

The Huntington Ingalls Severance Plan for KSO

7/26/22



Today's Topics

Kesselring Work Completion/Bonus & PTO Payouts

Eligibility for Severance

Benefits Continuation

Savings Plan

Retiree Medical

Pension Estimates

Huntington Ingalls Benefits Center Contact Information

Questions



Disclaimer

This document includes highlights of important information regarding the Huntington Ingalls Benefits Program. Complete details about the Program are contained in the legal plan documents that govern plan operation and administration. If there is a discrepancy between the information provided in this document and the provisions of the plan documents, the plan documents will govern.

Huntington Ingalls reserves the right in its sole discretion to terminate, suspend, withdraw, amend, or modify any Plan, or any benefit or cost sharing arrangement under any plan, at any time and for any reason (subject to any relevant collective bargaining agreements).



Kesselring Work Completion Bonus Payout PTO



Work Completion & PTO

- **Talk to your Manager**

- Know your work as designated on your PCA
 - Understand when your work will be complete
 - Understand what happens to your work when the schedule shifts-how does your work fit into the schedule?

- **Engage HR**

- As you get closer to your transition date, update HR as to your plans
- Let HR know your actual last day on site if it differs from your last day with the company

Bonus Payout

- **Action Items**

- You – complete your work
- HR will prepare the Payout Memo
- Your manager and Danny will sign off that you have completed your work
- HR will submit to payroll – target date for payout is with the last paycheck

- **Engage HR**

- If you have any questions

PTO

- **What happens to unused PTO?**

- PTO policy is outlined in CO H207
- Employees receive payment for all accrued and unused PTO upon termination from the company.
 - The pay out is usually in your last check
- PTO cannot be used to extend a termination date unless approved in advance by the business unit Director of Human Resources.
 - Please let HR know when your official last day on site will be.

Severance Plan Eligibility



Severance Eligibility

- You are designated as eligible when you receive an individually addressed email, from an approved representative, notifying you that you meet the eligibility requirements for participation in the Severance Plan
- You must remain employed in your current position until you are laid off by your management; if you voluntarily quit, retire, or transfer to another position within the Company, or are terminated for cause before your layoff date, you will not receive benefits under this plan.
- You must sign a Separation Agreement and General Release on your last day of employment.
- If you have any questions regarding your severance, you should contact Dona Stone, KSO HR Business Partner

Health Benefits



Benefits Continuation under COBRA

- Benefits coverage under COBRA, if elected, continues for a maximum of 18 months (extensions are available under certain circumstances)
- Your 18 month COBRA eligibility period begins on the first of the month following your last day worked (last day of work will vary)
- You may elect benefits continuation under COBRA only for those health plan options that were in effect on the day before your benefits terminated
- COBRA is also available for eligible dependents covered as of your last day of work

Employee Cost for Benefits Continuation – No Cost Period

- You will receive an extension of your medical, dental and vision benefits, at no cost to you, through the end of the month of your termination date plus one additional month
- If you are not covered by medical, dental and/or vision benefits at the time of your layoff this feature does not apply to you
- The period of coverage from your last day of work through the end of the following month is fully paid for by the company

Employee Cost for Benefits Continuation – Cost Sharing Period

- If you qualify under this Plan, and sign a Separation Agreement and General Release, you will receive a company-subsidized extension of your medical, dental and vision benefits from after your no cost (free period) of coverage at active rates, equal to one week for each full year of service (counted from your most recent hire date)
- This coverage continues for a maximum of 26 weeks (6 months) for the combined no cost, cost sharing and full cost periods.

Employee Cost for Benefits Continuation - Full Cost Period

- You pay 100% of the COBRA premium which is based on the full group rate, plus a 2% administrative fee
- Coverage continues for the remainder of your 18 month COBRA period, as long as premiums are paid on a timely basis
- Benefit continuation under the Severance Plan is considered part of your COBRA continuation

Example 1

Assumptions:

- Has 26 or more years of continuous service
- Eligible for 26 weeks of benefit continuation
- Termination date is 09/30/2022

10/01/2022 – 10/31/2022 – Free

11/01/2022 – 03/31/2023 – Active Rates

04/01/2023 – 03/31/2024 – Full COBRA Rates*

* After the Active Rates period, if you meet the requirements for retiree medical, you may elect this option rather than continue on COBRA coverage after 6 months.

