RSP balance.

If a primary beneficiary dies before your balance in the RSP is distributed, that primary beneficiary's share of your account is paid to the named contingent beneficiary or beneficiaries.

If you are not married at the time of your death and no beneficiary has been designated, your account is paid to your estate. Your estate must receive full payment of the balance by December 31 of the calendar year containing the fifth anniversary of your death.

### **Definition of a Spouse**

For purposes of the RSP, all references to "spouse" shall mean a legally married spouse as recognized under the laws of the state or other jurisdiction in which the marriage is established, consistent with U.S. federal tax laws; and a common-law spouse as defined by the state law where common-law marital status is established. A spouse includes a common-law spouse and same-gender spouse; and a common law spouse may be of the same gender. A former spouse shall be treated as the spouse to the extent provided under a Qualified Domestic Relations Order (QDRO) as described in Section 414(p) of the Code. The Plan Administrator may rely on the participant's written statement regarding such participant's marital status.

A common-law marriage will be valid only where recognized in the applicable state jurisdiction, provided you have submitted the required affidavit of common-law marriage to Vanguard Participant Services.

## **Contributions**

The following types of contributions can be made to the RSP:

- Pre-tax contributions.
- Employer Matching contributions (Company match).
- After-tax contributions.
- Catch-up contributions.
- Rollover contributions.

All RSP contributions are held in a trust fund. The cash assets for the RSP are managed and invested by the trustee, as directed by you. Pre-tax, After-tax and Catch-up contributions are based on your eligible earnings.

## Eligible Earnings

Eligible earnings include wages, salary, overtime earnings and other earnings such as commissions, job performance and incentive bonuses (excluding Long Term Incentive [LTI]). Also included are license premiums, line duty and longevity pay and shift premiums.

Eligible earnings include pay prior to pre-tax deductions for health care and dependent care, Pre-tax, After-tax and, if applicable, Catch-up contributions to the FedEx Corporation Retirement Savings Plan (RSP).

Eligible earnings do not include earnings such as daily allowance, imputed income from life insurance coverage, per diem and disability benefits provided by Participating Employers, reimbursed expenses, cash or noncash fringe benefits, moving and other relocation expenses, deferred compensation, amounts realized from the exercise of stock options (or from the sale, exchange or disposition of stock acquired under stock options or stock bonus plans), amounts paid under a severance program or arrangement or contributions made by Participating Employers to qualified retirement benefit plans. Nor do eligible earnings, for the purpose of this definition, include expatriate pay items.

## Sources of Contributions

### Pre-tax Contributions

You can contribute from 1 percent to 50 percent per paycheck of your eligible earnings in 1 percent increments on a pre-tax basis through payroll deductions.

Your Pre-tax contributions grow tax deferred. Since your contributions are deducted from your paycheck before taxes are calculated and withheld, your taxable income for the year is reduced and you pay less in income taxes.

Contributions are deposited shortly after each pay period (one to five business days) to your Pre-tax Contribution Account.

The IRS limits the annual dollar amount a participant may contribute during a calendar year and the limit may be adjusted from time to time for increases in the cost-of-living index. For current IRS limits, visit [vanguard.com/contributionlimits](https://www.vanguard.com/contributionlimits).

Once you reach an IRS or RSP limit, your contributions will cease automatically for that plan year and then restart the next January, unless you elect otherwise before the first paycheck of the new year is processed.

## Company Match

The RSP is structured as a QACA. For each plan year that the RSP continues to be a QACA, FedEx will provide a Company match on the total of Pre-tax and, if eligible, Catch-up contributions, up to the maximum percentage of eligible earnings as follows:

RSP I: Participants hired prior to January 1, 2020 and since continually employed in a position eligible for Pension Plan Compensation Credits except those who elected during the Retirement Choice Period to participate in the RSP II		RSP II: – Participants hired or rehired on or after January 1, 2020 and those who elected during the Retirement Choice Period to participate in RSP II		Catch-up contributions
<b>Employee Contribution</b>	<b>Company Match</b>	<b>Employee Contribution</b>	<b>Company Match</b>	Both Pre-tax and Catch-up contributions count as Employee Contributions in applying the Company match formula.
1.0%	1.0%	1.0%	2.0%	
2.0%	1.5%	2.0%	4.0%	
3.0%	2.0%	3.0%	5.0%	
4.0%	2.5%	4.0%	6.0%	
5.0%	3.0%	5.0%	7.0%	
6.0%	3.5%	6.0%	8.0%	

You are 100 percent vested in any Company match after you have completed one year of service (12 months of employment). You are 100 percent vested immediately in your payroll contributions.

For each year the RSP is a QACA, FedEx will perform a calculation to determine if there are any differences between the Company match participants received and the Company match participants would have received had their Pre-tax contributions been made equally throughout the prior plan year. FedEx will make an additional Company match, called a True-up matching contribution, to reconcile any differences. The True-up matching contributions are made as soon as administratively possible and eligible employees are able to see the True-up matching contribution reflected in their RSP account generally by the end of the fiscal year.

### After-tax Contributions

You can contribute from 1 percent to 20 percent per paycheck of your eligible earnings in 1 percent increments. The actual percentage is subject to FedEx review due to government limits. These savings are not pre-tax, but earnings on your savings grow tax deferred.

Contributions are deposited shortly after each pay period (one to five business days) to your After-tax Contribution Account. Once you reach an IRS or RSP limit, your contributions will cease automatically for that plan year and then restart the next January, unless you elect otherwise before the first paycheck of the new year is processed.

There is an exception if you are a highly compensated employee (HCE) as defined by the IRS. You are not permitted to make After-tax contributions. For the definition of HCE, see “Important Limits on Contributions” in this section. Each January, participants contributing more than 0 percent in After-tax contributions and changing from non-highly compensated to a highly compensated status will be notified by Vanguard that they can no longer make After-tax contributions. Participants changing from a highly compensated to a non-highly compensated status will be notified by Vanguard of their ability to increase their After-tax contribution above 0 percent.

### **Catch-up Contributions**

Eligible participants may elect to make additional pre-tax Catch-up contributions. Catch-up contributions help to increase your retirement savings by allowing you to contribute over the IRS contribution limit or the RSP limit, if lower. To be eligible, you must be age 50 or older, or attain age 50 by the end of the calendar year. You are eligible to contribute up to the Catch-up contribution limit if:

- You have contributed up to the Pre-tax contribution limit of 50 percent of your eligible earnings, or
- You reach the IRS pre-tax dollar limit during the plan year.

To make Catch-up contributions, you can elect a separate pre-tax Catch-up payroll deduction by designating a percentage from 1 percent to 30 percent per paycheck.

See “Important Limits on Contributions” in this section for additional information on Catch-up contributions.

Your Catch-up contributions may not exceed a specified dollar limit in any one calendar year. The annual dollar limit may be adjusted from time to time to account for increases in the cost-of-living index. For current limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

To make a Catch-up contribution election, contact Vanguard Participant Services at 1.800.523.1188 or online at [vanguard.com/retirementplans](https://vanguard.com/retirementplans). See “Changing the Amount You Save” in this section for details. Catch-up contributions will be effective as soon as administratively possible after your election. Once you reach an IRS or RSP limit, your contributions will cease automatically for that plan year and then restart in the next January, unless you elect otherwise before the first paycheck of the new year is processed.

Contributions are deposited shortly after each pay period (one to five business days) to your Catch-up Contribution Account.

### **Rollover Contributions**

If you were a participant in a tax-qualified plan of a former employer, you can transfer (roll over) your former account balance to the RSP upon meeting certain criteria. However, if you were employed by one of the FedEx Controlled Group Members, you are not eligible to make a rollover contribution from your prior FedEx 401(k) plan.

You are eligible to roll over contributions from a previous non-FedEx employer as soon as you are employed. If you want to make a rollover, call Vanguard Participant Services at 1.800.523.1188.

## Comparison Chart of Pre-tax, After-tax and Catch-up Contributions

Plan Feature	Contribution Type		
	Pre-tax	After-tax	Catch-up
<b>Purpose</b>	Retirement savings	Long-term savings	Retirement savings
<b>Eligibility</b>	Attain age 21 and one month of employment.	Same as Pre-tax contributions.	Same as Pre-tax contributions, but must be age 50 or older, or will reach age 50 by end of the calendar year.
<b>Amount you can contribute</b> For government limits, see “Important Limits on Contributions” in this section.	Subject to government limits: <ul style="list-style-type: none"> <li>▪ 1% to 50% of eligible earnings.</li> </ul>	Subject to government limits: <ul style="list-style-type: none"> <li>▪ Non-highly compensated employees: 1% to 20% of eligible earnings.</li> <li>▪ HCE: not permitted.*</li> </ul>	From 1% to 30% of eligible earnings up to the calendar year limit if: <ul style="list-style-type: none"> <li>▪ You have contributed up to the Pre-tax contribution limit of 50%, or</li> <li>▪ You reach the IRS dollar limit during the plan year.</li> </ul>

\*HCEs in the RSP are not allowed to make After-tax contributions. For current IRS limits, visit [vanguard.com/contributionlimits](http://vanguard.com/contributionlimits).

Plan Feature	Contribution Type																	
	Pre-tax	After-tax	Catch-up															
Company match	<b>RSP I</b>		Are not matched by the Company.	Same as Pre-tax contributions.														
	<table border="1"> <thead> <tr> <th>Employee Contribution</th> <th>Company Match</th> </tr> </thead> <tbody> <tr> <td>1.0%</td> <td>1.0%</td> </tr> <tr> <td>2.0%</td> <td>1.5%</td> </tr> <tr> <td>3.0%</td> <td>2.0%</td> </tr> <tr> <td>4.0%</td> <td>2.5%</td> </tr> <tr> <td>5.0%</td> <td>3.0%</td> </tr> <tr> <td>6.0%</td> <td>3.5%</td> </tr> </tbody> </table>				Employee Contribution	Company Match	1.0%	1.0%	2.0%	1.5%	3.0%	2.0%	4.0%	2.5%	5.0%	3.0%	6.0%	3.5%
	Employee Contribution	Company Match																
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Employee Contribution	Company Match																	
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6.0%	8.0%																	
<p>Note: The Company match formula is applied to the total of Pre-tax and Catch-up contributions.</p> <p>Note: The RSP is structured as a QACA. For each plan year that the RSP continues to be a QACA, FedEx contributes a Company match.</p>																		

Plan Feature	Contribution Type		
	Pre-tax	After-tax	Catch-up
<b>Income taxes</b>	<p>Pre-tax contributions not included in taxable income when made.</p> <p>Pre-tax contributions and earnings not taxed until withdrawn. In limited situations, favorable tax treatment may be available.</p> <p>10% additional federal excise tax for early withdrawals may apply.</p> <p>Required 20% income tax withheld on distributions/withdrawals that are eligible to be rolled over and not directly transferred to an eligible retirement plan, which includes an Individual Retirement Account (IRA) or Roth IRA (if eligible). Taxable distributions/withdrawals that are not eligible to be rolled over are subject to a 10% income tax withholding. In this situation, you have the option to waive the 10% withholding amount.</p>	<p>After-tax contributions included in taxable income when made.</p> <p>Earnings on After-tax contributions not taxed until withdrawn.</p> <p>10% additional federal excise tax on earnings for early withdrawals may apply.</p> <p>Required 20% income tax withheld from earnings on distributions/withdrawals which have not been previously taxed that are eligible to be rolled over and not directly transferred to an eligible retirement plan, which includes an IRA or Roth IRA (if eligible). Taxable distributions/withdrawals of earnings that are not eligible to be rolled over are subject to a 10% income tax withholding. In this situation, you have the option to waive the 10% withholding amount.</p>	<p>Same as Pre-tax contributions.</p>

Plan Feature	Contribution Type		
	Pre-tax	After-tax	Catch-up
<b>Withdrawals</b>	<p>Your Pre-tax contributions can only be withdrawn for the following reasons:</p> <ul style="list-style-type: none"> <li>▪ Age 59½.</li> <li>▪ Financial hardship (\$500 minimum).</li> <li>▪ Death or disability.</li> <li>▪ Employment termination.</li> <li>▪ Retirement.</li> </ul> <p>There is a nonrefundable processing fee for each approved hardship withdrawal.</p>	<p>Regular withdrawals allowed each plan year. Withdrawals are processed within one week upon Vanguard's receipt of the withdrawal application.</p>	<p>Same as Pre-tax contributions.</p>
<b>Loans</b>	<p>\$1,000 minimum; maximum is lesser of 50% of all account balances or \$50,000 subject to restrictions if you had a loan in the past 12 months. Only one loan at a time. Must wait one year from the payoff to apply for another loan.</p> <p>Repayment period is 12 to 120 months for principal residence loans. For all other types of loans, repayment period is 12 to 60 months. A nonrefundable loan processing fee applies for each loan initiated through <a href="http://vanguard.com/retirementplans">vanguard.com/retirementplans</a>, through the VOICE Network or through a Vanguard associate.</p>	<p>Same as Pre-tax contributions.</p>	<p>Same as Pre-tax contributions.</p>



## Changing the Amount You Save

You can change the amount you contribute to the RSP at any time. Contact Vanguard Participant Services at 1.800.523.1188 or online at [vanguard.com/retirementplans](https://vanguard.com/retirementplans) to:

- Increase or decrease your contribution percentage(s).
- Stop your contributions, or
- Re-enroll if you have stopped your contributions.

Your contribution change will begin as soon as administratively possible.

### To Change the Amount You Save

- Call Vanguard Participant Services at 1.800.523.1188.

RSP I	RSP II
Have your Social Security number, Plan number (093111) and PIN ready	Have your Social Security number, Plan number (090381) and PIN ready

- The VOICE Network will guide you through the enrollment process for payroll deductions and investment options. (If you wish to speak with a Vanguard associate at any time during the call, press 0.)
- Written confirmation of your payroll deduction and investment choices will be mailed to you within seven business days.
- Contact Vanguard Participant Services online at [vanguard.com/retirementplans](https://vanguard.com/retirementplans). You will need to be registered. You will need your Social Security number and Plan number (093111 for RSP I or 090381 for RSP II) to register.
  - Enter user name and password.

For more information or if you have questions, call Vanguard Participant Services at 1.800.523.1188.

## Benefits Upon Return From a Military Leave of Absence (MLOA)

Your period of qualifying military service in the U.S. armed forces will be included in calculating your eligibility in the RSP if you return to employment and have satisfied the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) within the period specified after the date you are released from active duty. You must present proof of your activation date and release from active duty date to your manager.

You may make up any missed Pre-tax, After-tax and, if applicable, Catch-up contributions. These make-up contributions may be made over a period that is three times the period of your military service, not to exceed five years. Make-up contributions are calculated using your imputed military pay upon your return from MLOA. Any missed Company match will be credited in the same amount as if you had been at work during your period of MLOA. These will be credited as you make up your Pre-tax contributions. Please note that a true-up calculation for Company match will only be performed for make-up contributions.

Contributions may not exceed the applicable limits for the year in which they would have been contributed. Your loan payments will be suspended while you are on MLOA and your loan term for repayment purposes will be adjusted based on your MLOA.

**IMPORTANT:** If you wish to make up any missed contributions for your military leave period, you must contact Vanguard to initiate this process. For more information, call Vanguard Participant Services at 1.800.523.1188.

Also, if you were on a MLOA during the 2021 Retirement Choice period and did not make an election during that election period, you remained enrolled in the RSP I. If you wish to move to the RSP II and stop receiving any future benefit accruals in the FedEx Freight Pension Plan, you must contact the FedEx Retirement Service Center (RSC) at 1.855.604.6221 within 30 days of your return from military leave to make that election.

## Important Limits on Contributions

### **Nondiscrimination Test**

For years that the RSP does not qualify to be structured as a QACA, the IRS safe harbor designation will not apply. That means FedEx will be required to test Pre-tax, After-tax and Matching contributions to make sure the RSP does not favor HCEs. The contribution limit for HCEs is set by the IRS and based on the average percentage of eligible earnings saved by non-HCEs. Based on annual testing results, HCEs may be limited in the amount they can contribute. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits). The IRS periodically changes the amount of eligible earnings used to determine who is an HCE.

### **HCE Limits on After-tax Contributions**

HCEs in the RSP are prohibited from making After-tax contributions.

The IRS periodically changes the amount of eligible earnings used to determine who is an HCE. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

### **Employee Tax-deferred Contribution Limit**

The amount of Pre-tax contributions may not exceed a specified dollar limit in any one calendar year. The dollar limit may be adjusted from time to time for increases in the cost-of-living index. For current IRS limits, visit [vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

Once you reach the limit, your contributions should cease automatically and restart in January of the following year, unless you elect otherwise before the first paycheck of the new year is processed. If the limit is exceeded, any excess contributions (adjusted for allocable earnings and losses) will be refunded to you (in most cases) or re-characterized as Catch-up contributions, if eligible. Please call Vanguard Participant Services at 1.800.523.1188, if you have questions.

### **Maximum Compensation Limit**

The IRS limits the maximum compensation that can be used to determine your benefits under the retirement plans. The limit is indexed by the Secretary of the Treasury based on increases in the cost of living and may be increased each plan year. For current IRS limits, visit [vanguard.com/contributionlimits](http://vanguard.com/contributionlimits).

### **Retirement Savings Plan Contribution Limit**

The amount that can be contributed annually to the RSP is limited. This limit applies to all contributions made through Pre-tax contributions, After-tax contributions and the Company match on your Pre-tax contributions.

For the plan year January 1 through December 31, the limit is the lesser of:

- 100 percent of your eligible earnings, or
- The annual IRC 415(c) limit.

This limit is scheduled to be indexed by the Secretary of the Treasury based on increases in the cost of living. If contributions during the plan year (January 1 through December 31) to your defined contribution accounts exceed the plan contribution limit, the excess contributions (plus earnings) will be reduced in the following order and returned to you:

- After-tax contributions.
- Pre-tax contributions.
- Company match.

For information on current IRS limits, visit [vanguard.com/contributionlimits](http://vanguard.com/contributionlimits).

## **Retirement Savings Plan Accounts**

References to “account” in this *YRB* generally refer to all of your various accounts taken together. However, a series of separate recordkeeping accounts will be established and maintained under the RSP to record and track contributions, withdrawals and distributions made by you and by your Participating Employer on your behalf, as well as earnings and losses on such amounts.

**Note:** The accounts named below will only appear on your RSP statement if they apply specifically to your account.

The specific accounts that may be established for you are:

Account Name	Description
<b>Pre-tax Contribution Account</b>	This account is for Pre-tax contributions. This account also holds amounts previously held in the FedEx Ground and Freight Retirement Savings Plan (Ground RSP) "Before-tax Account," amounts previously held in the "Elective Deferral Account" of the FedEx Freight Retirement Savings Plan (Freight RSP) and amounts previously held in the "Prior Company Pre-tax" Account of the RSP.
<b>Employer Matching Contribution Account</b>	This account is for Company match contributions. This account also holds amounts previously held in the Freight RSP "Matching Contribution Account."
<b>After-tax Contribution Account</b>	This account is for After-tax contributions and also holds amounts previously held in the Ground RSP "Prior After-tax Account I."
<b>Catch-up Contribution Account</b>	This account is for additional Pre-tax contributions made by eligible participants age 50 and older.
<b>Rollover Account</b>	This account is for your Pre-tax and After-tax rollover contributions from a prior non-FedEx employer's tax-qualified retirement plan.
<b>Military Leave Pre-tax Contribution Account</b>	This account is for amounts attributable to make up Pre-tax contributions on behalf of a participant following a period of qualifying military service.
<b>Military Leave After-tax Contribution Account</b>	This account is for amounts attributable to make up After-tax contributions on behalf of a participant following a period of qualifying military service.
<b>Military Leave Employer Matching Contribution Account</b>	This account is for amounts attributable to Employer Matching contributions on behalf of a participant's make-up contributions following a period of qualifying military service.
<b>Military Leave Catch-up Contribution Account</b>	This account is for amounts attributable to make up eligible Catch-up contributions on behalf of a participant following a period of qualifying military service.
<b>QNEC Account</b>	This account is for amounts attributable to qualified non-elective contributions.

