



FedEx Retirement Service Center/RMSS
P.O. Box 648
Lincolnshire, IL 60069-0648

September 2024

Enclosed is the Annual Funding Notice for the FedEx Corporation Employees' Pension Plan. The Notice has been sent to you for informational purposes and to comply with federal regulations.

SUPPLEMENT TO ANNUAL FUNDING NOTICE
FEDEX CORPORATION EMPLOYEES' PENSION PLAN
Plan Year beginning June 1, 2023 and ending May 31, 2024

This is a temporary supplement to your annual funding notice which is required by the Moving Ahead for Progress in the 21st Century Act, the Highway and Transportation Funding Act of 2014, the Bipartisan Budget Act of 2015, and the Infrastructure Investment and Jobs Act of 2021. These federal laws changed how pension plans calculate their liabilities. The purpose of this supplement is to show you the effect of these changes. Prior to 2012, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, your employer may contribute less money to the plan at a time when market interest rates are at or near historical lows.

The "Information Table" compares the impact of using interest rates based on the 25-year average (the "adjusted interest rates") and interest rates based on a two-year average on the Plan's: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The funding target attainment percentage is a measure of how well the plan is funded on a particular date. The funding shortfall is the amount by which liabilities exceed net plan assets. The minimum required contribution is the amount of money an employer is required by law to contribute to a plan in a given year. The following table shows this information determined with and without the adjusted interest rates. The information is provided for the Plan Year and for each of the two preceding plan years, if applicable.

Information Table

	2023		2022		2021	
	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates
Funding Target Attainment Percentage	87.35%	76.43%	101.33%	73.41%	112.62%	83.22%
Funding Shortfall	\$3,231,424,657	\$6,880,070,205	\$0	\$8,447,798,717	\$0	\$4,934,921,641
Minimum Required Contribution	\$581,066,181	\$1,287,583,781	\$219,415,956	\$1,447,667,687	\$0	\$1,222,223,615

ANNUAL FUNDING NOTICE FOR FEDEX CORPORATION EMPLOYEES' PENSION PLAN

Introduction

This notice includes important information about the funding status of your single-employer pension plan ("the Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes, and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning June 1, 2023 and ending May 31, 2024 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funding target attainment percentage." The Plan divides its Net Plan Assets by Plan Liabilities to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's Funding Target Attainment Percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also shows you how the percentage was calculated.

Funding Target Attainment Percentage

	2023	2022	2021
1. Valuation Date	June 1, 2023	June 1, 2022	June 1, 2021
2. Plan Assets			
a. Total Plan Assets	\$25,822,718,962	\$26,926,525,037	\$28,512,103,437
b. Funding Standard Carryover Balance	\$3,505,485,094	\$3,599,430,223	\$4,022,159,150
c. Prefunding Balance	\$0	\$0	\$0
d. Net Plan Assets (a) – (b) – (c) = (d)	\$22,317,233,868	\$23,327,094,814	\$24,489,944,287
3. Plan Liabilities	\$25,548,658,525	\$23,019,563,718	\$21,743,979,361
4. Funding Target Attainment Percentage (2d)/(3)	87.35%	101.33%	112.62%

Plan Assets and Credit Balances

The chart above shows certain "credit balances" called the Funding Standard Carryover Balance and Prefunding Balance. A plan might have a credit balance, for example, if in a prior year an employer contributed money to the plan above the minimum level required by law. Generally, an employer may credit the excess money toward the minimum level of contributions required by law that it must make in future years. Plans must subtract these credit balances from Total Plan Assets to calculate their Funding Target Attainment Percentage.

Plan Liabilities

Plan Liabilities in line 3 of the chart above is an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the Plan.

Year-End Assets and Liabilities

The asset values in the chart above are measured as of the first day of the Plan Year. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. As of May 31, 2024, the fair market value of the Plan's assets was \$25,796,946,574. On this same date, the Plan's liabilities, determined using market rates, were \$25,403,044,323.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 233,054. Of this number, 139,209 were current employees, 31,806 were retired and receiving benefits, and 62,039 were retired or no longer working for the employer and have a right to future benefits.