Example 2

Assumptions:

- Has 15 years of continuous service
- Eligible for 15 weeks of benefit continuation
- Termination date is 04/07/2023

04/08/2023 – 05/31/2023 – Free

06/01/2023 – 07/21/2023 – Active Rates

07/22/2023 – 10/31/2024 – Full COBRA Rates*

* After the Active Rates period, if you meet the requirements for retiree medical, you may elect this option rather than continue on COBRA coverage after 6 months.

Paying For Your Benefits

- You will be billed for your continuation of coverage by the HII Benefits Center.
- The first bill will be sent shortly before or shortly after the end of your free coverage period.
 - Depending on timing, the first bill could be for a one or a two month period.
- Subsequent bills are prepared on the 10th of each month and mailed on the 15th.
- Payment is due on the 1st of the month, in advance, with a 30-day grace period.
- Payments may be made via check, ongoing direct debit, or one-time online payments on *UPoint*.

Medicare Eligible Participants

- If you and/or a dependent are Medicare eligible (because you are 65 or under 65 and disabled), **you MUST enroll in Medicare Part B as soon as your active employment ends**
- Severance/COBRA coverage is not considered active employer coverage and therefore is secondary to Medicare
 - Claims will be processed as though Medicare has paid primary
 - Failure to enroll in Medicare B as soon as active employment ends may also result in a SSA/Medicare imposed penalty on all future Medicare B premiums

Flexible Spending Accounts (FSAs)

Health Care Flexible Spending Account

- Your before-tax contributions cease as of your termination date
- Only expenses incurred prior to your termination date are eligible for reimbursement
- You may choose to continue FSA coverage through COBRA by making after-tax contributions. This allows you to file claims for expenses incurred after your termination date, but no later than the end of the plan year
- Claims must be submitted by December 31 following the end of the plan year

Dependent Day Care Flexible Spending Account

- Your before-tax contributions cease as of your termination date
- Only expenses incurred prior to your termination date are eligible for reimbursement.
- Claims must be submitted by December 31 following the end of the plan year

Life and Accidental Death & Dismemberment (AD&D) Insurance

- Your Company-provided Basic Life and AD&D, as well as your Optional Life and AD&D Insurance coverage, ends on your termination date
- Continuation of Life Insurance must be elected within 31 days of your termination date
- Continuation of AD&D Insurance must be elected within 90 days of your termination date
- Conversion/portability forms will be mailed to you after your termination. For more information, you may contact the HII Benefits Center at 1-877-216-3222

Other Benefits

- **Short-Term and Long-Term Disability**
 - Coverage stops on termination date
 - Conversion coverage is not available
- **Business Travel Accident Insurance**
 - Coverage stops on termination date
 - Conversion coverage is not available
- **Group Legal**
 - Coverage stops on termination date
 - Call MetLife Legal Plans at 1-800-821-6400 with any questions about your open or pending issues and/or for information about porting coverage
- **Critical Illness, Accident and Hospital Indemnity Insurances**
 - Coverage stops on termination date
 - Call MetLife at 1-800-435-6388 with any questions about porting coverage to an individual policy

Other Benefits (Continued)

- **Kashable**

- Bi-weekly repayment will stop on last paycheck issued
- You should contact Kashable for repayment arrangement or payoff options

- **Purchasing Power**

- Bi-weekly repayment will stop on last paycheck issued
- You should contact Purchasing Power for repayment arrangement or payoff options

Savings Plan



Huntington Ingalls Savings Plan

- You are 100% vested in your contributions, company contributions (with the exception of Retirement Account Contributions) and all earnings. Retirement Account Contributions are subject to a 3-year cliff vesting schedule.
- If your vested balance is more than \$1,000, you may:
 - Receive payment of your entire account balance (lump sum distribution)
 - Receive payment of a portion of your account balance (partial distribution)
 - Leave your money in the HII Savings Plan
 - Roll over your account balance to another employer's qualified plan or an IRA
- If your vested balance is less than \$1,000, your balance will automatically be paid directly to you in a lump sum 60 days following termination, unless you choose another payment option prior to the force-out date.

Huntington Ingalls Savings Plan

- If your account balance is greater than \$1,000 and you decide to leave your account balance in the Savings Plan, you may continue to transfer and reallocate your existing fund balances, request eligible withdrawals and continue to make any outstanding loan payments
- If you have an outstanding loan and do not continue making payments, the remaining loan amount will be defaulted and will be considered a distribution and will be subject to any applicable taxes and penalties
- Once you have terminated from the Company, you can no longer contribute to your account
- Review the Huntington Ingalls Savings Plan Summary Plan Description (SPD) accessible at *HII Benefits Connect* (www.hiibenefits.com) for more details