The following accounts are no longer funded by the Participating Employers:

Account Name	Description
<b>Profit Sharing Contributions Account</b>	<p>This account holds assets attributable to the following sources:</p> <p><b>Regular Employer Contributions:</b> Made in Employer stock (formerly known as the “Employer Stock Account,” “Investment Stock Account” or “Stock Ownership Account”)—Attributable to your share, if any, of FedEx Express’ profit sharing stock contributions.</p> <p><b>Regular Employer Contributions:</b> Made in cash (formerly known as the “Regular Employer Account” or “Cash Account”)—Attributable to your share, if any, of FedEx Express’ profit sharing cash contributions.</p> <p><b>Profit Sharing Contributions:</b> Attributable to profit sharing contributions made to the Ground RSP on behalf of eligible employees of the former Viking Northeastern (Coles) and Southwestern (Central) Division employees and held in the Profit Sharing Account of the Ground RSP. Also holds profit sharing contributions previously held in the Discretionary Contribution Account of the Freight RSP on behalf of eligible employees of FedEx Freight System, Inc. and the former FedEx Freight East, Inc.</p>
<b>Military Leave Profit Sharing Account</b>	<p>This account is for amounts attributable to profit sharing contributions on behalf of a participant following a period of qualifying military service.</p>
<b>Company Stock Distribution Account (also known as the Investment Credit Stock Account)</b>	<p>This account is for contributions made by FedEx before 1987. The value of this account is not available for loans or in-service withdrawals, including hardship withdrawals, due to federal regulations. Your stock in this account cannot be withdrawn until retirement, termination, disability or death.</p>
<b>Company ESOP Account</b>	<p>Formerly known as the “ESOP Account,” this account reflects contributions made under the Federal Express Corporation Employee Stock Ownership Plan. The value of your ESOP account is not available for loans or withdrawals. No additional contributions can be made to your ESOP account.</p>
<b>Prior Company Match Account</b>	<p>This account is for amounts attributable to Matching Employer Contributions for periods prior to July 1, 1996, in the former Ground RSP.</p>

Account Name	Description
<b>Prior Company Transfer Account</b>	Formerly known as the "Transfer Account," these accounts are for any amounts directly transferred into the RSP due to the 2000 acquisitions of McGraw-Hill Companies, Inc., World Tariff, Limited and Tower Group International. The Prior Company Transfer Account includes the following sources: <ul style="list-style-type: none"> <li>▪ Prior Company Pre-tax.</li> <li>▪ Prior Company Rollover.</li> <li>▪ Prior Company Employer Contribution.</li> <li>▪ Prior Employer Match.</li> <li>▪ Prior Company After-tax.</li> </ul>
<b>Stock Bonus Account</b>	This account is for amounts transferred into the Plan from the FedEx Ground Package System, Inc. and Certain Affiliates Stock Bonus Plan (formerly known as the Caliber System, Inc. Stock Bonus Plan).
<b>Prior Before-tax Account I</b>	This account is for amounts attributable to Before-tax contributions for periods prior to July 1, 1996, in the former Ground RSP.
<b>Company Match I Account</b>	This account is for amounts attributable to company match contributions for periods prior to October 1, 2005, in the former Ground RSP.
<b>Prior Roth 401(k) Account</b>	Amounts attributable to Northwest Research (NWR) Plan attributable Roth Contributions Account
<b>Prior Plan Safe Harbor Match Account</b>	Amounts attributable to NWR Plan QACA Safe Harbor Match Account.
<b>Prior Employer Match</b>	Amounts attributable to TNT Plan company match (3-year vesting schedule).

## Account Statements

As a RSP participant, you receive a statement of your accounts each calendar quarter. The statement, which lists your account balances, contributions and other activity, is sent shortly after the end of the quarter. Recent statements are also available at [vanguard.com/retirementplans](http://vanguard.com/retirementplans).

## Vesting

Vesting refers to your right to receive a benefit when you terminate employment, subject to the distribution rules (see “Distributions” in this section for details). You are vested in the Company match after one year of elapsed service (12 months of employment). You are vested immediately in your payroll contributions.

## Personal Online Advisor, powered by Edelman Financial Engines

The RSP offers an advice service to help you with your investment decisions: **Personal Online Advisor**, powered by Edelman Financial Engines. Personal Online Advisor is an independent online sub-advisory investment service that forecasts your chances of reaching your retirement goals, provides specific fund recommendations and helps you monitor your investments. By accessing this tool, you will receive ongoing advice about your total portfolio—your RSP investments as well as any other assets you choose to include. Personal Online Advisor is available to you at no cost.

For more information or to access Personal Online Advisor, log in to your account at **[vanguard.com/retirementplans](https://vanguard.com/retirementplans)**.

Employees who have a mailing address outside of the United States, or a mailing address in Guam or the U.S. Virgin Islands, are not eligible for Personal Online Advisor.

## Vanguard Managed Account Program, powered by Edelman Financial Engines

Vanguard offers a fee-based Managed Account Program (VMAP™), powered by Edelman Financial Engines, which selects your investments, periodically makes changes to your asset mix to suit your goals and provides a quarterly portfolio report. The fee for VMAP is no more than 0.3 percent of your account balance per year deducted monthly from your account. There is a \$60 annual minimum fee and discounts are available for balances of more than \$100,000.

For more information or to access VMAP, log in to your account at **[vanguard.com/retirementplans](https://vanguard.com/retirementplans)**. (If you have multiple accounts at Vanguard, you may need to select Employer plans after you log in.) Or call a VMAP specialist at 1.800.310.9228 Monday through Friday from 8:30 a.m. – 9 p.m., Eastern time (7:30 a.m. – 8 p.m., Central time).

The following groups are not eligible for the VMAP:

- Employees who have a mailing address outside of the United States, or a mailing address in Guam or the U.S. Virgin Islands.
- Section 16 insiders.

## Vanguard Situational Advice

**Vanguard Situational Advice** is fee-based and is available to all participants. The service is offered free of charge to participants who are age 55 or older or who have balances greater than \$500,000 at Vanguard. Otherwise, any applicable fee will be billed and must be paid with assets outside of the Plan.

To start, you will need to complete an online questionnaire regarding your financial goals and current portfolio. Then schedule a phone consultation with an advisor who can provide professional financial guidance.

If you want even more guidance, your financial advisor may suggest you take advantage of a Vanguard Financial Plan, which is complimentary if you satisfy the age or balance requirements.

The financial plan created for you can:

- Include an appropriate asset allocation strategy for your situation.
- Project whether your current savings rate will help you meet your targeted retirement goals.
- Suggest what to do if there is a projected shortfall.
- Estimate how much you can safely spend each year in retirement.

Once you are enrolled in the FedEx 401(k) Plan, log in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans) to access more information.

## Investor Questionnaire

In addition to these services, the RSP offers Vanguard's *Investor Questionnaire* to provide asset allocation recommendations based on your time horizon and risk tolerance. You may access the *Investor Questionnaire* online at [vanguard.com/assetmix](https://vanguard.com/assetmix).

## Investment Options

No investment is without risk. Since your choices could have a substantial impact on the amount you ultimately receive from the RSP, you should consider your investments carefully.

If you are automatically enrolled in the RSP as part of the One Step program, the Target Retirement Trust closest to the year in which you will attain age 65 will be the default investment for your contributions.

If you would like to change your investment(s), the RSP offers a diversified lineup of investment options. To learn more about the following Vanguard mutual funds, contact Vanguard Participant Services at 1.800.523.1188 or at [vanguard.com](https://vanguard.com).



The investment options in the RSP are organized into four tiers:

- **All-In-One Options:** Vanguard Target Retirement Trusts.
- **Core Options:** Index-based and money market funds, plus a stable value investment.
- **Supplemental Options:** Actively managed funds.
- **Self-directed brokerage:** Buy and sell individual stock, bonds, mutual funds and other investments through a self-directed brokerage service.

For more information on your RSP investment options, contact Vanguard Participant Services at 1.800.523.1188.

### All-In-One Options: Vanguard Target Retirement Trusts

Vanguard Target Retirement Trusts provide a professionally maintained, diversified mix of investments that shifts emphasis to more conservative investments as you move closer to retirement.

With one investment selection, you can create a diversified portfolio that aligns your investments with your goals. Depending on your needs, investing in a single Target Retirement Trust could provide diversification and is designed to keep your assets invested appropriately for someone in your stage of life, up to and including your retirement years.

Investments in Target Retirement Trusts are subject to the risks of their underlying investments. The year in the investment name refers to the approximate year (the target date) when an investor would retire and leave the workforce. The trust will gradually shift its emphasis from more aggressive investments (stocks) to more conservative ones (bonds and short-term reserves) based on its target date. An investment in a Target Retirement Trust is not guaranteed at any time, including on or after the target date.

Consider choosing the investment with the date that's closest to the year when you expect to retire.

Potential Fund Choice	Designed for Investors Born...	Investment Mix*
Vanguard Target Retirement 2070 Trust Select	2003 and later	90.5% stocks, 9.5% bonds
Vanguard Target Retirement 2065 Trust Select	1998 to 2003	90.5% stocks, 9.5% bonds
Vanguard Target Retirement 2060 Trust Select	1993 to 1997	90.5% stocks, 9.5% bonds
Vanguard Target Retirement 2055 Trust Select	1988 to 1992	90.5% stocks, 9.5% bonds
Vanguard Target Retirement 2050 Trust Select	1983 to 1987	90.5% stocks, 9.5% bonds

Potential Fund Choice	Designed for Investors Born...	Investment Mix*
Vanguard Target Retirement 2045 Trust Select	1978 to 1982	89% stocks, 11% bonds
Vanguard Target Retirement 2040 Trust Select	1973 to 1977	81.4% stocks, 18.6% bonds
Vanguard Target Retirement 2035 Trust Select	1968 to 1972	73.8% stocks, 26.2% bonds
Vanguard Target Retirement 2030 Trust Select	1963 to 1967	66% stocks, 34% bonds
Vanguard Target Retirement 2025 Trust Select	1958 to 1962	58% stocks, 42% bonds
Vanguard Target Retirement 2020 Trust Select	1953 to 1957	46.8% stocks, 53.2% bonds
Vanguard Target Retirement Income Trust Select**	Before 1952	28.9% stocks, 71.1% bonds

\*Target asset allocations for the investments. Allocations for the date-specific investments will shift (from stocks to bonds and short-term reserves) over time based on an assumed retirement age of 65.

\*\*The Income Trust is designed for retirees.

Please note that while the Target Retirement Trusts shift to more conservative asset allocations as participants' ages increase, the investment continues to have exposure to stocks. For example, the Target Retirement Income Trust is for retirees who may need to draw income. If you invest in this Trust, at age 65 your investments will have an allocation of 30 percent stocks and 70 percent bonds. On average, individuals who retire at age 65 may expect to enjoy 17 to 20 years in retirement, and many will enjoy even longer lives. The investment allocation for each Target Retirement Trust factors in average life expectancy after the target date is reached and, as a result, continues to have exposure to stocks during the retirement years, to recognize the still-lengthy investment horizon and to fend off inflationary pressure. Participants/investors who need to access their account balances more rapidly in their retirement years might need to consider shifting their asset allocations to even more conservative investment options as they near retirement.

All investing is subject to risk. Each Target Retirement Trust invests in several broadly diversified Vanguard investments—primarily low-cost Vanguard index funds.

## Core Options: Index-based and Money Market Funds, Plus a Stable Value Investment

If you have knowledge and understanding and wish to create your own diversified investment mix, you may want to start with this tier. The tier is composed mostly of index-based investments, also known as passively managed funds.

Index funds generally use a buy-and-hold strategy to try to track the performance of a given market. In other words, these funds replicate as closely as possible a particular index (for example, the S&P 500). Why would anyone invest in an index fund and earn just what the market earns? Because index funds generally cost less to run than actively managed funds, whose managers try to outperform the market. That means they can provide low-cost access to broad segments of the stock and bond markets.

You may create your own portfolio mix by choosing from this tier alone or in combination with investments in the Supplemental options.

For more information about making investment choices, see “Personal Online Advisor, powered by Edelman Financial Engines,” “Vanguard Managed Account Program, powered by Edelman Financial Engines,” and “Investor Questionnaire” in this section.

Fund Name/Ticker Symbol	Fund Type	Objective	Risk Level
Vanguard Cash Reserves Federal Money Market Fund Admiral Shares <b>VMRXX</b>	Short-term Reserves	Seeks to provide current income while maintaining liquidity and a stable share price of \$1	Conservative
Vanguard International Equity Index Fund <b>No ticker symbol</b>	International stock	Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States	Aggressive
Vanguard Retirement Savings Trust II <b>No ticker symbol</b>	Stable value	Seeks to provide current and stable income while maintaining a stable share value of \$1.	Conservative
Vanguard U.S. Bond Index Fund <b>No ticker symbol</b>	Bond	Seeks to track the performance of a broad market-weighted bond index	Conservative to moderate
Vanguard U.S. Large Cap Equity Index Fund <b>No ticker symbol</b>	Domestic stock	Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks.	Moderate to aggressive

Fund Name/Ticker Symbol	Fund Type	Objective	Risk Level
Vanguard U.S. Small and Mid-Cap Equity Index Fund <b>No ticker symbol</b>	Domestic stock	Seeks to track the performance of a benchmark index that measures the investment return of small and mid-capitalization stocks	Aggressive

### Supplemental Options: Actively Managed Funds

The funds in this tier are actively managed and can help you diversify and fine-tune your investment mix with more specialized investments.

In actively managed funds, investment managers select specific investments with the goal of outperforming an investment benchmark (for example, the S&P 500). Because more work goes into researching and choosing specific investments, an actively managed fund can cost more to run than a passively managed fund. But these funds can be useful if you want to invest in a specific segment of the stock or bond markets.

Keep in mind that it's difficult to identify which market segments are likely to outperform others. And funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility. For these reasons, you may want to consider using this tier as a supplement to the broader investments of the core options.

In the event a proxy decision needs to be made regarding shares of a Vanguard mutual fund, the Vanguard fund shares will be voted by the fiduciary for the FedEx 401(k) Plans in accordance with the investment guides.

Fund Name/Ticker Symbol	Fund Type	Objective	Risk Level
Active International Equity Fund <b>No ticker symbol</b>	International Stock	Seeks to provide long-term capital appreciation in excess of an international index, such as the MSCI All Country World ex US Index.	Aggressive
BlackRock Multi-Asset Income Portfolio Fund Institutional Shares <b>BIICX</b>	Balanced	Seeks to maximize current income with consideration for capital appreciation.	Moderate to Aggressive
Diversified Bond Fund <b>No ticker symbol</b>	Bond	Seeks to realize a total return that exceeds the Bloomberg Barclays U.S. Aggregate Bond Index over a full market cycle.	Conservative to moderate

Fund Name/Ticker Symbol	Fund Type	Objective	Risk Level
Vanguard PRIMECAP Fund Admiral Shares <b>VPMAX</b>	Domestic stock	Seeks to provide long-term capital appreciation.	Aggressive
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares <b>VTSPX</b>	Bond	Seeks to track an index that measures the performance of inflation protected public obligations of the U.S. Treasury that have a remaining maturity of less than five years.	Conservative to moderate
Vanguard Wellington™ Fund Admiral Shares <b>VWENX</b>	Balanced (stocks and bonds)	Seeks to provide long-term capital appreciation and reasonable current income.	Moderate
Vanguard Windsor™ Fund Admiral Shares <b>VWNEX</b>	Domestic stock	Seeks to provide long-term capital appreciation and income.	Moderate to aggressive

Certain investment options in the 401(k) Plan, such as Vanguard Institutional Target Retirement Trusts, Vanguard Retirement Savings Trust II, Diversified Bond Fund and Active International Equity Fund do not have prospectuses. You may obtain more information about these options, including investment fact sheets, by logging in to your account at [vanguard.com/retirementplans](http://vanguard.com/retirementplans) or by calling Vanguard at 1.800.523.1188.

Vanguard Institutional Target Retirement Trusts and Vanguard Retirement Savings Trust II are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group, Inc.

### A Note About Risk

While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. While the market values of government securities are not guaranteed and may fluctuate, these securities are guaranteed as to the timely payment of principal and interest. Foreign investing involves additional risks including currency fluctuations and political uncertainty.

## Brokerage Option

A brokerage option is available that allows you to choose investments from outside of your plan. The plan's brokerage provider is TD Ameritrade.

The brokerage option gives you access to individual stocks, bonds, mutual funds from hundreds of fund families and exchange-traded funds (ETFs). Keep in mind that the risks are substantially different with this strategy and that you'll have to pay certain commissions and other costs.

You can learn more about the brokerage option for your FedEx 401(k) Plans by downloading the applicable FedEx Brokerage Plan Highlights document at [vanguard.com/retirementplans](https://www.vanguard.com/retirementplans). Certain limitations apply.

## FedEx Corporation Stock Fund

This unregistered custom separate account is composed of shares of FedEx Corporation common stock (Company stock), in addition to a money market security for liquidity purposes that arose as a result of contributions to the Profit Sharing Contributions Account, Company Stock Distribution Account (also known as the Investment Credit Stock Account), Company ESOP Account, Prior Company Match Account and Stock Bonus Account. The following accounts that were merged into the RSP from the Ground RSP also hold Company Stock: Pre-tax Contribution Account, Employer Matching Contribution Account and Rollover Account. This fund is closed to new contributions or investments. You may exchange out of the FedEx Corporation Stock Fund into other funds in your account at any time. If you do elect to exchange out of the FedEx Corporation Stock Fund, it is important for you to be aware of certain consequences once your shares are exchanged and the proceeds reinvested in other investment funds:

- Because FedEx Corporation stock is not an investment option in the RSP, you cannot exchange assets into the FedEx Corporation Stock Fund; an exchange out is one-way.
- Currently shares in the FedEx Corporation Stock Fund can be distributed in-kind, which means you can receive a distribution at retirement or termination in shares of stock. Once shares are exchanged out of the fund, an in-kind distribution is no longer available.
- Special federal income tax treatment is afforded to employer securities that have increased in value relative to their cost basis and are distributed as part of a lump-sum distribution from a qualified retirement plan. If you elect to exchange out of the FedEx Corporation Stock Fund, you will lose any potential benefit from this tax treatment. You should contact a tax advisor for more information.