ANNUAL FUNDING NOTICE FOR FEDEX CORPORATION EMPLOYEES' PENSION PLAN

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. A funding policy relates to the level of contributions needed to pay for promised benefits. The funding policy of the Pension Plan is to contribute no less than the minimum amount required by law and no more than the maximum deductible amount. Voluntary contributions (in excess of minimum required contributions) at amounts approximating the annual benefits earned during the year are considered on an annual basis. Additional contributions up to the maximum deductible amount may be made based on the funded status of the Pension Plan.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy for the Pension Plan assets is to utilize a diversified mix of public equities, fixed income and alternative investments to earn a long-term investment return that meets our Pension Plan obligations. Our largest asset classes are Corporate Fixed Income Securities and Government Fixed Income Securities (which are largely benchmarked against the Bloomberg Barclays Long Government, Long Corporate or 20+ STRIPS indices), and U.S. and non-U.S. Equities (which are mainly benchmarked to the S&P 500 Index and MSCI indices). Accordingly, we do not have any significant concentrations of risk. Active management strategies are utilized within the Pension Plan in an effort to realize investment returns in excess of market indices. Our investment strategy also includes the limited use of derivative financial instruments on a discretionary basis to improve investment returns and manage exposure to market risk.

In accordance with the Pension Plan's investment policy, the assets held in the Master Trust were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are approximate, unaudited percentages of total Master Trust assets and are based on the most recent information available from the trustee as of May 31, 2024. Because the percentages are unaudited, they are subject to change before the next annual report (Form 5500) is filed in March 2025.

Under the investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
Stocks	32%
Investment grade debt instruments	40%
Alternative Credit	9%
Cash	1%
Other	18%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

FedEx Retirement Service Center
Dept 04471
P.O. Box 64116
The Woodlands, TX 77381-4116

ANNUAL FUNDING NOTICE FOR FEDEX CORPORATION EMPLOYEES' PENSION PLAN

Annual reports do not contain personal information, such as the amount of your accrued benefits. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where to Get More Information."

Summary of Rules Governing Termination of Single-Employer Plans

If a plan terminates, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end a plan in a "standard termination" but only after showing the PBGC that such plan has enough money to pay all benefits owed to participants. Under a standard termination, a plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly for life or for a set period of time when you retire) or, if the plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC's guarantee ends upon the purchase of an annuity or payment of the lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state's law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that the PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2024, the maximum guarantee is \$7,107.95 per month, or \$85,295.40 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is higher for an individual who starts receiving benefits from PBGC after age 65. The maximum guarantee by age can be found on the PBGC's website, www.pbgc.gov. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which include:

- pension benefits at normal retirement age
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

ANNUAL FUNDING NOTICE FOR FEDEX CORPORATION EMPLOYEES' PENSION PLAN

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$7,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

For additional general information about the PBGC and the pension insurance program guarantees, go to the “General FAQs about PBGC” on PBGC’s website at www.pbgc.gov/general/faqs. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See “Where to Get More Information,” below.

Corporate and Actuarial Information on File with PBGC

A plan sponsor must provide the PBGC with financial information about itself and actuarial information about the plan under certain circumstances, such as when the funding target attainment percentage of the plan (or any other pension plan sponsored by a member of the sponsor’s controlled group) falls below 80 percent (other triggers may also apply). The sponsor of the Plan, FedEx Corporation or a member of its controlled group, was subject to this requirement to provide corporate financial information and plan actuarial information to the PBGC. The PBGC uses this information for monitoring and other purposes.

Where to Get More Information

For more information about this notice, you may contact the FedEx Retirement Service Center at 1.855.604.6221 or at Dept 04471, P.O. Box 64116, The Woodlands, TX 77381-4116. For identification purposes, the official plan number is 002 and the plan sponsor’s name and employer identification number or “EIN” are FedEx Corporation and 62-1721435.

For more information about the PBGC and benefit guarantees, go to PBGC’s website, www.pbgc.gov, or call PBGC toll-free at 1.800.400.7242 (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).



FedEx Retirement Service Center/RMSS
P.O. Box 648
Lincolnshire, IL 60069-0648