Huntington Ingalls Savings Plan – Taxes

- If you elect to receive a distribution, your tax-deferred contributions, company contributions and all investment earnings are taxed as ordinary income. Unless you elect to directly roll over your account balance to an IRA or other qualified plan, current law requires:
 - 20% Federal Income Tax withholding on the taxable portion of the distribution
 - Distribution may be subject to an additional 10% Federal penalty
 - State penalties may also apply in some cases
- Your Savings Plan account distribution will not be assessed a 10% Federal Penalty Tax if you are age 59 ½ or older or:
 - You are age 55 or older when you terminate employment or
 - You roll over your distribution to an IRA or another employer's qualified plan within 60 days of the date you receive it
- Special provisions may apply if you have Roth 401 (k) or Roth 401 (k) Rollover money in the Savings Plan

Retiree Medical



Retiree Medical - Eligibility

You will be eligible to participate in the Huntington Ingalls Industries Retiree Medical Plan **if you satisfy both** of the following requirements:

- You terminate from active service with Huntington Ingalls at age 55 or older with a minimum of 10 years of qualifying vesting service, and
- You are under age 65

NOTES:

- You are responsible for paying the full cost of coverage unless you are eligible for coverage as a member of an eligible heritage group for which Huntington Ingalls contributes toward the cost of coverage.
- If you are eligible for the subsidized retiree medical rates, and you are age 65 or older, you may purchase Supplemental Medicare coverage through ViaBenefits and receive a reimbursement. You may speak to Licensed Benefit Advisors at ViaBenefits by calling 1-866-343-5757 or go online at <https://my.viabenefits.com>

Newport News Salaried Heritage Group

The Company will subsidize a portion of your retiree medical if:

- You were hired prior to January 1, 2004, and in a Newport News Salaried heritage on or before December 31, 2003, and
- You terminate employment at age 55 or older with 10 or more years of service AFTER age 45

Retiree Medical – Enrollment Options

If you are immediately eligible for retiree medical you may:

- Immediately elect retiree medical
- Defer coverage until after the free period
- Defer coverage until after the cost sharing period
- Defer coverage until after the COBRA period
- Defer retiree medical indefinitely

Dental and/or vision can be continued through COBRA even after you commence retiree medical.

Online Pension Estimates



Pension Estimates

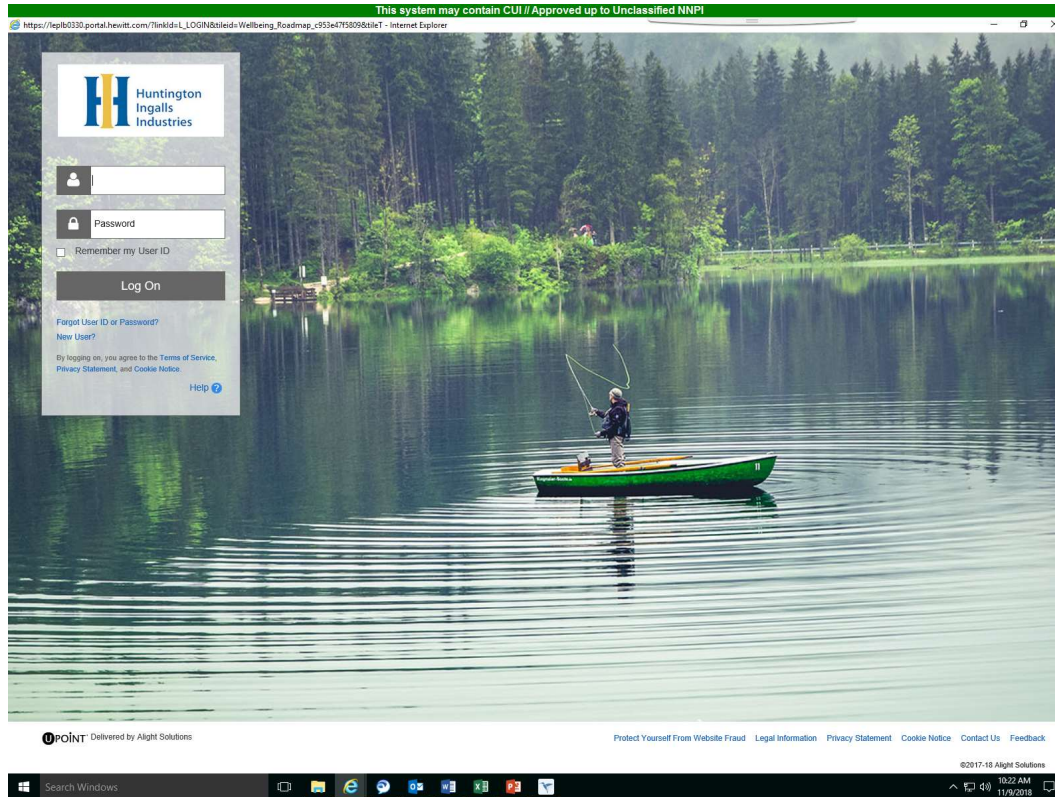
- Due to the potential volume of employees requesting pension estimates, we encourage you to request pension estimates by going on line to *UPoint* at <http://hiibenefits.com>.
- If you are over age 65, please contact the HII Benefits Center to request a pension estimate due to a possible manual calculation of your benefits.