When trading FedEx stock, you will not be directly charged for the sale of the stock. Your commission costs for a particular business day's overall trading will be incorporated into the Participant Transaction Price for that business day. Vanguard's commission on FedEx stock sold in the RSP is typically 1 cent to 3 cents per share. For a FedEx Corporation Stock Fund exchange request to be executed on the same business day, generally it must be completed by 1 p.m., Eastern time (12 p.m., Central time and 10 a.m., Pacific time).

Annually, every participant with one or more units to their credit in the FedEx Corporation Stock Fund receives proxy solicitation materials and instructions on voting Company stock. All voting instructions will be submitted to Vanguard Fiduciary Trust Company (the "trustee"). The trustee will hold voting records in confidence. In the event a proxy decision needs to be made regarding shares of a Vanguard mutual fund, the Vanguard fund shares will be voted by the fiduciary for the FedEx 401(k) Plans in accordance with the investment guidelines for the Plan.

Because it concentrates on a single stock, the FedEx Corporation Stock Fund is considered riskier than a stock mutual fund, which is diversified.

## Policies That Affect Your Investment Direction

While the RSP allows a great deal of flexibility for you to choose your investments, Vanguard has established policies to discourage short-term trading and to help eliminate the negative impact of market timing or other strategies that may raise transaction costs of the investment funds for all fund shareholders.

A summary of each policy is provided below. Please refer to the prospectus of each investment fund for a more detailed summary, as well as any changes to these policies.

### Competing Funds Policy

Under the competing funds policy, you are agreeing to certain limitations imposed by issuers of investment contracts when you invest in Vanguard Retirement Savings Trust II. Exchanges from the trust into short-term bond funds and money market funds are not generally permitted because these funds have similar investment objectives and are designated as competing funds. In the RSP, the Vanguard Cash Reserves Federal Money Market Fund Admiral Shares and the Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares are designated as competing funds.

You can transfer money from Vanguard Retirement Savings Trust II into a stock fund, a balanced fund or an intermediate- or a long-term bond fund at any time. However, the money must remain there for 90 days before you can transfer it into a shorter-term bond or money market fund (such as Vanguard Cash Reserves Federal Money Market Fund Admiral Shares or Vanguard Short-Term Inflation Protected Securities Index Fund Institutional Shares).

This investment restriction is imposed by the financial institutions that issue the contracts in Vanguard Retirement Savings Trust II's portfolio. The restriction is designed to discourage frequent shifting of money from one fund to another to take advantage of slight changes in interest rates. Such frequent transfers drive up the cost of managing the Vanguard Retirement Savings Trust II, which harms all Vanguard Retirement Savings Trust II investors.

Please refer to the prospectus of each investment fund for a more detailed summary, as well as any changes to these policies. **Note:** The Diversified Bond Fund, the Vanguard Retirement Savings Trust II and the Vanguard Target Retirement Trust Select are commingled investment trusts (CITs), not mutual funds. No prospectus is available because CITs are not included in the definition of a registered security and regulated investment company under various securities laws.

### Frequent-trading Policy

A frequent-trading policy applies to all investment options in the RSP, with the exception of Vanguard Retirement Savings Trust II and Vanguard Cash Reserves Federal Money Market Fund Admiral Shares. Under this policy, if you exchange money out of an investment, you will not be able to exchange money back into the same investment within 30 calendar days. The term "exchange" refers to a transaction in which proceeds from a redemption of investment shares in a plan are used to purchase another investment offered within the RSP.

Please note that the 30-day restriction only applies to exchanges **into** an investment and does not apply to transactions such as contributions, distributions and loans. You may always exchange money **out** of any investment at any time. In addition, the 30-day restriction described above will not apply to any change that you make to the investment of **future** contributions. The prospectus for each investment option gives a more detailed description of restrictions on investment exchanges, including any changes made to this policy. You can request a copy of the prospectus by calling Vanguard Participant Services at 1.800.523.1188 or online at [vanguard.com](http://vanguard.com).

This policy will **not** apply to the following:

- Vanguard Retirement Savings Trust II and Vanguard Cash Reserves Federal Money Market Fund Admiral Shares.
- Purchases of shares with participant payroll or employer contributions or loan repayments.
- Purchases of shares with dividends or capital gains distributions.
- Distributions, loans and in-service withdrawals from the RSP.
- Redemptions of shares as part of a plan termination or at the direction of the RSP.
- Redemptions of shares by Vanguard to pay fund or account fees.
- Share or asset transfers or rollovers.
- Re-registration of shares.
- Conversions of shares from one share class to another in the same investment.

## Employee Retirement Income Security Act (ERISA) Section 404(c)

The RSP is intended to satisfy the requirements of Section 404(c) of the Employee Retirement Income Security Act (ERISA). In general, this means that investment losses caused by your investment decisions will not give you a right against any plan fiduciary, including FedEx, the trustee or any named fiduciary. Therefore, FedEx Corporation, the RSP's Participating Employers, the trustee or any named fiduciary will **not** be liable for those losses. Since you alone will be responsible for the losses or gains that result from your investment decisions, it is very important that you carefully consider the investment options available to you and periodically re-evaluate your options.

You should note that in the event a proxy voting decision needs to be made regarding shares of a Vanguard mutual fund, the Vanguard fund shares will be voted by the fiduciary for the RSP in accordance with the investment guidelines for the RSP.



## Proxy Voting

The Plan Administrator or other named fiduciary for the Plan exercises voting, tender and similar rights with respect to the mutual funds in the Plan, except for your holdings in the self-directed brokerage account and employer securities held in your Plan account.

You have the right to exercise voting, tender and similar rights with respect to the holdings in your self-directed brokerage account and employer securities held in your Plan account.

You will receive copies of all notices, financial statements, proxies and proxy soliciting materials provided to the Plan in connection with any vote, tender or similar opportunity pertaining to employer securities held in your Plan account. If you submit your directions in the required form by the applicable deadline, Vanguard or the trustee, if Vanguard is not trustee, will vote shares allocated to your account in accordance with your directions. If you do not provide timely instructions to Vanguard or the trustee, if Vanguard is not trustee, Vanguard or your Plan trustee will vote your shares in the same proportion as the shares for which Vanguard or the trustee received timely instruction.

Access to information relating to your purchase, holding and sale of employer securities in your Plan account, and your exercise of voting, tender and similar rights with respect to those securities is limited to FedEx Retirement Services and Vanguard employees that need such information to administer the Plan. The instructions you provide as to selling, voting, tendering or exercising similar rights with respect to employer securities in your Plan account will be submitted to the trustee and held in confidence. This information will not be disclosed to FedEx Corporation or any of its affiliates except as necessary to administer the Plan or comply with applicable law. FedEx Retirement Services is responsible for monitoring compliance with confidentiality procedures pertaining to employer security holdings in Plan accounts. If you have questions or need assistance, contact Vanguard Participant Services at 1.800.523.1188.

## How to Select or Change Your Investment Options

### Your Choices

The RSP's investment lineup is organized into three tiers: All-in-one, Core and Supplemental options. Consider choosing a single All-in-one option or create your own mix from the Core and/or Supplemental options as long as the total equals 100 percent, such as:

- 100 percent in one investment option.
- 45 percent in one investment option, 55 percent in another.
- 50 percent in each of two different investment options.

- 50 percent in one investment option, 15 percent in one option and 35 percent in one option, or
- 10 percent in each of six different investment options and 40 percent in one investment option.

**Note:** Selections may be made in 1 percent increments.

There are two ways you can change your investment choices:

- You can exchange your existing balance among your investment options.
- You can also change your investment choices for future contributions at any time.

Each investment change is independent of the other. To change both existing balance and future contributions, you must make two independent changes. Changes may be made any day, 24 hours a day subject to limitations as set forth in each investment option's prospectus. However, you can only change your investment choices for your existing balances once during any business day. Once you have made a change in your investment choices for your existing balances, you must wait until the following business day to make another change.

### **How to Request a Change**

Vanguard provides an automated service that allows you to select or change your investment options. Changes can be made any day, 24 hours a day, online at [vanguard.com/retirementplans](https://vanguard.com/retirementplans) or by calling the VOICE Network at 1.800.523.1188. You can also speak to a Vanguard associate between 7:30 a.m. and 8 p.m., Central time, Monday through Friday, by calling Vanguard Participant Services at 1.800.523.1188.

If you make elections/changes before the stock market closes (generally 4 p.m., Eastern time, 3 p.m. Central time and 1 p.m. Pacific time), your elections/changes are based on that day's closing price. If you make elections/changes after the stock market closes, your elections/changes will be based on the next business day's closing price.

Vanguard will send a written confirmation of your elections or changes to your home address within seven business days.

*For more information about mutual funds, including investment objectives, risks, charges and expenses, call Vanguard Participant Services at 1.800.523.1188 to obtain a prospectus or, if available, a summary prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. For investment options without a prospectus, call Vanguard Participant Services at 1.800.523.1188 for an investment option fact sheet. You can also download Vanguard fund prospectuses and fact sheets at [vanguard.com](https://vanguard.com).*

The Diversified Bond Fund and the Active International Equity Fund are not mutual funds. They are separate accounts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses and other important information should be considered carefully before investing.

Vanguard Retirement Savings Trust II is not a mutual fund. It is a collective trust available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc.

The Vanguard Group has partnered with Edelman Financial Engines to provide sub advisory services to the Vanguard Managed Account Program and Personal Online Advisor. Edelman Financial Engines is an independent, registered investment advisor that does not sell investments or receive commission for the investments it recommends. Advisory services are provided by Vanguard Advisers, Inc. (VAI), a federally registered investment advisor and an affiliate of The Vanguard Group, Inc. (Vanguard). Vanguard is owned by the Vanguard funds, which are distributed by Vanguard Marketing Corporation, a registered broker-dealer affiliated with VAI and Vanguard. Neither Vanguard, Edelman Financial Engines, nor their respective affiliates guarantee future results.

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## Benefit Availability

The RSP has provisions for withdrawals, loans and distributions as described in the following subsections.

When requesting a loan and withdrawal at the same time, please speak with a Vanguard associate at 1.800.523.1188, instead of accessing VOICE, to receive guidance regarding the order and timing of your benefit.

## Withdrawals

### Eligibility for Withdrawals

The following withdrawals are available from the RSP: in-service withdrawals and hardship withdrawals. Your ability to make a withdrawal depends on a number of different factors:

- Your age.
- The circumstances for the withdrawal.
- When withdrawals are allowed (subject to limitations).

If you were employed by a Participating Employer of another FedEx 401(k) Plan and transfer to a Participating Employer of the RSP, you may be eligible to take an in-service withdrawal or a hardship withdrawal from your former FedEx 401(k) Plan. Please refer to the "Withdrawals" section in the YRB of your former FedEx 401(k) Plan or call Vanguard Participant Services at 1.800.523.1188.

For a complete description of all account types referred to in this section, see “Retirement Savings Plan Accounts” in this section.

### **In-Service Withdrawal**

You can make the following in-service withdrawals if you are under age 59½. Based on the availability of assets in your account, you are allowed in-service withdrawals each plan year. Funds are withdrawn proportionately from your account from the following: After-tax Contribution Account, Prior Company After-tax source (this is in the Account titled “Prior Company Transfer Account”), Profit Sharing Contributions Account, Military Leave After-tax Contribution Account, Prior Company Employer Contribution source (this is in the Prior Company Transfer Account), Rollover Account, Prior Company Rollover source (this is in the Prior Company Transfer Account) and Prior Company Match Account.

**Note:** If you are under age 59½, you are not allowed in-service withdrawals from your Pre-tax or Catch-up Contribution Account, your Prior Pre-tax Contribution Account (if applicable) or your Military Leave Pre-tax or Catch-up Contribution Accounts (if applicable).

After age 59½, you can make withdrawals from any of your vested accounts except the Company Stock Distribution Account (also known as the Investment Credit Stock Account), Stock Bonus Account and Company ESOP Account as long as you have the assets available.

### **Hardship Withdrawal**

Withdrawals are made for hardship reasons from the following accounts (including earnings in these accounts): Company Match I and III Account, Prior Company Match Account, Pre-tax/401(k) Contribution Account, Prior Pre-tax Contribution Account, Military Leave Pre-tax/401(k) Contribution Account, Prior Company Pre-tax Account, Catch-up Contribution Account and Military Leave Catch-up Contribution Account.

Hardship withdrawals may be made at any time for a minimum of \$500; however, you must first take out any available in-service withdrawals from the RSP.

A processing fee will be deducted from your plan account once your hardship withdrawal is processed. The fee will not be assessed if you do not return your application or if your hardship request or application is rejected.

To be considered a hardship, there must be a **bona fide** need for funds for one of the following reasons:

- Medical expenses incurred, or to be incurred, by you or your dependents that are not covered by health insurance.\* You may be required to provide a statement from the insurance company that payment is being denied.
- Closing cost and down payment necessary to purchase your primary residence (excludes mortgage payments and home closings that have already occurred).
- Tuition payment, educational fees and room and board expenses for the next semester, quarter or 12-month period of post-secondary education for you or your dependents. Any Participating Employer-paid tuition reimbursement for which you are eligible will be considered before paying a hardship withdrawal.
- Prevention of your eviction from your primary residence or the foreclosure of your mortgage on primary residence.
- Expenses incurred for the funeral or burial of a deceased parent, spouse, child or dependent.
- Repair of damage to principal residence if the expenses qualify as a casualty deduction.\*
- Hardships caused by natural disasters to principal residence or place of employment that is a location identified as a covered disaster area as described by IRS Announcements.\*

Hardship withdrawals cannot exceed the amount of your immediate and heavy financial need. Further, you should have obtained all other currently available distributions under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by FedEx.

### **Requesting a Hardship Withdrawal**

- Call Vanguard Participant Services at 1.800.523.1188 to request a Hardship Withdrawal Application (“Application”). Vanguard will send you the completed Application the next business day. You should receive your Application in the mail within seven to 10 days of initiating your withdrawal. If you have registered for secure online account access, your Application will also be available for download through the Secure Message Center within two to 24 hours of your request. You must log in to your account at **vanguard.com/retirementplans** to access it. The Application will remain valid for 45 days from the date of the application.
- Complete the Application with your signature and return it to Vanguard, along with the required supporting documentation, to the following:

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\***Note:** This hardship provision allows for a withdrawal from the RSP to cover the amount not covered by insurance benefits.

Government regulations for retirement and savings plans change frequently. Changes to the withdrawal provisions may be necessary to comply with future legislation.

Regular Mail	Overnight Mail
ATTN: FedEx Corporation Retirement Savings Plan – Plan number 093111 – RSP I Plan number 090381 – RSP II The Vanguard Group P.O. Box 1101 Valley Forge, PA 19482-1101	Overnight mail should be sent to:  ATTN: FedEx Corporation Retirement Savings Plan – Plan number 093111 – RSP I Plan number 090381 – RSP II The Vanguard Group P.O. Box 982902 El Paso, TX 79998-2902

You should retain a copy of all supporting documentation submitted as proof of your financial hardship. All supporting documentation must be dated within 90 days of your withdrawal request. The type of supporting documentation required depends on the reason for your financial hardship. Examples of the required supporting documents are included in the Hardship Withdrawal Application that you receive when you initiate your withdrawal request.

All documentation should be dated, authorized and on appropriate paper (i.e., contain the institution’s logo, letterhead). Photocopies and faxed copies will be accepted. Non-English documentation will be referred back to you to provide a certified English translation. Vanguard shall be entitled to rely on any such certified English translations as if it were the original documentation. Documentation that is ambiguous, questionable or related to an unusual situation or does not otherwise meet the standards outlined in these procedures will be referred to the Plan Administrator’s attention for final determination. **Vanguard will not be responsible for verifying the authenticity of any of the supporting documents.**

For information about required supporting documentation, log in to **vanguard.com/retirementplans**. You will need to be registered. You will need your Social Security number and Plan number (093111 for RSP I or 090381 for RSP II) to register.

For more information or if you have questions, call Vanguard Participant Services at 1.800.523.1188.

- Your request will be forwarded to Vanguard's Hardship Determination Team for review and processing. If the Application and the supporting documentation meet the requirements provided under the terms of the Plan, the request will be approved and submitted for processing. If approved, your check will be mailed within one week. You may also request to receive your hardship withdrawal via Electronic Bank Transfer (EBT).

If the Application and/or supporting documentation is incomplete or does not meet the terms of the Plan, or applicable laws or regulations under ERISA or the Code, you will be contacted by phone or letter\* and asked to provide additional information to substantiate your request. You can provide additional written documentation to substantiate the original amount of the request provided the Application has not expired.

- If the requested amount exceeds the amount substantiated in the supporting documentation (including any amounts for taxes and/or penalties), you will be contacted via phone or letter to approve the lesser amount. Upon verbal or written approval by you, if the lesser amount meets the Plan minimum the hardship will be processed.

You will **not** be contacted for further approval if the requested amount exceeds the amount substantiated in the supporting documentation (including any amounts for taxes and/or penalties); and the discrepancy is not more than \$25 or 2.5 percent of the requested hardship withdrawal amount, whichever is greater.

- If there are insufficient funds in your account due to market value fluctuation and as a result, the original amount of the request cannot be satisfied, the withdrawal will be processed if the maximum amount available meets the Plan minimum. If a withdrawal cannot be processed due to the decrease in account value, the Application will be returned to you with a letter stating that the withdrawal cannot be processed.

## CARES Act Distribution

The Coronavirus Aid, Relief and Economic Security (CARES) Act permits qualified participants to request penalty-free distributions of up to \$100,000 for qualifying coronavirus-related reasons before December 31, 2020. This provision was added to the RSP I effective April 8, 2020. Participants who took a distribution under the CARES Act may repay the amount withdrawn to an eligible retirement plan, including RSP I or the RSP II, in one or more transactions at any time within three years of the distribution.

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\* A letter will be mailed to you if Vanguard is unable to reach you by phone, or if you do not contact Vanguard Participant Services within 48 hours. For information on how to access the Plan's claim and appeals process, see "Claims and Appeals" in the "Plan Administration" section.

## Withdrawal Tax Considerations

You will be responsible for paying any federal, state, local or foreign taxes on a distribution or withdrawal (except for your actual After-tax contributions that were already taxed). If you are under age 59½, withdrawals may be subject to an additional 10 percent federal excise tax unless one of the following exceptions applies:

- As an active employee, you are at least age 59½.
- You terminate employment during or after the year you reach age 55.
- You die.
- You become disabled. See “Disability” in the “Distributions” subsection of this section for details.
- You incur medical expenses that do not exceed the medical deduction limits allowed by the IRS for personal income tax purposes.
- Payments are made because of a Qualified Domestic Relations Order (QDRO). See “Payments to an Alternate Payee” in the “Distributions” subsection of this section for details.
- Payments are made to the IRS due to a tax levy.

As required by the IRS, 20 percent of your taxable in-service withdrawal, except hardship withdrawals, is automatically withheld for federal income tax purposes unless the withdrawal is directly transferred (rolled over) from the RSP to a qualified rollover IRA, a Roth IRA (if eligible) or another qualified retirement plan. Hardship withdrawals are not eligible to be rolled over.

Withdrawal of After-tax contributions made before January 1, 1987, does not have to include earnings; however, withdrawal of After-tax contributions made after December 31, 1986, must include earnings on the principal amount withdrawn. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes.

## Loans

### Funds Available for Loans

You may only make a loan against your accounts if you are actively at work. You repay the loan through payroll deductions. The loan will be made pro-rata from your accounts (any assets included in a loan that are attributable to the FedEx Corporation Stock Fund will be paid in the form of cash instead of stock certificates):

- After-tax Contribution Account, Military Leave After-tax Contribution Account and the Prior Company Transfer Account source entitled, Prior Company After-tax.



- Profit Sharing Contributions Account, Military Leave Profit Sharing Account and the Prior Company Transfer Account source entitled, Prior Company Employer Contribution.
- Prior Company Match Account.
- Employer Matching Contribution Account, Military Leave Employer Matching Contribution Account, Prior Company Transfer Account source, Prior Employer Match and Company Match I Account.
- Rollover Account and the Prior Company Transfer Account source entitled, Prior Company Rollover.
- Pre-tax Contribution Account (employee contributions), Military Leave Pre-tax Contribution Account, Catch-up Contribution Account, Military Leave Catch-up Contribution Account, Prior Company Transfer Account source, Prior Company Pre-tax and Prior Before-tax Account I.

## Loan Rules

The most you can borrow is half of your account balance as of the date your loan is issued, up to a total of \$50,000. The \$50,000 limit is reduced by your highest outstanding loan balance within all FedEx 401(k) Plans during the last 12 months. If your requested loan amount decreases due to market fluctuation, your loan will be issued for the amount available.

**Note:** To minimize the possibility that your available loan amount may decrease due to fluctuating market conditions, on the day of your loan request, consider investing your RSP accounts in the money market fund available until your loan has been issued.

The minimum amount you can borrow is \$1,000.

You have to register to access **vanguard.com**, and will need your Social Security number and Plan number (093111 for RSP I or 090381 for RSP II) to register.

- Enter user name and password.
- Select “View Plan Rules/Access My Money/Loans/Loan Repayment Schedules.”

A nonrefundable loan processing fee is required for each loan. The amount of your loan request must cover the loan fee, which will be deducted from your loan amount when your loan is processed. A nonrefundable loan processing fee applies for each loan initiated through **vanguard.com**, through the VOICE Network or through a Vanguard associate.

You may have only one loan outstanding in the RSP at a time. You are not eligible for another loan in the RSP for one year after the final payment on your previous loan has been posted to your account (see “Loan Default Rules” in this subsection for details). Outstanding loan balances may be paid off early. The loan repayment period is a minimum of 12 months and a maximum of 60 months for all new loans (other than principal residence loans). Principal residence loans must be used for the acquisition of your principal residence and may be extended to 10 years. The rate charged is set monthly and is equal to the prevailing prime rate charged by a major national bank. Once your loan is processed, the applicable rate is set and applies over the term of the loan.

Contact Vanguard Participant Services to initiate a principal residence loan. Vanguard will review all requests for principal residence loans **before** they are processed. When you request a principal residence loan you will receive an application and must return that application to Vanguard with documentation required for the loan. You must send a copy of your purchase agreement or your mortgage agreement. The documentation must be dated within 90 days of your loan request. For additional information about the loan process, contact Vanguard Participant Services.

If you terminate, retire, die, become disabled or choose to receive all account balances, the loan balance becomes due. If you do not make a full repayment, your loan balance will be treated as a taxable distribution. You may contact Vanguard Participant Services at 1.800.523.1188 to obtain a loan payoff amount in order to prevent this taxable distribution. See “Loan Default Rules” in this subsection for a description of the grace period for required repayment.

If you transfer to a different FedEx Operating Company but are still employed by a FedEx Controlled Group Member:

- If the FedEx Controlled Group Member you transfer to participates in another FedEx 401(k) Plan and uses a different payroll system, you may complete an application to have loan repayments continue through automatic deductions from your personal checking or savings accounts on a monthly basis. Contact Vanguard Participant Services at 1.800.523.1188 to request an ACH application.
- If the FedEx Controlled Group Member you transfer to participates in your existing FedEx 401(k) Plan, you may continue your loan payments through payroll deductions. Your loan payment, however, may need to be re-amortized if your pay frequency changes when transferring to a new operating company.

<b>Applying for a Loan</b>	
Contact Vanguard Participant Services at 1.800.523.1188 or online at <a href="http://vanguard.com/retirementplans">vanguard.com/retirementplans</a> to request a loan.	
<b>General Purpose Loan</b>	<b>Principal Residence Loan</b>
<p>Your check will be processed within one week after your request—generally the next business day. No paperwork is required.</p> <p>You also will receive a promissory note regarding the terms of your loan from Vanguard for your files.</p>	<p>Vanguard will send you an application packet within seven to 10 business days.</p> <p>Sign and return the application with required documentation (a copy of your purchase agreement or your mortgage agreement) to Vanguard.</p> <p>Upon receipt of your application and supporting documentation, Vanguard will review your request, and, if your paperwork is in good order, process your loan within three business days.</p> <p>Allow seven to 10 days for delivery of your check. You may also request to receive your loan via Electronic Bank Transfer (EBT).</p>

## Loan Default Rules

Default on a loan will occur when you fail to make a required repayment within the grace period allowed in the RSP. The grace period ends on the last day of the calendar quarter following the calendar quarter in which your last scheduled payment was due or made, whichever is first, not to exceed the required five-year limit for a general-purpose loan plus the grace period (allow five days prior to the due date for processing). The grace period is different for an approved non-military unpaid leave of absence and a military leave of absence.

While on an approved non-military unpaid leave of absence or unpaid suspension, you may suspend your loan payment for a maximum of 12 months or your loan end date, whichever is first. Upon your return to work, your loan payment deductions should resume. If your loan payment does not resume, contact your payroll department. Your loan end date will be extended by the period of non-military unpaid leave of absence or unpaid suspension, but not beyond the 12-month statutory limit per occurrence or the five-year limit for a general-purpose loan. At the end of your loan term, a balloon payment may be required for any principal and accrued interest for the period you were on a non-military leave of absence.

**Note:** If you do not expect to return to work within 12 months, you will need to ensure that any missed payments are made to Vanguard at the end of the 12-month period, or the loan will be deemed as a default with the applicable tax consequences discussed below.

While on a military leave of absence, your loan payment will be suspended for the duration of your military leave, subject to plan provisions. Upon your return to work, your loan payments should resume. If your loan payment does not resume, contact your payroll department. Your loan end date will be extended by the period of the military leave of absence. At the end of your loan term, a balloon payment may be required for any principal and accrued interest for the period you were on leave.

If you default on the payment of principal and interest due, the account in which you have been given a security interest will be permanently reduced by the amount of the outstanding loan as soon as assets in your plan accounts are distributable. Even if assets in your accounts cannot be distributed when the loan is defaulted, a distribution will be deemed to have occurred with the resulting tax consequences and issuance of a tax statement. (Any taxable portion may be subject to an excise tax in addition to federal, state and local income tax.) Although the loan will be taxable to you, it will remain outstanding under the RSP and will not be offset until your account is available for distribution. You will be unable to take a new loan from the RSP until you repay the full amount of your deemed distribution plus applicable accrued interest. The deemed distribution will count as an outstanding loan against the maximum number of loans available. Once you repay your deemed distribution balance with accrued interest, you may then be eligible to receive a new loan subject to the RSP's restrictions. The one-year wait between loans will restart on the date your deemed distribution is repaid.

Call Vanguard Participant Services at 1.800.523.1188 to request information on paying off your defaulted loan.

## Distributions

### Retirement or Termination of Employment

Following your termination from employment or retirement, but no earlier than 30 days following your termination or retirement, you may elect to receive a total (lump sum) or partial distribution from your plan account at any time. You may:

- Receive your account balance in annual, semi-annual, quarterly or monthly installments, to be paid over a period not to exceed your life expectancy. Once installments start, the amount of each payment is determined by dividing your account balance at the time of payment by the number of installments remaining to be paid.
- Elect to receive distributions in any amount you wish, beginning and ending as you direct.

Unless you choose otherwise, your account balance that is greater than \$1,000 will remain in the RSP until you attain age 72 (age 70½, if you reach age 70½ before January 1, 2020), at which time you will be required to receive minimum required distributions beginning no later than April 1 of the following year. If you maintain a balance in the RSP when you retire or terminate employment, an annual recordkeeping fee will be deducted from your account beginning in the calendar quarter after the quarter in which you separate from employment. Upon termination, Vanguard will provide information regarding the recordkeeping fee.

Vanguard will send information to apply for your benefits no earlier than 30 days following your termination or retirement date as reflected in Workday. If your balance is greater than \$1,000, you may choose to defer your payment until you attain age 72 (age 70½, if you reach age 70½ before January 1, 2020). You will be required to receive minimum required distributions no later than April 1 of the year following the year that you attain age 72 (age 70½, if you reach age 70½ before January 1, 2020). See "Deferred Payments for Terminated Employees" in this subsection for details. Once you terminate employment or retire, you may elect a total or partial distribution from your account(s) at any time.

If your account balance is \$1,000 or less, your account balance is distributed as soon as administratively possible after 30 days from your date of termination from employment or retirement. See "Total Distribution Forms of Payment" in this subsection for details.

If you terminate employment with a Participating Employer and become employed by another FedEx Controlled Group Member or foreign affiliate that is not a Participating Employer, you will not be eligible to receive a distribution or to roll over your RSP balance to a retirement plan sponsored by a non-participating FedEx Controlled Group Member or foreign affiliate. This applies if you are an active employee with any FedEx Controlled Group Member or foreign affiliate. You may, however, be eligible to take an in-service withdrawal, hardship withdrawal or loan from your former RSP. You can also continue to manage your investment options. Once you terminate again and are no longer employed by any FedEx Controlled Group Member or foreign affiliate, you may receive a one-time payment of your entire account balance or you may choose another distribution option as described above.

Additionally, if you have an outstanding loan balance in the RSP when you terminate employment with a Participating Employer, any unpaid balance that has not previously been deemed as a taxable distribution is now considered a distribution from your account and is subject to all applicable taxes unless you repay the outstanding loan balance in full prior to the end of the grace period and before you request distribution of your account. The grace period ends on the last day of the calendar quarter following the calendar quarter in which your last scheduled payment was due or made.

### **Working Past Age 72**

If you are actively employed with a FedEx Controlled Group Member or foreign affiliate at the time you reach age 72 (age 70½, if you reach age 70½ before January 1, 2020), you are not required to take a distribution at that time. If you would like to take a distribution, see "Withdrawals" in this section for details.

### **Death**

If you die while actively employed, while on an approved leave of absence (including military leave) or following your termination of employment or retirement, your beneficiary will be eligible to receive your entire account balance. Your beneficiary will be required to submit proof of your death to Vanguard.

**If your beneficiary is your spouse** and your account balance is \$1,000 or less, your balance will be paid out as soon as administratively possible. If your balance is greater than \$1,000 and your spouse is your beneficiary, your spouse can receive your entire account balance as soon as administratively possible. Your spouse may also choose for payments to be made over their life expectancy.

**If your beneficiary is not your spouse** and your account balance is \$1,000 or less, your account balance will be paid as soon as administratively possible. If your balance is greater than \$1,000, your beneficiary can receive your entire account balance as soon as administratively possible. Your designated beneficiary must receive a full distribution by December 31 of the calendar year containing the 10th anniversary of your (the participant's) death. Your beneficiary may also request a rollover into an inherited IRA during this time period. There is an exception to this timing rule, however. If your non-spouse beneficiary is disabled or chronically ill, they may choose for payments to be made over their life expectancy. This also applies to a beneficiary who is a minor child. They may receive payments over their life expectancy, generally until the age of majority is reached.

Lastly, if you did not designate a beneficiary and you are not married, your balance will be paid to your estate. Your estate must receive full payment of the balance by December 31 of the calendar year containing the fifth anniversary of your death.

### **Filing an Application for Benefits—Death**

- Your beneficiary must notify Vanguard Participant Services at 1.800.523.1188 of your death and submit necessary information to Vanguard.
- Vanguard will verify the beneficiary and coordinate the distribution process. Vanguard will mail the beneficiary detailed information regarding the distribution.

### **Disability**

If you become disabled, regardless of age, you may be eligible to receive a one-time distribution of your entire account balance. You also may request any of the withdrawal options provided for in the RSP subject to your eligibility. For this purpose, disability means a participant's inability, because of a medically determinable physical or mental impairment, to perform the duties of their regular occupation. The earliest date on which you can receive a distribution due to your disability is the earlier of:

- 24 months after the date on which you are determined, in the discretion of the Administrator, to be disabled.
- The date on which you become eligible for Social Security disability benefits, or
- The date on which you submit satisfactory medical evidence of terminal illness.

Call Vanguard at 1.800.523.1188 for more details and/or to request a Disability Eligibility Application.

### **Deferred Payments for Terminated Employees**

If you terminate employment with all FedEx Controlled Group Members and foreign affiliates and your RSP account balance totals more than \$1,000, you may defer receiving your benefits up to age 72 (age 70½, if you reach age 70½ before January 1, 2020).

You are required to start taking distributions no later than April 1 of the calendar year following the **later of** the calendar year in which you attain age 72 (age 70½, if you reach age 70½ before January 1, 2020) or the calendar year you terminate employment with FedEx. Minimum required distributions that are made because you have reached age 72 are not eligible for a direct rollover. If you want your payment to be made before age 72, you must call Vanguard Participant Services at 1.800.523.1188 to request a distribution.

Note, however, that during the 2020 plan year, any required minimum distribution that would have otherwise been required in or for 2020 was waived. This means that no required minimum distribution was due even if your first minimum distribution was for calendar year 2019 but the required beginning date was April 1, 2020.

### **Payments to an Alternate Payee**

A court may issue a Domestic Relations Order (DRO) under state domestic relations law directing the Plan Administrator to pay all or a portion of your RSP benefit to an alternate payee.

A QDRO is a judgment, decree or order, made in accordance with domestic relations law and subject to provisions under federal law, that requires the Plan Administrator to pay all or a portion of your benefit to an alternate payee, a spouse, a former spouse or a dependent who is recognized under a QDRO as being entitled to receive all or part of your benefit.

The Plan Administrator is ultimately responsible for determining if a DRO is qualified as a QDRO. A third-party administrator has been hired to review DROs and to determine if they meet the requirements of a QDRO. All inquiries about QDROs should be directed to:

#### **Regular Mail**

FedEx Qualified Order Center

P.O. Box 1433

Lincolnshire, IL 60069-1433

**Phone:** Toll free 1.855.604.6221, Monday through Friday, 8 a.m. – 6 p.m. Central time

**Fax:** 1.847.554.1969

**Email:** [Qualified.Order.Operations@alight.com](mailto:Qualified.Order.Operations@alight.com)

**Online:** [qocenter.com](http://qocenter.com)

#### **Overnight Mail**

FedEx Qualified Order Center

4 Overlook Point

Lincolnshire, IL 60069-1433

You may call 1.855.604.6221 (toll free) to speak with a representative or request governing procedures, which are provided without charge.

## Total Distribution Forms of Payment

You may choose to have your balance in the RSP paid in one of the following methods:

- **Lump Sum:** Provides a one-time payment of your entire balance in the RSP.
- **Installment Payment:** Provides payment of your account balance in the RSP in annual, semi-annual, quarterly or monthly installments, to be paid over a period not to exceed your life expectancy. Once installments start, the amount of each payment is determined by dividing your account balance at the time of payment by the number of installments remaining to be paid.
- **Direct Rollover:** Provides a payment of your balance in the RSP to a qualified rollover IRA, a Roth IRA (if eligible) or another qualified retirement plan. By selecting this payment option, you can defer income taxes and avoid excise taxes.

The IRS imposes mandatory withholding on your taxable distribution on payments made directly to you. To avoid the 20 percent withholding tax, you may request a direct rollover distribution be made to a qualified rollover IRA, a Roth IRA (if eligible) or another qualified retirement plan. If you receive a distribution prior to age 59½ and do not roll it over, any taxable portion of your distribution may be subject to a 10 percent federal excise tax in addition to federal, state and local income tax. However, if you terminate employment with FedEx on or after age 55, you may not be subject to a 10 percent federal excise tax.

If your account balance is \$1,000 or less and you do not elect otherwise, your account will be automatically paid to you in a lump sum as soon as administratively possible after the end of the quarter following the quarter in which you terminate employment. Applicable taxes will be withheld and a check will be mailed to your home address on file with Vanguard.

You should consider your form of payment carefully. Once your payment has been processed, your elected option cannot be changed. It is recommended that you consult with a tax advisor before making your decision.

## Taxation on Distributions

See “Withdrawal Tax Considerations” in the “Withdrawals” subsection of this section for details.

## Accessing Your Account by Telephone

- Call Vanguard Participant Services at 1.800.523.1188 from a touch-tone phone.
  - Spanish-speaking: Call 1.800.828.4487.
  - Hearing-impaired: Call 1.800.523.8004.
- The VOICE Network will guide you through the enrollment process for payroll deductions and investment options. (If you wish to speak with a Vanguard associate at any time during the call, press 0.)



# Pension Plan

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## Introduction to the Plan

The pension plan is a defined benefit plan, which means your benefit is based on a specific, defined formula(s). Participation in the FedEx Freight Pension Plan is closed to anyone hired or rehired on or after January 1, 2020, as well as employees who elected an “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period.

**Note:** References to FedEx or Company include all FedEx Companies participating in the FedEx Freight Pension Plan (pension plan).

### Special Note to Former Employees

If you are a former employee, the provisions of the pension plan described herein do not necessarily apply to you. You are covered by the provisions of the Plan in effect on the date you terminated employment with FedEx. You should refer to the Summary Plan Description (SPD) in effect on your termination date for relevant plan provisions.

## Pension Plan Overview

The FedEx Freight West, Inc. Pension Plan and the FedEx Freight Pension Plan were merged into a single pension plan, named the FedEx Freight Pension Plan (the “pension plan”), effective June 2, 2008.

The pension plan has two benefit formulas:

- The Portable Pension Account (PPA) formula.
- The Traditional Pension Benefit (TPB) formula, which was applicable for eligible employees of the former FedEx Freight System, Inc. and the former FedEx Freight West, Inc. (benefits accrued under the TPB formula were capped as of May 31, 2008).

The plan year is June 1 through May 31.

Prior to June 1, 2008, the plan year for the FedEx Freight West, Inc. Pension Plan was January 1 through December 31. There was a short plan year for the FedEx Freight West, Inc. Pension Plan from January 1, 2008, through May 31, 2008. There was also a short plan year for the FedEx Freight Pension Plan from January 1, 2007, through May 31, 2007, since the FedEx Freight Pension Plan was initially effective as of January 1, 2007.

## Participating Employers

Eligible employees include any U.S.-based or domestic employees of the Participating Employers listed below.

FedEx Freight Pension Plan Participating Employers
FedEx Freight, Inc. (including employees residing in Puerto Rico)

## Eligibility for Plan Participation

**IMPORTANT:** Participation in the pension plan is closed to anyone hired or rehired on or after January 1, 2020, as well as to employees who elected an “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period.

*If you chose to remain in your “pension and 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period, you will stop receiving pension plan PPA compensation credits if:*

- a) You were in an ineligible position at any time after December 31, 2019, or
- b) You transferred to a FedEx operating company that does not sponsor a pension plan.