Benefits Connect Website (www.hiibenefits.com) – Click on UPoint Login

The screenshot shows the homepage of the Benefits Connect website. At the top, there is a green banner with the text "This system may contain CUI // Approved up to Unclassified NNPI". Below this is a navigation bar with the Huntington Ingalls Industries logo and tabs for "Employee", "Family Member", "New Hire", and "Retiree". A secondary navigation bar contains buttons for "Benefits Overview", "Physical Wellbeing", "Emotional Wellbeing", "Financial Wellbeing", "Life Events", and "UPoint Login". A large banner for a webinar titled "Webinar: Preparing For The Holidays" is visible. Below the banner is a user selection area with icons for "Employee", "Family Member", "New Hire", and "Retiree". A yellow arrow points to the "Employee" icon. Below this is a grid of service tiles: "Questions?" (with a call number), "UPoint Login" (with a yellow arrow pointing to it), "For Your Benefit: Stress Management", "Help When Your Need It" (with a call number), "Family Health Centers", and "Teladoc". To the right is a "Other Resources" sidebar with links like "Claim Forms", "Update Beneficiaries", and "Share Your Access". At the bottom, there is a footer with "UPOINT Delivered by Aflac Solutions" and various legal links.



UPoint – Enter User ID & Password



Click on the "Savings & Retirement" link

Home Financial Wellbeing Health & Insurance Reimbursement Accounts **Savings & Retirement** Life Changes Other Benefits

Show Values Rearrange

Huntington Ingalls Savings Plan

Health Care Flexible Spending Account

Commuter Account
Provided by WiredCommute

Medical
No Coverage

Show More

Are You Ready?
Get a jumpstart on your financial wellbeing!

Stay Current
Update your personal information

Sharing is Caring
Allow access to your benefits info

How are you doing with your money?
Take this 3-minute quiz to find out.

Financial Wellness Assessment
Assess your situation and build a plan

Buy Through Purchasing Power
Shop online and pay through payroll deduction

Dream. Plan. Enjoy
These financial tools can help.

Other Resources

- [Read The Latest BeWell Newsletter](#)
- [Plan Documents](#)
- [Alight Health Pro](#)
- [Financial Education Center](#)
- [Project Your Retirement Income](#)
- [Select a Beneficiary](#)

Click on the "Pension" drop down and Select "Retirement Projections" from drop down menu

Home Financial Wellbeing Health & Insurance Reimbursement Accounts Savings & Retirement Life Changes Other Benefits

401(k) Savings Plan Pension Financial Education

Account Summary
Forms and Materials
Dates You Should Know
Retirement Projections
View Saved Projections
Retirement Hub

Print

Savings & Retirement

Summary

Balance
\$319,045.39

Huntington Ingalls Savings Plan (as of Jul 20, 2022)	\$79,448.70 <small>Your Rate of Return (year-to-date): -15.45%</small>
NNS Retirement Plan (as of Jun 30, 2022)	\$239,596.69

Monthly Pension Benefit
\$4,908.99

NNS Retirement Plan	\$4,908.99 ¹
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¹ As of April 30, 2021, this is the amount you could receive each month if you begin benefits at your Normal Retirement Date.



Enter Your Last Day of Work and Benefit Commencement Date

Pension Forms of Payment

The exact amount of your pension benefit is determined by many factors. However, by entering certain estimate assumptions, you can estimate your benefit.

[Review or Compare Saved Projections](#)



Assumptions

[Expand All](#) | [Collapse All](#)

Reason for Projection

Participant Estimate (WEB/GUI) ▾

Retirement Dates

Last Day of Employment

When you retire affects your annual retirement income. Choose an option.

On a Key Date ⓘ

Today's Date (Jul 26, 2022) ▾

At Age

On a Specific Date

09-30-2022

(mm-dd-yyyy)

Date You Begin Receiving Benefits

When you begin receiving benefits affects your annual retirement income. Choose an option.