Note: If an employee, who elected to remain in their current retirement benefit structure during the Retirement Choice period in 2021, terminates from a FedEx company that sponsors a pension plan and transfers directly within 10 calendar days to a FedEx company that sponsors a pension plan, the employee will continue to be eligible for the pension plan. If the reemployment date is greater than 10 calendar days, the employee will be eligible for the RSP II and will not be eligible to participate in the pension plan.

If you were employed by a Participating Company in an eligible position before January 1, 2020, you automatically became a pension plan participant on the first day of the month coincident with or next following:

- Your attaining age 21, and
- The first anniversary date of your employment with a Participating Employer, if you were credited with at least 1,000 hours of service during your first year of employment. If you do not complete 1,000 hours of service during your first employment year, you may do so during any plan year starting with the first plan year beginning after your date of hire. You enter the pension plan on the first day of the month coincident with or next following fulfillment of the required 1,000 hours of service.

**Note:** If you were eligible to receive profit sharing contributions in the FedEx Freight East, Inc. Retirement Savings Plan as of December 31, 2006, you were eligible to participate in the pension plan and accrue benefits under the PPA formula effective January 1, 2007, if you were still actively employed by FedEx Freight East, Inc. on January 1, 2007.

If you are an employee of the former FedEx National LTL, Inc., you became eligible to enter the pension plan on June 1, 2009, provided you meet the following criteria:

- You have attained age 21.
- You have been credited with at least 1,000 hours during a prior fiscal year.

An individual who is classified by a Participating Employer as an independent contractor, owner-operator or leased employee is not eligible to participate in any benefit plans sponsored by the employer, even if such person is later determined by a court or administrative agency having competent jurisdiction to be a common law employee of the employer.

You are not eligible for the pension plan if your employment is covered by a collective bargaining agreement that does not provide for your participation in this pension plan.

The following persons are also not eligible:

- Employees of Participating Employers who were not employed in a position eligible for the pension plan on December 31, 2019.
- Employees who have not been continuously employed in a position eligible for the pension plan since December 31, 2019.
- Employees who elected an “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice Period, effective January 1, 2022.
- Non-resident aliens who receive no income from U.S. sources subject to U.S. income taxes.

**If You Moved From an Ineligible Position to an Eligible Position (prior to January 1, 2020 or You Move Directly from a “FedEx Corporation Employees’ Pension Plan Eligible Position” to an Eligible Position in this Plan)**

You will participate on the date you moved to an eligible position or when all other eligibility requirements have been met, if later.

**If You Are Re-Employed after December 31, 2019**

If you were previously eligible for the pension plan and are re-employed following termination, you will not again become eligible to participate in the pension plan and earn compensation credits. You will remain eligible for any previously accrued pension plan benefits.

## If You Were Re-Employed before January 1, 2020

If you terminate your employment with a Participating Employer and are later re-employed by a Participating Employer, the following rules apply with regard to your eligibility for pension plan participation:

- If you were a participant in the pension plan prior to your termination date, you will re-enter the pension plan on your re-employment date.
- If you had met all the Plan eligibility requirements and terminated your employment with a Participating Employer, and then are re-employed:
  - Before your expected entry date, you would enter the pension plan upon reaching your entry date.
  - After your expected entry date, you would enter the pension plan on your re-employment date.
- If you had not met all eligibility requirements prior to your termination, your hours of service prior to your termination are considered and you are eligible on the first of the month coincident with or next following the date you meet all eligibility requirements.

## Employment Within FedEx Controlled Group Members or Foreign Affiliates

**IMPORTANT:** Participation in the pension plan is closed to anyone hired or rehired on or after January 1, 2020, as well as to employees who elected an “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period.

*If you chose to remain in your “pension and 401(k) plan” retirement benefit structure during the 2021 Retirement Choice period, you will stop receiving pension plan PPA compensation credits if:*

- a) You were in an ineligible position at any time after December 31, 2019, or
- b) You transferred to a FedEx operating company that does not sponsor a pension plan.

If, prior to January 1, 2020, you were employed by a FedEx Controlled Group Member or foreign affiliate that is **not a Participating Employer**, your applicable (eligible) service during your previous employment with the FedEx Controlled Group Member or foreign affiliate will be combined with your eligible service with your Participating Employer to determine your eligibility for participation in the pension plan, if you commenced employment in a position eligible for the pension plan prior to January 1, 2020 and did not elect an “all 401(k) plan” retirement benefit structure during the 2021 Retirement Choice Period.

For a list of FedEx Controlled Group Members, see “Plan Eligibility Scope and Guidelines” in the “Introduction” section. If you are an eligible employee of a Participating Employer, you begin participating in the pension plan on your date of employment if, immediately prior to your date of employment:

- You were employed by a FedEx Controlled Group Member or foreign affiliate.
- You have attained age 21, and
- You have completed at least one year of credited service with the FedEx Controlled Group Member or foreign affiliate.

**Note:** Your years of service with FedEx Controlled Group Members and foreign affiliates will be counted in the pension plan toward your eligibility for participation in the plan and for years of credited service for vesting purposes under the pension plan. ***Your years of service with a FedEx Controlled Group Member or foreign affiliate, that is not a Participating Employer in the FedEx Freight Pension Plan, will not be counted towards your years of credited service for benefit accrual.***

Additionally, your eligible earnings from a FedEx Controlled Group Member or foreign affiliate will be used, as required, when calculating your Portable Pension Account compensation credit in the pension plan.

If you are employed at the same time by both a Participating Employer and a FedEx Controlled Group Member that is not a Participating Employer, upon satisfaction of the eligibility requirements:

- You will be eligible to participate in this Plan if your earliest date of continuous employment is with a Participating Employer, unless you belong to an excluded class of employees at the Participating Employer, in which case you will participate in the non-participating FedEx Controlled Group Member’s Plan.
- You will be eligible to participate in the non-participating FedEx Controlled Group Member’s plan if your earliest date of continuous employment is with the non-participating FedEx Controlled Group Member, unless you belong to an excluded class of employees at the non-participating FedEx Controlled Group Member, in which case you will participate in this Plan.

### **Eligibility for the Former FedEx Freight West, Inc. Pension Plan**

Prior to June 1, 2008, eligible employees of the former FedEx Freight System, Inc. and the former FedEx Freight West, Inc. participated in the former FedEx Freight West, Inc. Pension Plan on the first participation date (January 1 or July 1) on or after the later of the completion of a 12-consecutive-month period during which the employee was credited with at least 1,000 hours of service or the date the employee attained age 21. The FedEx Freight West, Inc. Pension Plan was merged into the FedEx Freight Pension Plan on June 2, 2008.

## Enrollment

Once you have met all the pension plan eligibility requirements, participation is automatic.

## Your Cost

FedEx pays the full cost of the pension plan.

## Eligible Earnings

Eligible earnings include wages, salary, overtime earnings and other earnings such as commissions, job performance and incentive bonuses (excluding Long Term Incentive [LTI]). Also included are license premiums, line duty, longevity pay and shift premiums.

Eligible earnings include pay prior to pre-tax deductions for health care and dependent care, Pre-tax, After-tax and, if applicable, Catch-up contributions to the FedEx Corporation Retirement Savings Plan (RSP).

If you were previously employed by a FedEx Controlled Group Member that is not a Participating Employer in the pension plan, your eligible earnings used to determine pension plan limits will include your applicable eligible earnings with that FedEx Controlled Group Member. For a list of FedEx Controlled Group Members, see “Plan Eligibility Scope and Guidelines” in the “Introduction” section. Additionally, your eligible earnings from a FedEx Controlled Group Member or foreign affiliate will be used, as required, when calculating your Portable Pension Account compensation credit in the pension plan.

Eligible earnings do not include earnings such as daily allowance, imputed income, life, per diem and disability benefits provided by Participating Employers, reimbursed expenses, cash or noncash fringe benefits, moving and other relocation expenses, deferred compensation, amounts realized from the exercise of stock options (or from the sale, exchange or disposition of stock acquired under stock options or stock bonus plans), amounts paid under a severance program or arrangement or contributions made by Participating Employers to qualified retirement benefit plans. Nor do they, for the purpose of this definition, include expatriate pay items or pay above the Internal Revenue Service (IRS) compensation limit.

## Maximum Compensation Limit

The IRS limits the maximum compensation that can be used to determine your benefits under the pension plan. The annual compensation limit may be indexed by the Secretary of the Treasury based on increases in the cost of living.

Year	Annual Compensation Limit
2022	\$305,000
2021	\$290,000
2020	\$285,000
2019	\$280,000
2018	\$275,000

## Pension Plan Benefit Limit

The annual pension plan benefit you can receive is limited by the federal tax code, based on your age at retirement and your year of birth. These limits are scheduled to be indexed annually as directed by the Secretary of the Treasury (\$245,000 in 2022). In the unusual circumstance that this limit applies to your benefit due to a late retirement increase, as described in the Retirement Dates section, “Active Employees—Working Past 70½ or Your Required Minimum Distribution Date,” the FedEx Retirement Service Center will contact you.

## Vesting

Vesting refers to your right to receive a pension plan benefit after you terminate employment with a FedEx Controlled Group Member or foreign affiliate—even if you terminate employment before retirement age. You are 100 percent vested in your pension plan accrued benefit after you complete three years of credited service for vesting. **Note:** Prior to June 1, 2008, you were 100 percent vested in your benefit accrued under the TPB formula after you completed five years of credited service for vesting.

You are automatically vested when you reach your normal retirement date. Your normal retirement date is the first day of the month coincident with or next following the date on which you attain age 65 (see “Retirement Dates” in this section for details).

If you leave the Company before you are vested, you are not entitled to any benefit from the pension plan.

If you were employed at FedEx Freight East, Inc. as of December 31, 2006, you are vested in your PPA benefit according to the vesting schedule for profit sharing contributions under the FedEx Freight East, Inc. Retirement Savings Plan (see following table).

Vested Percentage		
Years of Vesting Service	If you were employed at FedEx Freight East, Inc. on 12/31/2006	If you were not employed at FedEx Freight East, Inc. on 12/31/2006
1	30%	0%
2	60%	0%
3 or more	100%	100%

## Crediting Service

Except as provided under the Uniformed Services Employment and Reemployment Rights Act (USERRA), no more than 501 hours may be credited for a single continuous period during which an employee performs no duties.

### Hours of Service Credited for Hourly Employees

Hours of service include each hour you are paid or are entitled to be paid by any FedEx Controlled Group Member, including time off for vacation, holidays, medical absences, jury duty or military duty as required by law.

This **does not** include hours you are paid or are entitled to be paid just to comply with:

- Unemployment compensation laws.
- Disability insurance law.
- Payment made for medical expense reimbursement, or
- Service during hours of family medical leaves (except the first 501 hours, which may be used to prevent a one-year break in service).

Hourly employees are credited with hours of service based on the paycheck date. If a paycheck contains hours worked in the previous month, all hours paid in that paycheck will be credited to the month containing the paycheck date. Likewise, if a paycheck contains hours worked in the previous plan year, all hours paid in that paycheck will be credited to the plan year containing the paycheck date. For example, assume the hourly paycheck date is Friday, June 6, and is based on hours for the pay period May 25 through May 31. The hours for the entire pay period (May 25 through May 31) count in the plan year beginning June 1.

**Important Note:** FedEx Freight, Inc. city drivers and road drivers are credited with 45 hours of service per week when any mileage is reported.



## **Hours of Service Credited for Salaried Employees**

Employees other than hourly-paid employees (i.e., whose hours are not maintained) will receive credit for 45 hours per week for each week in which they are actively employed for at least one day. (**Note:** A week is defined from Sunday to Saturday.)

## **Credited Service for Vesting**

You accrue one year of credited service for vesting for each plan year (June 1 through May 31) in which you have been credited with at least 1,000 hours of service with a FedEx Controlled Group Member or foreign affiliate. This also includes any service recognized for vesting purposes with a preceding employer of which FedEx Corporation is the successor.

- If you were employed by Spartan Express, Inc., Cole Express, Inc. or Cole Enterprises prior to January 1, 1996, that period of employment is included when determining your years of credited service for vesting (not to exceed five years) under the pension plan.
- If you were employed by the former FedEx Freight East, Inc. for the period January 1, 2007, through May 31, 2007, you earned one additional year of vesting service if you were credited with at least 1,000 hours between June 1, 2006, and May 31, 2007.
- If you are an employee of the former FedEx National LTL, Inc., you are credited with one year of vesting service for each complete year of employment prior to June 1, 2009, with the former FedEx National LTL, Inc. or the former Watkins Motor Lines (calculated from your original hire date with these companies). Beginning June 1, 2009, you accrue a year of vesting service as described above.

## **Credited Service for Benefit Accrual**

Currently, you accrue one year of credited service for benefit accrual for each plan year (June 1 through May 31) in which you have been credited with at least 1,000 hours of service with a Participating Employer.

Credited service earned while employed with the following Operating Companies will be used for determining the PPA compensation credit percentage in the FedEx Freight Pension Plan:

- **The Former FedEx Freight System, Inc., the Former FedEx Freight West, Inc. and the Former Viking Freight, Inc.:** On or after June 1, 2008, this includes any credited service considered in determining your accrued benefit under the FedEx Freight West, Inc. Pension Plan. See “Credited Service for Benefit Accrual (Determining Traditional Pension Benefits, If Any)” in this subsection for details. If you were employed by the former FedEx Freight System, Inc. or the former FedEx Freight West, Inc., as of June 1, 2008, but had not yet participated in the FedEx Freight West, Inc. Pension Plan, your years of employment prior to June 1, 2008, (rounded to the nearest whole year) will be included in your credited service when you enter the FedEx Freight Pension Plan. On or after June 1, 2008, you accrue one year of credited service for benefit accrual for each plan year (June 1 through May 31) in which you have been credited with at least 1,000 hours of service with a Participating Employer.
- **The Former FedEx Freight East, Inc. and American Freightways, Inc.:** As of May 31, 2006, this includes a year of credited service for each complete year that you were employed by the former FedEx Freight East, Inc. or American Freightways, Inc. (subject to break-in-service rules). On or after June 1, 2006, you accrue one year of credited service for benefit accrual for each plan year (June 1 through May 31) in which you have been credited with at least 1,000 hours of service with a Participating Employer.
- **The Former FedEx National LTL, Inc.:** As of June 1, 2009, this includes a year of credited service for each complete year that you were employed by the former FedEx National LTL, Inc. or the former Watkins Motor Lines (calculated from your original hire date with these companies). On or after June 1, 2009, you accrue one year of credited service for benefit accrual for each plan year (June 1 through May 31) in which you have been credited with at least 1,000 hours of service with a Participating Employer.

No other credited service will be used to determine your PPA compensation credit percentage in the FedEx Freight Pension Plan. Years of credited service for benefit accrual do not include years during which you were covered under a collective bargaining agreement that did not provide for your participation in this pension plan.

### **Credited Service for Benefit Accrual (Determining Traditional Pension Benefits, If Any)**

Employees participating in the former FedEx Freight West, Inc. Pension Plan are credited with service equal to the total number of days included in the employee's periods of service through May 31, 2008, divided by 365.25. A period of service commences on the employment date, or subsequent re-employment date, and ends on the earlier of May 31, 2008 or separation from service date.

**Note:** Accrued benefits under the TPB formula were capped as of May 31, 2008.

## Crediting Hours During Active Military Service

Your period of qualifying military service in the U.S. armed forces will be included in calculating your years of credited service for benefit accrual, eligibility and vesting if you return to employment and have satisfied the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) within the period specified after the date you are released from active duty. You must present proof of your activation date and release from active duty date to your manager. **Note:** Upon your return to active employment, hours of service for your period of qualifying military service will be credited for benefit accrual purposes.

In the event of death during your Military Leave of Absence (MLOA), your accrued benefit will be based on your years of credited service for benefit accrual up to the date of your death. For a description of benefits payable in the event of your death, see “Survivor Benefits” in the “Traditional Pension Benefit (TPB) Formula” and “Portable Pension Account (PPA) Formula” sections.

If you were on a MLOA during the 2021 Retirement Choice period and did not make an election during that election period, you remained enrolled in the Pension Plan and RSP I. If you wish to move to the RSP II and stop receiving any future benefit accruals in the FedEx Corporation Employees’ Pension Plan, you must contact the FedEx Retirement Service Center (RSC) at 1.855.604.6221 within 30 days of your return from a military leave of absence to make that election.

## Breaks in Service

A one-year break in service occurs during any plan year in which you do not receive credit for at least 501 hours of service. For benefits accrued under the TPB formula prior to June 1, 2008, a one-year break in credited service for benefit accrual is a 12-consecutive-month period in which an employee does not perform at least one hour of service for the Company. If you have a break in service and are re-employed, the following applies:

1. If you were vested when you terminated employment and your benefit has not been paid:
  - You receive credit for all your years of credited service for benefit accrual and vesting.
  - You again begin participating in the pension plan on your re-employment date.
  - If you were participating in the PPA, your accrued benefit is not forfeited and interest credits are added each quarter until you begin to receive your vested accrued benefit.
  
2. If you were vested when you terminated employment and your benefit was paid to you:
  - Upon re-employment, you will be treated as a new employee for benefit accrual service.
  - You will retain your vesting service.

- You again begin participating in the pension plan on your re-employment date.
  - You retain credited service for benefit accrual used to calculate your TPB. However, your TPB calculated at retirement will be offset by the value of the prior benefit which was paid to you.
3. If you terminated employment before you were vested, you will lose your pre-break benefit accrual service and vesting service, as well as any balance in the PPA, if you are re-employed after having the greater of:
- Five consecutive one-year breaks in service, or
  - One-year breaks in service equal to the years of service you had before you terminated.
4. If you terminated employment before you were vested and you are re-employed before having the number of one-year breaks in service described in number three above:
- Your pre-break service counts for benefit accrual and vesting, and
  - If you were participating in the PPA, your balance will be restored with interest.
5. If you were not participating prior to your termination date, see “If You Are Re-Employed” in the “Eligibility for Plan Participation” subsection of this section for details.

For more information on vesting, see “Vesting” in this section and “Crediting Service for Vesting” in the “Crediting Service” subsection of this section.

To prevent a break in service, up to 501 hours may be credited for time spent on any approved leave of absence granted under the Family Medical Leave Act (FMLA). These hours are used only to prevent a one-year break in service and are not used for benefit accrual.

## Retirement Dates

You may commence retirement benefits on any of the dates described below after you have completed all application requirements. See “Making Application for Commencing Your Pension Plan Benefit” in this section for details.

### **Normal Retirement Age/Date**

Your normal retirement is the first day of the month coincident with or next following the date on which you attain age 65.

If you retire on or after your normal retirement date, you are eligible to receive an unreduced monthly benefit for benefits accrued, if any, under the TPB formula. For additional information on the payment of benefits under the PPA formula, see “Payment of Benefits” in the “Portable Pension Account (PPA) Formula” section.

## **Early Retirement Age/Date**

Your early retirement date precedes the normal retirement date. You may decide to retire any time between the ages of 55 and your normal retirement age after you are vested. For information on vesting, see “Credited Service for Vesting” in the “Crediting Service” subsection of this section.