On a Key Date ⓘ

Earliest Commencement Date ▾

At Age

On the First of a Specific Month

October ▾

2022 ▾

Calculate

Enter Other Assumptions – Beneficiary DOB, Salary



Beneficiary

A beneficiary may receive benefits after your death. This impacts which payment options are available to you and the calculations for those payments.

Beneficiary Relationship

Spouse

Beneficiary Birth Date

08-20-1959

(mm-dd-yyyy)

Calculate

Salary Assumptions

Annual Pay Increase Percentage

2.500 % (0.000% - 10.000%)

Annual Base Salary Amount

\$ 164434.40

Annual Bonus Percentage

0.000 % (0.000% - 120.000%)

Calculate

Calculate

Click on Pension Option Payment Part A & Part B or C (Must be same option) and Part D (Can be different option)



<p>75% Joint & Survivor Annuity</p> <p>\$2,536.30 (monthly)</p> <p>\$1,902.23 (beneficiary)</p> <p>Choose</p>	<p>75% Joint & Survivor Annuity</p> <p>\$868.66 (monthly)</p> <p>\$651.50 (beneficiary)</p> <p>Choose</p>	<p>75% Joint & Survivor Annuity</p> <p>\$1,515.93 (monthly)</p> <p>\$1,136.95 (beneficiary)</p> <p>Choose</p>
<p>100% Joint & Survivor Annuity</p> <p>\$2,428.27 (monthly)</p> <p>\$2,428.27 (beneficiary)</p> <p>Choose</p>	<p>100% Joint & Survivor Annuity</p> <p>\$831.66 (monthly)</p> <p>\$831.66 (beneficiary)</p> <p>Choose</p>	<p>100% Joint & Survivor Annuity</p> <p>\$1,451.36 (monthly)</p> <p>\$1,451.36 (beneficiary)</p> <p>Choose</p>
<p>10 Year Certain & Continuous</p> <p>Before Oct 1, 2032</p> <p>\$2,797.46 (monthly)</p> <p>+ Details</p> <p>Beginning Oct 1, 2032</p> <p>\$2,797.46 (monthly)</p> <p>+ Details</p> <p>Choose</p>	<p>10 Year Certain & Continuous</p> <p>Before Oct 1, 2032</p> <p>\$958.11 (monthly)</p> <p>+ Details</p> <p>Beginning Oct 1, 2032</p> <p>\$958.11 (monthly)</p> <p>+ Details</p> <p>Choose</p>	<p>10 Year Certain & Continuous</p> <p>Before Oct 1, 2032</p> <p>\$1,672.02 (monthly)</p> <p>+ Details</p> <p>Beginning Oct 1, 2032</p> <p>\$1,672.02 (monthly)</p> <p>+ Details</p> <p>Choose</p>

Review Monthly Pension Amount Estimate



Estimated Totals for All Plans	
Monthly Amount (first payment)	\$5,517.10
Beneficiary Benefit (for payments after your death)	\$793.32

About Your Retroactive Annuity Starting Date Eligibility

You may be eligible to choose a Retroactive Annuity Starting Date (RASD). While the monthly benefit would likely be less if you choose an Annuity Starting Date in the past, you would also receive a one time payment plus interest for all the missed payments for the time between the Retroactive Annuity Starting Date and the date your payments actually start. Please contact the Huntington Ingalls Benefits Center at 1-877-216-3222 if you would like additional information on a RASD benefit.

About Your Late Retirement Increases

If the date you choose to receive your retirement benefits is past your Normal Retirement Date it will not include potential Late Retirement increases. Please contact Huntington Ingalls Benefits Center at 1-877-216-3222 if you would like to see your benefit with these potential increases.

Note: If you elect the 10-Year Certain & Continuous optional form under the NNS Salaried plan and die within the 10 year period, your beneficiary will receive the remaining payments as a lump sum unless they elect to continue the annuity payments for the remainder of the 10 year period.

Note: Huntington Ingalls Industries reserves the right to correct any errors. Specifically, if the estimate conflicts with the benefit defined by the NNS Retirement Plan, the NNS Retirement Plan will prevail. Under the law, a plan must be operated in accordance with its terms.

+ Assumptions Used in This Projection

ⓘ Calculation Details

Save This Projection



Questions?



Huntington Ingalls Benefits Center

Huntington Ingalls Benefits Center (HIBC)

Staffed by knowledgeable representatives

Available Monday through Friday

(Excluding holidays)

9:00 a.m. to 6:00 p.m. ET

Call

1-877-216-3222