Your early retirement date is the first day of the month coincident with or next following the date on which you decide to retire between ages 55 and your normal retirement date after completing three years (five years prior to June 1, 2008, for benefits accrued under the TPB formula) of credited service for vesting. If you retire early, you are eligible to receive a reduced monthly benefit for benefits accrued, if any, under the TPB formula. For additional information on the payment of benefits under the PPA formula, see “Payment of Benefits” in the “Portable Pension Account (PPA) Formula” section.

## **Working Past Your Normal Retirement Date**

If you work past your normal retirement date, your PPA retirement benefits will not be actuarially increased to account for the fact that you choose to delay your retirement. However, your TPB, if any, will have an actuarial increase applied each plan year until you start your benefit.

While you remain employed with a Participating Employer you will continue to receive a year of credited service for benefit accrual under the PPA formula of the pension plan for any plan year (June 1 through May 31) in which you are credited with at least 1,000 hours of service.

## **Active Employees — Working Past 70½ or Your Required Minimum Distribution Date**

- 1) If you are actively employed with a FedEx Controlled Group Member or foreign affiliate when you reach your required minimum distribution age 72 (age 70½, if you reach age 70½ before January 1, 2020), you are not required to take a distribution at that time.

You will be required to start receiving your pension benefit immediately upon retirement from FedEx since you are already working past your Required Minimum Distribution date.

- 2) A special benefit commencement rule may apply in unusual situations where, due to your delayed retirement and pension commencement, the late retirement increase applied to your Traditional Pension Benefit results in your total pension plan benefit reaching the Pension Plan Benefit Limit under the federal tax code. If this situation applies to your benefit, the FedEx Retirement Service Center will contact you.

## **Deferred Benefit Commencement**

You may retire or terminate and elect to delay the commencement of your pension plan benefit up to your required minimum distribution age 72 (age 70½ if you reach age 70½ before January 1, 2020). If you do not commence prior to your required minimum distribution age, the RSC will send your retirement kit at the appropriate time for you to make a decision about benefit commencement. Your PPA and/or TPB benefits, if any, will be actuarially increased if you terminate employment with all FedEx Controlled Group Members and foreign affiliates and defer your commencement past your normal retirement date.

## If You Are Re-Employed After Retirement by Any FedEx Controlled Group Member or Foreign Affiliate

The pension plan does not prevent a retiree who is receiving a pension plan benefit from being rehired by any FedEx Controlled Group Member or foreign affiliate.

### **Suspension of Pension Benefit Rules**

A retiree who is re-employed by any FedEx Controlled Group Member or foreign affiliate must be credited with **less than 70 hours per month** to collect uninterrupted monthly pension plan benefits.

**IMPORTANT:** A rehired retiree will not accrue new benefits in the pension plan because participation in the pension plan is closed to all rehires hired on or after January 1, 2020.

### ***Salaried Employees***

You are credited with 45 hours for each full or partial week in which you are actively employed. If you are rehired into a salaried position, your pension plan payments will be suspended as long as you remain employed in a salaried position.

### ***Hourly-Paid Employees***

The RSC will accumulate your monthly hours based upon the total paycheck hours. Your paycheck may include hours “worked” and hours “non-worked.” All hours for which you are paid are considered when determining the number of monthly credited hours.

Hourly employees are credited with hours of service based on the paycheck date. If a paycheck contains hours worked in the previous month, all hours paid in that paycheck will be credited to the month containing the paycheck date. For **any** month (as defined by the paycheck dates) that you are credited with 70 or more hours, you will be notified that the next available pension plan payment will be stopped. **Note:** There may be four or five paycheck dates in a month for an hourly employee. In addition, your hours worked must be less than 70 hours in a given month to prevent suspension of a subsequent monthly pension plan payment.

**Important Note:** FedEx Freight, Inc. city drivers and road drivers are credited with 45 hours of service per week when any mileage is reported.

**Important Note:** Based on payroll scheduling, there may be some weeks when an hourly check date will not occur on a Friday. Please ensure you carefully monitor the payroll calendar with your manager when scheduling your hours. This variance in the payroll calendar will cause some months to have five check dates when there would otherwise only have been four check dates.

The *Payroll Processing Schedule* can be accessed on the intranet by entering keyword **my payroll**. Scroll down to the heading “Quick Access to Payroll Tools” and select **Payroll Calendar and Schedule**.

If during your period of reemployment, you are placed on a medical leave of absence, please contact the RSC at 1.855.604.6221 for more information on how your hours may be affected.

The following is an example of paycheck dates for an hourly-paid employee (in a month with five paycheck dates).

Days Worked	Paycheck Date
April 20 – April 26	May 2
April 27 – May 3	May 9
May 4 – May 10	May 16
May 11 – May 17	May 23
May 18 – May 24	May 30

Contact the RSC at 1.855.604.6221, for further information if you are considering re-employment after retirement.

## Annuity Starting Date

The Annuity Starting Date is the first day of the month that a monthly pension plan benefit can commence or when a lump-sum payment can be made following the fulfillment of all plan application requirements. See “Making Application for Commencing Your Pension Plan Benefit” in this section for details.

## Designating a Beneficiary

In some cases, you may need to name a beneficiary to receive pension plan benefits after your death. For more information on designating a beneficiary, see “Designating a Beneficiary” in the “Traditional Pension Benefit (TPB) Formula” and “Portable Pension Account (PPA) Formula” sections.

To designate a beneficiary(ies) or make a change to your current designation, go to **[digital.alight.com/fedex](https://digital.alight.com/fedex)** or contact the RSC at 1.855.604.6221 if you need assistance. If your beneficiary is/was an employee of FedEx, you will need to contact the RSC so they can add your beneficiary to your account.

## Definition of a Spouse

For pension plan purposes, all references to “spouse” shall mean a legally married spouse as recognized under the laws of the state or other jurisdiction in which the marriage is established, consistent with U.S. federal tax laws; and a common-law spouse as defined by the state law where common-law marital status is established. A spouse includes a common-law spouse and same-gender spouse; and a common law spouse may be of the same gender. A former spouse shall be treated as the spouse to the extent provided under a Qualified Domestic Relations Order (QDRO) as described in Section 414(p) of the Code. The Plan Administrator may rely on the participant’s written statement regarding such participant’s marital status.

If your data on record does not indicate a common-law marriage, you or your surviving spouse will be required to complete and submit an affidavit of common-law marriage and related supporting documentation as required by the RSC.

## Important Information When Selecting a Joint and Survivor Annuity Form of Payment

If you select a Joint and Survivor Annuity for benefits you have accrued under the TPB formula and/or the PPA formula, your election of both the form of payment and beneficiary are irrevocable. The survivor benefit is applicable only to the designated beneficiary at the time your monthly payments commence.

If, after the start of payments under a Joint and Survivor Annuity with your spouse as the survivor, you and your spouse divorce or your spouse dies, you may not select another person, including a new spouse, to receive the survivor benefits, and you may not select a different optional form of payment (e.g., a Straight Life Annuity). In fact, in the event of divorce your former spouse will continue to have a right to the survivor benefits. Even a QDRO will not transfer the survivor rights to another person, including a subsequent spouse, since the pension plan prohibits such a transfer.

If your designated beneficiary is not your spouse, the available Joint and Survivor Annuity options may be limited depending on the age of your beneficiary. In addition, an optional form of payment may not provide for a monthly payment to a joint annuitant or beneficiary that is greater than the monthly payment to you.

**You must carefully consider your form of payment election. Once your form of payment has been confirmed and authorized, you cannot change your form of payment after your Annuity Starting Date (i.e., your benefit commencement date).**

The examples shown below are provided to give you a general idea of the adjustment made when you elect a Joint and Survivor Annuity. The adjustment is based on your age at retirement, your beneficiary’s age and the percentage of annuity elected (50 percent, 75 percent or 100 percent). The adjustment is applied to the Straight Life Annuity form of payment whether it is a normal or early retirement benefit.

Your monthly payments on your chosen Annuity Starting Date are based on your age and your survivor’s age.



**Sample Joint and Survivor Benefit Calculations\***

Form of Payment: Estimated Annuities	Your Age is 60 Your Survivor's Age is 60	Your Age is 60 Your Survivor's Age is 55	Your Age is 60 Your Survivor's Age is 50
<b>Straight Life Annuity</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>50% Joint and Survivor Annuity</b>			
Your monthly benefits	\$922	\$898	\$874
Survivor's monthly benefits	\$461	\$449	\$437
<b>75% Joint and Survivor Annuity</b>			
Your monthly benefits	\$888	\$854	\$822
Survivor's monthly benefits	\$666	\$641	\$617
<b>100% Joint and Survivor Annuity</b>			
Your monthly benefits	\$856	\$815	\$776
Survivor's monthly benefits	\$856	\$815	\$776

## Making Application for Commencing Your Pension Plan Benefit

**Note:** To request a retirement kit, you must contact the RSC by phone at 1.855.604.6221 or online via the website at [digital.alight.com/fedex](https://digital.alight.com/fedex), at least 30 days prior to your anticipated Annuity Starting Date but no earlier than 90 days.

You must have retired or terminated from all FedEx Controlled Group Members and foreign affiliates to commence a benefit from the pension plan.

Monthly benefits may commence as of the first day of the month coincident with or next following the date you have met all Plan application requirements as described below; additionally, your retirement effective date must be entered in Workday before your benefit payment can be made. If your retirement date is not entered timely, it could delay the start of your pension benefit payment.

\* These calculations are based on the interest rate and mortality table assumptions prescribed by the pension plan, which change annually. The example shown is for illustrative purposes only and actual forms of payment may be more or less than those shown. In addition, since new interest rate and mortality table assumptions are not known until June of each year, those requesting June, July or August retirement kits each year will have their optional forms of payment estimated using assumptions from the prior year. The forms of payment will be recalculated once new interest rate and mortality assumptions are available and the new benefit amount may be higher or lower than the initial (estimated) calculation.

If your completed application for benefits is received within 60 days following the date on your retirement kit, your initial benefit payment will be made **as of your elected Annuity Starting Date**. If your payment is delayed until after your elected Annuity Starting Date, your PPA balance will include interest through the end of the month prior to the date of your lump-sum payment or the date your annuity payment starts. Any delayed payments for the TPB do not include interest.

For example, you requested a retirement kit on December 15—if you elected an annuity with a January 1 Annuity Starting Date, and your completed application for benefits is returned on February 1 (within 60 days from the date on your retirement kit), you will receive your initial benefit payment March 1. Your initial benefit payment will include a retroactive payment for both January 1 and February 1, and the PPA benefit will be updated with interest through February 28 (the interest will be converted and included in the annuity payment). January 1 is considered your Annuity Starting Date.

You have at least 30 days to make your benefit election. You can waive your right to the 30-day period if you submit your election form within 30 days of your Annuity Starting Date (i.e., your benefit commencement date). **In any case, you have until your Annuity Starting Date (i.e., benefit commencement date) in which to request a different form of payment.**

**An application for benefits is valid only if you are alive on your Annuity Starting Date.**

See “Survivor Benefits” in the “Traditional Pension Benefit (TPB) Formula” and “Portable Pension Account (PPA) Formula” sections for details.

If you receive your vested PPA benefit on or after age 55, you also will have to commence your accrued benefit under the TPB formula, if any, at the same time.

If you commence your PPA benefit and TPB at the same time, you must receive them under the same form of payment, unless one of the forms of payment is only available under the PPA formula or TPB formula (e.g., lump sum form of payment under the PPA formula).

If you elect to commence your PPA accrued benefit in the form of a monthly annuity prior to age 55, you do not have to choose the same form of payment for the accrued benefit payable under the TPB formula, if any, at the time you commence benefits under the TPB formula.

You cannot commence your pension plan benefit while employed by any FedEx Controlled Group Member or foreign affiliate.

An employee who returns to active status after termination/retirement and has not incurred a 10-calendar-day separation from service will not be eligible to commence a retirement benefit. See “Eligibility for Plan Participation” in this section for details.

**You must carefully consider your form of payment election. Once your form of payment has been confirmed and authorized, you cannot change your form of payment after your Annuity Starting Date (i.e., your benefit commencement date).**

Some forms of payment may not be available in certain cases due to life expectancy. In general, if a participant is expected to receive payments under a Life Annuity with Payments Guaranteed optional form of payment for a period longer than the IRS estimates in the applicable Uniform Lifetime Table such participant to live (based on average life expectancies), that optional form of payment is not available. For example, the IRS Uniform Lifetime Table III expects an average 70-year-old retiree to have a distribution period of 27.4 years, and an average 80-year-old retiree to have a distribution period of 18.7 years. If a Life Annuity with Payments Guaranteed optional form of payment provides for a benefit that is expected to be paid for a period longer than the retiree's estimated distribution period, then the retiree is not permitted to choose such optional form of payment.

**Note:** Your first monthly pension plan check cannot be processed until your retirement date is effective in Workday. Based on your actual retirement date and when your retirement is entered in Workday, your first pension plan check could be delayed by a month or more.

## **Taxes**

Your benefit payment is subject to federal and, if applicable, state income tax. You will make your tax withholding election at the time you make your pension election(s) via phone or at **digital.alight.com/fedex**. If you do not make a choice for your federal tax withholding, the IRS requires automatic withholding as if you are married with three exemptions.

To comply with federal income tax rules, 20 percent federal income tax withholding generally must be applied to your taxable lump-sum distribution unless you roll over the distribution to an Individual Retirement Account (IRA) or to a qualified retirement plan that accepts rollovers. If you receive a lump-sum payment prior to age 59½ (unless you are at least age 55 when you terminate employment with all FedEx Controlled Group Members and foreign affiliates), you also may be subject to an additional 10 percent excise tax, unless you roll over the distribution. When you contact the RSC to request a lump-sum payment, you will be provided with all required forms, including the form necessary to request a rollover.

**Note:** Lump-sum distributions cannot be rolled over to the FedEx Corporation Retirement Savings Plan (RSP) or any other FedEx sponsored retirement savings plan or 401(k) plan.

**Important!** Federal tax penalties can apply if you do not withhold enough money to cover your federal tax obligation for the year. Consult your personal tax advisor for assistance.

## Requesting a Retirement Kit to Commence Your Pension Plan Benefit

You should start the process at least 30 days, but no more than 90 days, before your Annuity Starting Date. There are two ways in which you may choose to start your pension plan benefits.

- **Online:** Visit [digital.alight.com/fedex](https://digital.alight.com/fedex) and securely log in. From the home page, select “Retire Now.” You will be guided through the steps to make your pension benefit choices. Carefully review all your information. Call the RSC if there are any errors or changes in the information.

Select your pension payment choices, tax withholding elections and payment delivery method. After your elections are made, you will receive a Confirmation of Pension Choices and Pension Choices Authorization form through the secured mailbox feature. The Authorization form must be signed and returned in the mail to the RSC in order for payments to commence.

- **By Phone:** Contact the RSC at 1.855.604.6221, Monday through Friday, 8 a.m. – 6 p.m. Central time. The RSC will send a retirement kit to your home address. Carefully review all the information in the retirement kit. Call the RSC if there are any errors or changes in the information.

Next, you will need to call the RSC to make your pension payment choices, tax withholding elections and payment delivery method. After your elections are made, you will receive a Confirmation of Pension Choices and Pension Choices Authorization form in the mail. The Authorization form must be signed and returned to the RSC in the mail for payment to commence.

## Terminated Vested Benefit

If you are vested when you terminate employment with all FedEx Controlled Group Members, you will be eligible for a vested benefit payable as early as your early retirement date. The amount of this benefit is based on two items:

- The pension plan formula and definitions applicable at the time you terminate employment with a Participating Employer, including the benefit percentage, your years of credited service for benefit accrual and your average earnings. Remember, benefits accrued under the TPB formula were capped as of May 31, 2008.
- Your age at the time you decide to commence your retirement benefits.

For example, if you want benefits to commence at your normal retirement date, your pension plan benefit is calculated in the same manner as the normal retirement benefit. If you want benefits to commence between the ages of 55 and 65, your benefit is calculated in the same manner as the early retirement benefit. If you want benefits to commence between the ages of 65 and 72, your benefit is calculated in the same manner as the late retirement benefit.

- *If the present value of your total benefit accrued under the pension plan (i.e., the TPB formula, if any, plus the PPA formula) is less than \$1,000, the Plan requires that you receive a distribution of the lump-sum value. You may choose how to receive the payment either in a lump-sum payment or a rollover. If no choice is made, a lump-sum check for the value of your accrued pension benefit will automatically be mailed to your home address.*
- *If the present value of your total benefit accrued under the pension plan (i.e., the TPB formula, if any, plus the PPA formula) is between \$1,000 and \$5,000, the Plan requires that you receive a distribution of the lump-sum value. You may choose how to receive the payment either in a lump-sum payment or a rollover. If no choice is made, your benefit will automatically be rolled over into an Individual Retirement Account (IRA) at Vanguard.*

The RSC will send you a Statement of Deferred Vested Benefit no later than 75 days after your termination date is entered in Workday. The Statement of Deferred Vested Benefit will show the amount of your monthly benefit payable at your normal retirement date. Keep the Statement of Deferred Vested Benefit with all other vital records.

### **Commencing a Terminated Vested Benefit**

- Contact the RSC by phone at 1.855.604.6221 or go to **digital.alight.com/fedex** and securely log in to change your home address.
- Contact the RSC at least 30 days, but no more than 90 days, before the desired Annuity Starting Date. Representatives are available at the RSC Monday through Friday from 8 a.m. – 6 p.m., Central time. (**Note:** Benefits accrued under the TPB formula, if any, cannot commence earlier than age 55.)
- Your benefit payment will commence on the first of the month coincident with or next following the date you have met all Plan application requirements and the RSC receives all required forms.
- You may start your pension plan benefits by either calling the RSC or going to **digital.alight.com/fedex**.

## Commencing a Pre-Retirement Death Benefit for a Survivor or Beneficiary

If your spouse is eligible for a Pre-Retirement Death Benefit under the TPB formula:

- The RSC will send your surviving spouse a calculation and instructions to commence the benefit, if applicable, within three weeks after your death is reported. Your surviving spouse will have the option to receive the TPB as a lump-sum benefit in lieu of the annuity provided.
- If your spouse is eligible for an immediate benefit, they must complete and return the forms and required documentation to the RSC no later than 60 days following the elected Annuity Starting Date.
- If your spouse is not eligible for an immediate benefit, they should contact the RSC at least 30 days, but not more than 90 days, before the desired Annuity Starting Date and complete and return the forms and required documentation to the RSC on or before that date.

If your spouse or beneficiary is eligible to commence a Pre-Retirement Death Benefit under the PPA formula:

- The RSC will send your surviving spouse or named beneficiary(ies) benefit information and instructions to commence the benefit within three weeks after your death is reported.
- Your spouse or beneficiary(ies) must complete and return the forms and required documentation to the RSC.
  - Your designated beneficiary(ies) is eligible to receive your entire vested benefit accrued under the PPA formula.
  - Upon proper application, your spouse may elect to receive a lump-sum payment of the PPA benefit in lieu of the annuity provided.

See “Survivor Benefits” in the “Traditional Pension Benefit (TPB) Formula” and the “Portable Pension Account (PPA) Formula” sections for details.

If your survivor wants to commence a Pre-Retirement Death Benefit on a date later than the earliest date possible:

- Your survivor should contact the RSC at 1.855.604.6221, at least 30 days, but no more than 90 days, before the desired Annuity Starting Date.
- The RSC will send a retirement kit to your survivor’s home address that will include benefit information and instructions to commence the benefit.
- Your survivor should complete and return the forms and required documentation to the RSC no later than 60 days following the elected Annuity Starting Date.

## Payments to an Alternate Payee

A court may issue a Domestic Relations Order (DRO) under state law directing the Plan Administrator to pay all or a portion of your pension plan benefit to an alternate payee. An alternate payee is a spouse, former spouse or dependent who is recognized under a QDRO as being entitled to receive all or part of your benefit.

A QDRO is a judgment, decree or order made in accordance with domestic relations law and subject to provisions under federal law that requires the Plan Administrator to pay all or a portion of your benefit to a spouse, former spouse or dependent.

The Plan Administrator ultimately is responsible for determining if a DRO is a QDRO. A third-party administrator has been hired to review DROs and to determine if they meet the requirements of a QDRO. All inquiries about QDROs should be directed to:

### **Regular Mail**

FedEx Qualified Order Center

P.O. Box 1433

Lincolnshire, IL 60069-1433

**Phone:** Toll free 1.855.604.6221, Monday through Friday, 8 a.m. – 6 p.m. Central time

**Fax:** 1.847.554.1969

**Email:** [Qualified.Order.Operations@alight.com](mailto:Qualified.Order.Operations@alight.com)

**Online:** [qocenter.com](http://qocenter.com)

### **Overnight Mail**

FedEx Qualified Order Center

4 Overlook Point

Lincolnshire, IL 60069-1433

You may call 1.855.604.6221 (toll free) to speak with a representative or request QDRO model language and procedures, which are provided without charge.

## Social Security—A Reminder

For information on Social Security benefits, either contact your local Social Security office, call 1.800.772.1213 or TTY 1.800.325.0778 or go to [\*\*ssa.gov\*\*](http://ssa.gov) and complete a request for a Social Security statement. Your Social Security benefits will not commence automatically. You must contact your local Social Security office to file an application for benefits. Also, you may be able to apply for benefits online at [\*\*ssa.gov/applytoretire\*\*](http://ssa.gov/applytoretire).

## Health Coverage After Retirement—A Reminder

It is important you consider the cost of health coverage after retirement when you are saving and planning for retirement. The cost of health coverage after retirement may be significantly higher than the cost of health coverage while actively employed. For more information, go to [\*\*retirement.fedex.com\*\*](http://retirement.fedex.com).

## Estimate Your Benefits

Once you are a participant in the pension plan, you can register as a new user. To do so, go to [digital.alight.com/fedex](https://digital.alight.com/fedex).

### First Time You Log In

- Go to [digital.alight.com/fedex](https://digital.alight.com/fedex).
- Register as a new user.
- Answer security questions and create a User ID and password.

### If You Forget Your User ID or Password

- Go to [digital.alight.com/fedex](https://digital.alight.com/fedex).
- Click “*I Forgot My User ID*” or “*I Forgot My Password*.”
- Enter your personal information to access your hint, if you have one on file.

If you still cannot remember your password or answer your security questions correctly, request that a new password be emailed (or mailed) to you.

Anytime day or night, the website offers an online way for you to:

- Estimate your pension plan benefits.
- Find answers about the pension plan.
- View pension-related documents and forms.

Or you can call the RSC at 1.855.604.6221. Hours are 8 a.m. – 6 p.m., Central time, Monday through Friday.

**Note:** Employees who request a benefit estimate online at [digital.alight.com/fedex](https://digital.alight.com/fedex) or by phone from the RSC will receive an estimate that includes all benefits accrued under a U.S. pension plan while they were employed with a FedEx Controlled Group Member. Not every participant will have the ability to receive online calculations from time to time either due to incomplete data or the complexity of a calculation requiring certification by the RSC. In these cases, participants will be able to request calculations by speaking to an RSC representative.



# Portable Pension Account (PPA) Formula

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## Overview

All eligible employees of the former FedEx Freight East, Inc. began to accrue benefits solely under the Portable Pension Account (PPA) formula in the FedEx Freight Pension Plan (pension plan) effective January 1, 2007.

All eligible employees of the former FedEx Freight System, Inc. and the former FedEx Freight West, Inc., began to accrue future benefits solely under the PPA formula in the pension plan as of June 1, 2008.

All eligible employees of the former FedEx National LTL, Inc. began to accrue benefits solely under the PPA formula in the pension plan as of June 1, 2009.

Eligible employees hired before January 1, 2020 were offered a one-time retirement choice during the summer of 2021. If you chose to remain in the pension plan, you'll continue to accrue retirement benefits under the Portable Pension Account formula.

Employees hired or rehired on or after January 1, 2020 or who elected an "all 401(k) plan" retirement benefit structure during the 2021 Retirement Choice period are not eligible for the pension plan. Once eligible for retirement benefits, these employees may participate in the FedEx Corporation Retirement Savings Plan (RSP II).

## Eligible Earnings

For information on eligible earnings for your PPA formula benefit, see "Eligible Earnings" in the "Pension Plan" section.

## Benefit Accrual

If you are an active participant in the pension plan, you may accrue benefits under the PPA formula.

The PPA formula is based on compensation credits and interest credits. You accrue compensation credits for each plan year in which you have been credited with at least 1,000 hours of service.

Here is the formula:

<b>Beginning PPA benefit</b>
+
<b>Quarterly interest credits</b> Prior PPA benefit x Quarterly interest crediting rate
+
<b>Compensation credit</b> Prior calendar-year eligible earnings x Compensation credit percentage
=
<b>Total PPA benefit</b>

When you accrue benefits under the PPA formula, you receive compensation credits and interest credits as described in this section.

## Compensation Credits

For every plan year in which you are credited with at least 1,000 hours of service, you will receive compensation credits equal to a percentage of your prior calendar-year eligible earnings. The percentage is based on your combined age and years of credited service for benefit accrual with the Participating Employer at the end of the prior plan year.

The following chart outlines the compensation credit percentages. Keep in mind that you must be credited with at least 1,000 hours of service in the plan year to accrue a compensation credit.

<b>Portable Pension Account Compensation Credits</b>	
<b>Age + years of credited service for benefit accrual (as of May 31 of prior plan year)</b>	<b>Compensation credit (based on prior calendar-year eligible earnings)</b>
Less than 55	3%
55 – 64	4%
65 – 74	5%
75 or over	6%

Eligible participants will accrue compensation credits as of May 31 of each plan year, for the plan year then ending. If you terminate or retire and have been credited with at least 1,000 hours of service during the plan year, your last compensation credit will be made on the earlier of the last day of the month prior to your Annuity Starting Date or the last day of the plan year.

**Note:** The first plan year for the FedEx Freight Pension Plan was a short plan year of five months, running from January 1, 2007, through May 31, 2007. For the initial plan year ending May 31, 2007, compensation credits were prorated by 5/12ths.

As a newly eligible pension plan participant, you will accrue your first annual compensation credit on the last day of the plan year in which you enter the pension plan. The compensation credit will be based on:

- a. The applicable percentage from the compensation credit chart above.
- b. Your eligible earnings from the calendar year ending in the plan year containing your plan entry date, and
- c. Your credited service for benefit accrual on the date the compensation credit is made (for purposes of determining the compensation credit related to the Plan's initial year of January 1, 2007, to May 31, 2007, for the former eligible employees of FedEx Freight East, Inc., credited service for benefit accrual will be limited to this five-month period).

**Note:** Employees of the former FedEx Freight System, Inc. and the former FedEx Freight West, Inc. who had met the eligibility requirements to participate in the FedEx Freight West, Inc. Pension Plan, but had not yet entered the FedEx Freight West, Inc. Pension Plan before June 1, 2008, will have their first compensation credit calculated based on credited service for benefit accrual which includes service with the former FedEx Freight System, Inc. or the former FedEx Freight West, Inc., rounded to the nearest whole year, in letter "c" above.

There is no limit on the years of credited service for benefit accrual used to calculate the accrued benefit under the PPA formula.

If you were already participating in the former FedEx Freight West, Inc. Pension Plan but began to accrue benefits under the PPA formula on June 1, 2008, your first compensation credit was accrued on May 31, 2009, assuming you were credited with at least 1,000 hours of service from June 1, 2008, through May 31, 2009.

If you are a former FedEx National LTL, Inc. employee and began to accrue benefits under the PPA formula on June 1, 2009, your first compensation credit was accrued on May 31, 2010, assuming you were credited with at least 1,000 hours of service from June 1, 2009, through May 31, 2010.

## Interest Credits

Interest credits are an amount credited to your PPA accrued benefit at the end of each quarter (August 31, November 30, February 28 and May 31) after you accrue your first compensation credit. Interest credits will be based on the total value of the compensation credits and interest credits you've received. However, the May 31 interest credit is added prior to the May 31 compensation credit. Even after you terminate your employment with FedEx, interest credits are added each quarter until you begin to receive your vested accrued benefits.

The interest credits are determined based on the quarterly interest credit rate.

The interest credit rate will be the greater of (i) 1 percent (one-fourth of 4 percent) or (ii) one-fourth of the One-year Treasury Constant Maturities rate for the **month of April** preceding the plan year for which the interest is credited, plus one-fourth percent.

Plan Year Beginning	Historical Quarterly Interest Rate
June 1, 2021	1.00%
June 1, 2020	1.00%
June 1, 2019	1.00%
June 1, 2018	1.00%
June 1, 2017	1.00%

## Payment of Benefits

You cannot take any loans or withdrawals from the pension plan. You are fully vested in your benefit when you have three years of credited service for vesting.

If you:

- **Leave FedEx or Retire:** If you are vested, you may elect to commence your benefit after you have terminated employment with all FedEx Controlled Group Members and foreign affiliates or you may defer receipt to any date up to age 72 and continue to receive interest credits (but not compensation credits) until the last day of the month prior to the date on which you receive your PPA benefit. If you receive your PPA benefit on or after age 55, you will also have to commence your Traditional Pension Benefit (TPB), if any, at the same time.

**Note:** To start the retirement process, go to [digital.alight.com/fedex](https://digital.alight.com/fedex) at least 30 days prior to your anticipated Annuity Starting Date, but no earlier than 90 days. You may also contact the RSC by phone at 1.855.604.6221 to start the process. Representatives are available at the RSC Monday through Friday from 8 a.m. – 6 p.m., Central time.

- *If the present value of your total benefit accrued under the pension plan (i.e., the TPB formula, if any, plus the PPA formula) is less than \$1,000*, the Plan requires that you receive a distribution of the lump-sum value. You may choose how to receive the payment either in a lump-sum payment or a rollover. If no choice is made, a lump-sum check for the value of your accrued pension benefit will be automatically mailed to your home address. **Note:** Lump-sum distributions cannot be rolled over to the FedEx Corporation Retirement Savings Plan (RSP) or any other FedEx sponsored retirement savings plan or 401(k) plan.
  
- *If the present value of your total benefit accrued under the pension plan (i.e., the TPB formula, if any, plus the PPA formula) is between \$1,000.01 and \$5,000*, the Plan requires that you receive a distribution of the lump-sum value. You may choose how to receive the payment either in a lump-sum payment or a rollover. If no choice is made, your benefit will be automatically rolled over into an Individual Retirement Account (IRA) at Vanguard. **Note:** Lump-sum distributions cannot be rolled over to the FedEx Corporation Retirement Savings Plan (RSP) or any other FedEx sponsored retirement savings plan or 401(k) plan.
  
- **Are an Active Employee Age 70½:** If eligible, your PPA benefit will continue to accrue and you may commence your benefit after you have terminated employment with all FedEx Controlled Group Members and foreign affiliates. When you reach your required minimum distribution age, 72, (age 70½, if you reach age 70½ before January 1, 2020), you **must begin payments on the first of the month following termination of employment.**

The FedEx Retirement Service Center (RSC) will send you a notice about your immediate benefit commencement once your employment terminates.

- **Die Before Benefits Begin:** If you are vested, your full benefit will be paid to your spouse or beneficiary(ies). You do not have to be married for a death benefit to be paid.
  
- **Die After Benefits Begin:** If you die while you are receiving a monthly annuity, the form of payment you chose at retirement will determine whether benefits are payable to a spouse or beneficiary.

## Designating a PPA Beneficiary

It is important that you name a beneficiary to receive benefits after your death.

If you die before your Annuity Starting Date, and:

- **You are Unmarried and Vested:** Your full benefit is payable to a designated beneficiary or as described below if you do not have a designated beneficiary on file.
- **You are Married and Vested:** Your full benefit will be paid to your spouse or beneficiary. You may designate a person other than your spouse as your beneficiary if you submit your spouse's written and notarized consent.

If you die on or after the Annuity Starting Date, and:

- **You are Married or Unmarried:** The form of payment you chose at retirement will determine whether benefits are payable to a beneficiary (including a trust). Also, at retirement, you will have the opportunity to designate a beneficiary, as applicable, based on your form of payment.

If you choose to name a person(s) under the age of majority (i.e., a minor) as primary or secondary beneficiary(ies), as applicable, any vested death benefit payment will be made only to the legal guardian of the minor. In the event of your death, the RSC must receive acceptable legal documentation which establishes the guardianship of the minor(s).

If you completed a Waiver of Qualified Pre-Retirement Survivor Annuity and Consent to a Non-Spouse Beneficiary form prior to your attainment of age 35 and your spouse consented to that waiver, on or after the beginning of the plan year (June 1) in which you attain age 35, a new waiver and spousal consent form must be completed. If a new form is not completed at that time, the previously signed waiver and spousal consent form will be invalid and the Qualified Pre-Retirement Survivor Annuity benefit must be provided to your spouse. You will receive a new Waiver of the Qualified Pre-Retirement Survivor Annuity and Consent to a Non-Spouse Beneficiary form at the beginning of the plan year in which you attain age 35. If you do not receive this form or you have further questions, please contact the RSC at 1.855.604.6221, Monday through Friday, 8 a.m. – 6 p.m., Central time.

### **If You Die Before Your PPA Benefit Payments Start and You Do Not Have a Designated Beneficiary on File**

If you die before your PPA benefit payments start and you do not have a designated beneficiary on file, your full vested accrued benefit will be paid according to the pension plan in the following order:

- **First:** To your surviving spouse (available as an annuity or lump sum).
- **Second:** To your estate in full (payable as a lump sum).

To designate a beneficiary or make a change to your current designation, go to **digital.alight.com/fedex**. If your beneficiary is/was an employee of FedEx, you will need to contact the RSC so they can add your beneficiary to your account. You may contact the RSC at 1.855.604.6221 for assistance.

## Forms of Payment

You must carefully consider your form of payment election. Once you have elected a form of payment and benefits have commenced, you cannot change your form of payment.

### Normal Form of Payment

**If you are unmarried**, the normal form of payment is a monthly benefit paid to you for your life. Following your death, no further payments are made. This is called a Straight Life Annuity.

**If you are married**, the normal form of payment is a monthly benefit paid to you for your life. Following your death, 50 percent of that amount is payable to your spouse, if surviving, for their life. This is called a 50 percent Joint and Survivor Annuity. You may elect a 50 percent Joint and Survivor Annuity, 75 percent Joint and Survivor Annuity or 100 percent Joint and Survivor Annuity.

If you are married, you may not choose a form of payment other than the 50, 75 or 100 percent Joint and Survivor Annuity with your spouse as beneficiary, unless your spouse consents to a form of payment other than a Joint and Survivor Annuity. Your spouse must consent to your form of payment and where applicable, your designated beneficiary. Your spouse's written consent must be witnessed by a notary public. The retirement kit will include a Spousal Consent for Waiver of the Qualified Joint and Survivor Annuity and Consent to Non-Spouse Beneficiary form.

### Optional Forms of Payment

You may want to receive benefits in some other way. If you do, you can select one of the following forms of payment:

- **Lump-Sum Payment:** You receive your vested PPA benefit in one single payment.

The IRS imposes mandatory withholding on your taxable distribution on payments made directly to you. To avoid the 20 percent withholding tax, you may request a direct rollover distribution be made to a qualified rollover IRA, a Roth IRA (if eligible) or another qualified retirement plan. If you receive a distribution prior to age 59½ and do not roll it over, any taxable portion of your distribution may be subject to a 10 percent federal excise tax in addition to federal, state and local income tax. However, if you terminate employment with FedEx on or after age 55, you may not be subject to a 10 percent federal excise tax.

**Note:** Lump-sum distributions cannot be rolled over to the FedEx Corporation Retirement Savings Plan (RSP) or any other FedEx sponsored retirement savings plan or 401(k) plan.

- **Straight Life Annuity:** Under this option, you receive a monthly pension benefit for the rest of your life. If you elect this option, no payments will be made to anyone after your death. This is considered the normal form of payment if you are not married.
- **Joint and Survivor Annuity:** Under this option, a monthly pension benefit will be paid to you for the rest of your life. If you die before your beneficiary, 50 percent, 75 percent or 100 percent of your monthly pension (as you choose) will be paid to your beneficiary for their lifetime. This is considered the normal form of payment if you are married. Once you begin receiving payments, you may not change your beneficiary.
  - The dollar amount you receive under this option will be less than the amount you would receive under a Straight Life Annuity because payments may continue after your death. How much less depends on the percentage you choose (50 percent, 75 percent or 100 percent) as well as the age difference between you and your beneficiary. If you are married, you **must** select this form of payment unless your spouse agrees to give up their right to receive joint and survivor benefits.

*If your beneficiary is not your spouse, the available Joint and Survivor Annuity options may be limited depending on the age of your beneficiary. In addition, an optional form of payment may not provide for a monthly payment to a joint annuitant or beneficiary that is greater than the monthly payment to you.*

- **Life Annuity with Payments Guaranteed:** Under this option, you receive a monthly pension benefit for the rest of your life. You may choose a “guaranteed beneficiary period” of 60, 120 or 180 months. If you die before the guaranteed period ends, your beneficiary will receive the monthly payments due for the rest of the period. For example, if you elect the 120-month option and die after receiving payments for only 100 months, your beneficiary will receive payments for the remaining 20 months of the guaranteed period. If you live longer than 120 months, payments will continue to you for as long as you live, but there would be no payments to your beneficiary after your death. If no beneficiary is alive at the time of your death, the value of any remaining payments will be paid in a lump sum to the beneficiary as stipulated under the rules of the Plan. The amount paid to you under this option will be less than you would receive under a Straight Life Annuity because of the possibility that payments will continue after your death. The dollar amount of this benefit depends on your age at retirement and the length of the guaranteed period. This option allows you to change your beneficiary after your payments begin.

If the surviving beneficiary dies before all guaranteed payments have been made, the lump-sum value of the remaining number of guaranteed payments is paid in a lump sum to the estate of the beneficiary.



Some forms of payment may not be available in certain cases due to a participant's age at retirement. In general, under a Life Annuity with Payments Guaranteed optional form of payment, the guaranteed period may not exceed the period specified by the IRS Uniform Lifetime Table—this IRS period is based on average life expectancies. If the optional form has a guaranteed period that exceeds the IRS threshold, then that optional form of payment is not available. For example, the IRS Uniform Lifetime Table expects an average 72-year-old retiree to have a distribution period of 27.4 years, and an average 80-year-old retiree to have a distribution period of 20.2 years. If a Life Annuity with Payments Guaranteed optional form of payment provides for a benefit that is expected to be paid for a period longer than the retiree's estimated distribution period, then the retiree is not permitted to choose such optional form of payment.

If you commence your accrued benefit under the PPA formula and the TPB formula at the same time, you must receive them under the same form of payment, unless one of the forms of payment (lump-sum, for example) is only available under the PPA formula or the TPB formula.

### **Your Pension Plan Forms of Payment May Be Limited**

Certain forms of payment may be restricted due to the specific funded status of the pension plan. If the pension plan becomes subject to benefit restrictions for any period, all participants will be notified within 30 days.

The Administrator may not know in advance whether the pension plan will be subject to benefit restrictions on a particular date. If you request a retirement kit and the pension plan is in a period of benefit restrictions or has the potential to become restricted prior to your benefit commencement date, you will receive appropriate information and required forms.

Some lump-sum payments may be limited during a period of benefit restrictions. Once the Plan exits a period of benefit restrictions, if a lump sum had been limited, there will be a one-time opportunity (a special second election) to receive the remainder of the restricted lump-sum payment in lieu of continuing a monthly annuity.

## **Survivor Benefits**

**If you die after your monthly benefits have commenced** and you selected a form of payment that provides for a survivor benefit, your beneficiary(ies) will receive benefits in accordance with the form of payment you selected at retirement.

**If you die while an active employee or after terminating your employment with FedEx** and:

- Had at least three years of credited service for vesting on your date of death, your surviving spouse or designated beneficiary is eligible to receive your entire PPA accrued benefit.
  - If you are married at the time of your death, your spouse will receive a monthly benefit for their lifetime. Upon proper application, however, your spouse may elect to receive a lump-sum payment of the PPA accrued benefit in lieu of the annuity provided.

- If you are unmarried at the time of your death, your beneficiary will receive a lump sum of your accrued benefit under the PPA formula.
  
- **If your PPA benefit is payable as a survivor benefit to your spouse**, they may elect to delay commencement of their benefit until the first day of any month on or before the date you would have attained age 72 (age 70½, if you would have attained age 70½ before January 1, 2020), had you lived. If your spouse elects to delay commencement, their benefit will be actuarially increased to reflect the delay. If your spouse dies before their benefits commence, the benefit will be paid to your spouse's estate.
  
- **If your PPA benefit is payable as a survivor benefit to a non-spouse beneficiary**, the benefit is required to be paid by the December following the calendar year of your death unless they elect to delay commencement of the benefit. Your non-spouse beneficiary may elect, no later than September 30 of the calendar year following the year of your death, to defer commence until the first day of any month on or before the December 1 of the calendar year containing the fifth anniversary of your death. If your beneficiary elects to delay commencement, their benefit will be actuarially increased to reflect the delay. If your beneficiary dies before their benefits commence, the benefit will be paid to your beneficiary's estate.

# Traditional Pension Benefit (TPB) Formula

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## Overview

Only eligible employees of the former FedEx Freight System, Inc. and the former FedEx Freight West, Inc., could have accrued benefits under the Traditional Pension Benefit (TPB) formula (formerly known as the FedEx Freight West, Inc. Pension Plan).

Benefits accrued under the TPB formula of the FedEx Freight Pension Plan (pension plan) were capped as of May 31, 2008.

Please see “Appendix A” for information regarding the calculation of benefits under the TPB formula.

## Designating a Beneficiary

In some cases, it might be necessary to designate a beneficiary to receive benefits after your death.

If you die before your Annuity Starting Date, and:

- **You are Unmarried:** No benefits accrued under the TPB formula are payable to a beneficiary.
- **You are Married:** Your spouse is automatically your beneficiary. A portion of your vested benefit will be paid to your spouse monthly. See “Survivor Benefits” in this section for details.

If you die on or after the Annuity Starting Date, and:

- **You are Married or Unmarried:** The form of payment you chose at retirement will determine whether benefits are payable to a beneficiary (including a trust).
- At retirement, you will have the opportunity to designate a beneficiary, as applicable, based on your form of payment.

If you choose to name a person(s) under the age of majority (i.e., a minor) as primary or secondary beneficiary(ies), as applicable, any vested death benefit payment will be made only to the legal guardian of the minor. In the event of your death, the FedEx Retirement Service Center (RSC) must receive acceptable legal documentation which establishes the guardianship of the minor(s).

Additionally, as a married participant, if you do not elect one of the three Joint and Survivor Annuity forms of payment or you choose a beneficiary other than your spouse, then your spouse must give notarized consent to your election of another form of payment and to your naming a non-spouse beneficiary.

If your beneficiary is/was an employee of FedEx, you will need to contact the RSC at 1.855.604.6221 so they can add your beneficiary to your account.

## Forms of Payment

You must carefully consider your form of payment election. Once your form of payment has been confirmed and authorized, you cannot change your form of payment after your Annuity Starting Date (i.e., your benefit commencement date).

### Normal Form of Payment

**If you are unmarried**, the normal form of payment is a monthly benefit paid to you for your life. Following your death, no further payments are made. This is called a Straight Life Annuity.

**If you are married**, the normal form of payment is a monthly benefit paid to you for your life. Following your death, 50 percent of that amount is payable to your spouse, if surviving, for their life. This is called a 50 percent Joint and Survivor Annuity. You may elect a 50 percent Joint and Survivor Annuity, 75 percent Joint and Survivor Annuity or 100 percent Joint and Survivor Annuity.

If you are married, you may not choose a form of payment other than the 50, 75 or 100 percent Joint and Survivor Annuity with your spouse as beneficiary, unless your spouse consents to a form of payment other than the Joint and Survivor Annuity. Your spouse must consent to your form of payment and where applicable, your designated beneficiary. Your spouse's written consent must be witnessed by a notary public. You will receive a Spousal Consent for Waiver of the Qualified Joint and Survivor Annuity and Consent to Non-Spouse Beneficiary forms from the RSC.

### Optional Forms of Payment

You may want to receive benefits in some other way. If you do, you can select one of the following forms of payment:

- **Straight Life Annuity:** Under this option, you receive a monthly pension benefit for the rest of your life. If you elect this option, no payments will be made to anyone after your death. This is considered the normal form of payment if you are not married.

- **Joint and Survivor Annuity:** Under this option, a monthly pension benefit will be paid to you for the rest of your life. If you die before your beneficiary, 50 percent, 75 percent or 100 percent of your monthly pension (as you choose) will be paid to your beneficiary for their lifetime. This is considered the normal form of payment if you are married. Once you begin receiving payments, you may not change your beneficiary. The dollar amount you receive under this option will be less than the amount you would receive under a Straight Life Annuity because payments may continue after your death. How much less depends on the percentage you choose (50 percent, 75 percent or 100 percent) as well as the age difference between you and your beneficiary. If you are married, you may not choose a form of payment other than the 50, 75 or 100 percent Joint and Survivor Annuity with your spouse as beneficiary, unless your spouse consents to a form of payment other than a Joint and Survivor Annuity. Your spouse must consent to your form of payment and where applicable, your designated beneficiary. Your spouse's written consent must be witnessed by a notary public. You will receive a Spousal Consent for Waiver of the Qualified Joint and Survivor Annuity and Consent to Non-Spouse Beneficiary forms from the RSC.
- **Life Annuity with Payments Guaranteed:** Under this option, you receive a monthly pension benefit for the rest of your life, with a "guaranteed period" of 60, 120 or 180 months (as you choose). If you die before the guaranteed period ends, your beneficiary will receive the monthly payments due for the rest of the period. For example, if you elect the 120-month option and die after receiving payments for only 100 months, your beneficiary will receive payments for the remaining 20 months of the guaranteed period. If you live longer than 120 months, payments will continue to you for as long as you live, but there would be no payments to your beneficiary after your death. If no beneficiary is alive at the time of your death, the value of any remaining payments will be paid in a lump sum to the beneficiary as stipulated under the rules of the Plan. The amount paid to you under this option will be less than you would receive under a Straight Life Annuity because of the possibility that payments will continue after your death. The dollar amount of this benefit depends on your age at retirement and the length of the guaranteed period. This option allows you to change your beneficiary after your payments begin.

If your beneficiary is not your spouse, the available Joint and Survivor Annuity options may be limited depending on the age of your beneficiary. In addition, an optional form of payment may not provide for a monthly payment to a joint annuitant or beneficiary that is greater than the monthly payment to you.

Some forms of payment may not be available in certain cases due to a participant's age at retirement. In general, under a Life Annuity with Payments Guaranteed optional form of payment, the guaranteed period may not exceed the period specified by the Internal Revenue Service (IRS) Uniform Lifetime Table—this IRS period is based on average life expectancies. If the optional form has a guaranteed period that exceeds the IRS threshold, then that optional form of payment is not available. For example, the IRS Uniform Lifetime Table III expects an average 70-year-old retiree to have a distribution period of 27.4 years, and an average 80-year-old retiree to have a distribution period of 18.7 years. If a Life Annuity with Payments Guaranteed optional form of payment provides for a benefit that is expected to be paid for a period longer than the retiree's estimated distribution period, then the retiree is not permitted to choose such optional form of payment.

If you commence your accrued benefit under the TPB formula and the Portable Pension Account (PPA) formula at the same time, you must receive them under the same form of payment, unless one of the forms of payment (lump sum, for example) is only available under the TPB formula or PPA formula.

If you elect to commence your PPA accrued benefit in the form of a monthly annuity prior to age 55, you do not have to choose the same form of payment for the accrued benefit payable under the TPB formula, if any, at the time you commence benefits under the TPB formula.

### **Your Pension Plan Forms of Payment May Be Limited**

Under a provision of the Pension Protection Act of 2006, certain forms of payment may be restricted due to the specific funded status of the pension plan. If the pension plan becomes subject to benefit restrictions for any period, all participants will be notified within 30 days.

The Administrator may not know in advance whether the pension plan will be subject to benefit restrictions on a particular date. If you request a retirement kit and the pension plan is in a period of benefit restrictions or has the potential to become restricted prior to your benefit commencement date, you will receive appropriate information and required forms.

Also, lump-sum payments from certain death benefits may be limited during a period of benefit restrictions. Once the Plan exits a period of benefit restrictions, if a lump sum had been limited, a one-time opportunity (a special second election) will be provided for the remainder of the restricted lump-sum payment in lieu of continuing a monthly annuity.

## **Survivor Benefits**

In some cases, a beneficiary will receive benefits after your death.

If you die **on or after your Annuity Starting Date**, benefits, if any, will be paid to your beneficiary based on the form of payment you selected when you retired.

If you die **before your Annuity Starting Date** and:

- You are unmarried, no accrued benefit under the TPB formula is payable to a beneficiary.
- You are married, a portion of your vested benefit will be paid to your spouse. Your surviving spouse will have the option to receive the TPB as a lump sum. The survivor also has the choice to receive the TPB as a lifetime monthly payment. Your surviving spouse will receive benefits accrued under the TPB formula based on your credited service for benefit accrual and average earnings on your date of death.\* The benefit will be calculated as if you had chosen the Joint and Survivor Annuity with 50 percent of your benefit continuing to your spouse. **Provided the survivor completes an application for benefits on or before the Annuity Starting Date**, the survivor's payment will commence on the first day of the month after:
  - Your date of death, if you die on or after your early retirement age, or
  - Your early retirement age, if you die before you were eligible for early retirement.

If your surviving spouse elects to defer payment of survivor benefits until after your earliest possible retirement date, the benefit is calculated as of the earliest retirement date and then the benefit is actuarially increased for late commencement. The survivor does not receive retroactive benefit payments.

Your spouse may elect to delay commencement of their TPB survivor benefit until the first day of any month on or before December 1 of the calendar year in which you would have attained age 72 (age 70½, if you reach age 70½ before January 1, 2020), had you lived (or, if later, December 1 of the calendar year following your year of death). If your spouse elects to delay commencement, their benefit will be actuarially increased to reflect the delay. However, if your spouse dies before their benefits commence, no further benefits will be paid.

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\* Benefits accrued under the TPB formula were capped as of May 31, 2008.

# Appendix A

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## Eligible Earnings

For information on eligible earnings for your Traditional Pension Benefit (TPB), see “Eligible Earnings” in the “Pension Plan” section.

## Average Annual Earnings

If you terminate employment on or after December 31, 2001, average annual earnings means the average of your eligible earnings for the highest five consecutive calendar years while you were employed by any Controlled Group Member. If you have less than five whole calendar years of earnings when you terminate employment, your eligible earnings for all completed calendar years are averaged. For purposes of determining consecutive years, full years separated by partial years can be bridged. However, if your eligible earnings during a termination year of employment are greater than the first or last otherwise used consecutive year of eligible earnings used in the average, that termination year will replace your first or last year in calculating your benefit. Eligible earnings paid after May 31, 2008, are not considered in calculating your accrued benefit, if any, under the TPB formula. If you do not have at least one full calendar year of earnings while you were employed by any Controlled Group Member, average annual earnings will be calculated by annualizing the partial year of earnings.

## Social Security Benefit

Your Social Security benefit is the Primary Insurance Amount provided to you under the Social Security Act and payable at age 65, the normal retirement age under the FedEx Freight Pension Plan (pension plan). This determination is based upon the assumption that earnings which may be considered wages for the plan year prior to the plan year containing your termination or May 31, 2008, if earlier, will continue unchanged until you reach normal retirement age. Your actual annual earnings will also be used in the determination of the Social Security benefit, provided that no more than the latest 10 full calendar years will be used. Annual earnings for years prior to this 10 full calendar-year period, if applicable, will be assumed to have increased at a rate of 7 percent per year. If the Company maintains another Plan that takes Social Security benefits into account, then the benefits described here will be subject to any restrictions or limitations imposed by law.



## Covered Compensation

Covered compensation means, as of the earlier of termination or May 31, 2008, the average of the taxable wage bases (without indexing) in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which you attain or will attain Social Security retirement age. A 35-year period is used for all employees regardless of the year of birth of the employee. To determine your covered compensation for a plan year, the taxable wage base for all calendar years beginning after the first day of the plan year is assumed to be the same as the taxable wage base in effect as of the beginning of the plan year. Your covered compensation for a plan year beginning after this 35-year period is your covered compensation for the plan year during which the 35-year period ends. Your covered compensation for a plan year beginning before this 35-year period is the taxable wage base in effect as of the beginning of the plan year.

## Normal Retirement Benefit Calculation

Your normal retirement benefit under the TPB formula of the pension plan is calculated as follows:

30% of your average annual earnings\* (25% prior to January 1, 1999)

**Minus**

The lesser of (1), (2) or (3)\*\* below

- (1) 22½% of your Social Security benefit
- (2) 12½% of your average annual earnings
- (3) 19½% of your covered compensation

**Multiplied by**

a fraction, not to exceed one, the numerator of which is your years of credited service through May 31, 2008,\*\*\* and the denominator of which is 30

To calculate your monthly TPB benefit, you would divide the annual benefit by 12 (months).

\*Average annual earnings are the average of your eligible earnings for the highest five consecutive calendar years while you are employed with any FedEx Controlled Group Member and consider your eligible earnings through May 31, 2008.

\*\*In most cases, your Social Security benefit will be used in this calculation.

\*\*\*Credited service for benefit accrual was capped as of May 31, 2008, under the TPB formula.

## An Example: Calculating a Normal Retirement Benefit Under the TPB Formula

Assume you are vested and retiring on your normal retirement date and you have 30 years of credited service for benefit accrual through May 31, 2008. Assume your average annual earnings at May 31, 2008, are \$60,000, your Social Security benefit is \$19,200 and covered compensation is \$68,400. Your normal retirement benefit would be calculated as shown below:

$30\% \times \$60,000 = \$18,000$
-----------------------------------

**Minus**

The lesser of:
(1) $22.5\% \times \$19,200 = \$4,320$
(2) $12.5\% \times \$60,000 = \$7,500$
or
(3) $19.5\% \times \$68,400 = \$13,338$

**Multiplied by**

$30 \text{ years} / 30 \text{ years} = 1$
---

**Equals**

$(\$18,000 - \$4,320) \times 1 = \$13,680$
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You would receive \$1,140 a month ( $\$13,680 \div 12$ ) for your life based on the Straight Life Annuity form of payment. If you elect one of the other available forms of payment, your monthly TPB payment amount will be different. See “Forms of Payment” in the “Traditional Pension Benefit (TPB) Formula” section for details.

To perform personalized pension plan benefit calculations, eligible participants can log on to [digital.alight.com/fedex](https://digital.alight.com/fedex) and use the Project Your Retirement Income tool. If you are terminated, have a remaining accrued benefit in the pension plan and previously established a User ID and password, you may continue to use your User ID and password to access the site to perform calculations.

## Early Retirement Benefit Calculation

Your early retirement benefit is calculated the same way as your normal retirement benefit. However, if you choose to commence payments before your normal retirement date, your normal retirement benefit is reduced. This reduction is made because your payments start sooner than they would at normal retirement and therefore are expected to continue for a longer period of time. To calculate your early retirement benefit, multiply your normal retirement benefit by the applicable early retirement factor, shown in the table below, based on your early retirement age.

The early retirement factor will be calculated using completed months of age.

If you elect to start your benefit at this age:	Employees who terminated employment before August 1, 2011	Employees who terminated employment on or after August 1, 2011
55	.3575	.70
56	.3927	.73
57	.4321	.76
58	.4762	.79
59	.5259	.82
60	.5819	.85
61	.6453	.88
62	.7172	.91
63	.7991	.94
64	.8927	.97
65	1.0000	1.000

### An Example: Calculating an Early Retirement Benefit Under the TPB Formula

Assume you terminate employment on or after August 1, 2011, are vested and retiring on your early retirement date (age 55), and that your normal retirement benefit is \$1,000 per month. Your early retirement benefit would be calculated as shown below:

- You would receive \$1,000 a month starting on your normal retirement date based on the Straight Life Annuity form of payment. If you elected to begin receiving your benefit when you were first eligible (age 55), you would receive:
  - **Step 1:** Reduction factor from table shown above (at age 55) = .70
  - **Step 2:** .70 (step 1) x \$1,000 (monthly benefit at normal retirement) = \$700

You would receive \$700 a month for your life starting on your early retirement date based on the Straight Life Annuity form of payment. If you elect one of the other available forms of payment, your monthly TPB payment amount will be different. See “Forms of Payment” in the “Traditional Pension Benefit (TPB) Formula” section for details.

To perform personalized pension plan benefit calculations, eligible participants can log on to [digital.alight.com/fedex](https://digital.alight.com/fedex) and use the Project Your Retirement Income tool.

## Late Retirement Benefit Calculation

If you work past age 65, your late retirement benefit will be equal to your normal retirement benefit actuarially increased to account for delayed commencement.

**Note:** To request a retirement kit, you must contact the RSC by phone at 1.855.604.6221 or online at [digital.alight.com/fedex](https://digital.alight.com/fedex), at least 30 days prior to your anticipated Annuity Starting Date but no earlier than 90 days. Representatives are available at the RSC Monday through Friday from 8 a.m. – 6 p.m., Central time.

Retirement Services Department  
FedEx Corporate Services, Inc.  
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