



Transition Information Session

Presentation 29 August, 2019



- Opening remarks
- Retention
- Relocation
- Severance & Benefits
- Transition Assistance
- Follow up on questions from prior meeting
- Next Steps



What is RETENTION BONUS PLAN?

- It is an agreement between the employee and the business that rewards the employees for continued employment for a specified duration of time and meeting certain goals.
- This plan allows an eligible employee to earn a **Bonus Award** based on the number of months *successfully* completed in the assigned retention period.

What is the BONUS AWARD?

- The **BONUS AWARD** is the **maximum** cash bonus an employee can potentially earn for completing the entire retention period (through plant closing).
- It is calculated using a pre-determined total possible percentage of the employee's annual base salary.



What is an ASSIGNED RETENTION PERIOD?

- Management will determine and assign the length of each employee's retention period based on business need.
- Retention Periods will vary in duration. Not all employees will be required to work the entire retention period, some will work shorter durations (example: 6 months, 17 months, etc.)
- Management reserves the right to either *extend* or *shorten* the retention based on changing business needs.



Who is eligible?

- **Individual Contributors** and **Management** salaried employees **permanently** assigned to work in the Ballston Spa, New York work location.

When will I get paid my earned bonus?

- The employee is paid the cash bonus once they have successfully completed their assigned retention period.

How is my bonus calculated?

- An employee's duration of stay with the company has a significant impact in determining the final bonus payout amount. Employees who stay actively working in your respective position at the identified work location through December 2021, or until released from duty by authorized personnel will receive maximum payout.
- Each employee will have a specified duration agreed upon when the agreement is signed. This forms the basis for your final maximum payout amount. E.g. If John is required to stay 6 months, max payout calculated based on 6 months. Mary is required to stay one and half years then max pay out is based on one and half years.
- Employees must be active on payroll at the time of the bonus payout. Any employee who voluntarily resigns, retires, or who is discharged for cause prior to the end of the identified retention period will not be eligible for payment.
- All bonus payments will be made at the conclusion of each employee's retention period and will be included with the last paycheck. Payments will be taxed in line with the appropriate tax provisions for each employee.

Relocation - Journey through BGRS



- Employee accepts offer to transfer to new HII work location
- Employee signs the Relocation Repayment Agreement
- HII-NNS HRTA initiates authorization through BGRS ReloAccess database
 - *(365 days from initiation to transfer date)*
- Initial Relocation contact call from BGRS consultant
- Scheduled 1 hour brief call takes place to discuss relocation process in detail
- Relocation workflows & activities begin
 - *(Move & Pack HHS, Misc. Allowance, Home Sale Assistance, House Hunt Trip, Spousal Employment Assistance, Final Destination Move, etc.)*
- Employee transfers from KSO to new HII work location
- Employee submits final move expenses in ReloAccess
- Employee completes the Customer Service Evaluation Form



HUNTINGTON INGALLS INDUSTRIES RELOCATION BENEFITS SUMMARY HOMEOWNER BUYER VALUE OPTION PLAN WITH OVERALL \$69,000 LIMIT

To maximize your relocation benefits and to understand Huntington Ingalls Industries’ requirements, it is critical to discuss your relocation program and services with your assigned BGRS Consultant.

Relocation Benefit	Description
Eligibility	<ul style="list-style-type: none"> Once you have accepted your new position, do not begin any relocation processes or supplier selections until you have spoken with your BGRS Consultant. Otherwise, your relocation benefits will be impacted. If you engage the services of a real estate agent for the sale and/or purchase of a home prior to receiving your employment offer, you will not be eligible for home sale and/or home purchase benefits under this Plan. You are eligible for relocation benefit reimbursements if the distance from your old home to the new work location is at least 50 miles farther than the distance from your old home to your former work location. The Company strongly recommends you complete your relocation as soon as reasonably possible after your Effective Transfer Date/Start Date.
Miscellaneous Allowance	<ul style="list-style-type: none"> A Miscellaneous Allowance of \$5,000 is provided for items not reimbursable under this Plan, such as servicing household items, utility connections, driver’s licenses, etc. No receipts are required.
Home Marketing Assistance Program	<ul style="list-style-type: none"> This program assists you with marketing and selling your current home. Your BGRS Consultant will be your central point of coordination. BGRS real estate agent referrals for two Broker Market Analyses (BMAs), proactive marketing, offer review, contract assistance and follow through until closing are included.
Home Sale Buyer Value Option (BVO)	<ul style="list-style-type: none"> This program enables you to avoid out of pocket non-recurring closing cost expenses and, in a number of instances, tax withholding on this benefit. You do not attend the closing. Home must meet certain eligibility requirements; otherwise a Direct Reimbursement Plan may apply for you.
Home Sale Closing Cost Assistance	<ul style="list-style-type: none"> Close the sale of your home to an outside buyer through BGRS. Eligibility tied to participation in the Marketing Assistance Program. The BGRS Consultant will assist you in the document signing process.
For Sale by Owner	<ul style="list-style-type: none"> Reimbursement of eligible Home Sale Closing Costs up to 3% of the sales price. This benefit is outside of the scope of the BVO-defined benefits and is only mentioned here in the interest of completeness.
Home Rental Assistance	<ul style="list-style-type: none"> A homeowner can elect to rent his/her home in the old location and will be reimbursed for a real estate broker’s fee (up to 1 month’s rent) and up to \$150 for advertising to obtain a tenant.
House Hunting Trip	<ul style="list-style-type: none"> House Hunting Trip for up to 5 days and 4 nights. This House Hunting Trip is for you and your spouse and covers lodging, transportation and meals up to certain maximums. Time off from work for the House Hunting Trip is not covered as a normal work day and you must use Paid Time Off (PTO) or unpaid time.
Rental Assistance	<ul style="list-style-type: none"> Your BGRS Consultant can assist with your short term/long term rental needs in the new location. If the employee leases a residence in the destination location and a finder’s fee is customarily paid by the tenant (San Francisco, New York City, Boston, Chicago and Washington DC) an amount not to exceed one month’s rent will be reimbursed with submission of documentation of the charges.
Temporary Living	<ul style="list-style-type: none"> Expenses covered for up to 60 days of temporary lodging, meals and incidentals for you and your dependents. Receipts are required for lodging expenses.

Relocation Benefit	Description
New Home Purchase Assistance	<ul style="list-style-type: none"> You must purchase your home through a real estate agent or broker selected by BGRS to be eligible for tax gross-up assistance on the eligible non-deductible closing costs. The same BGRS Consultant will assist you with finding a new home. Assistance includes needs assessment, agent selection, negotiation assistance and follow-through until closing.
New Home Purchase Closing Costs	<ul style="list-style-type: none"> Reimbursement of approved New Home Purchase Closing Costs (including 1 discount point) to a maximum of 4% of the purchase price. If you select an approved BGRS Preferred Lender, your eligible closing costs will be directly funded to your closing. You must be a current homeowner in the old work location prior to receiving your offer to relocate to be eligible for this benefit.
Duplicate Housing	<ul style="list-style-type: none"> If you have not sold your home and you have closed on a new home in the destination location, you are eligible for up to 60 days of Duplicate Housing costs. You must participate in the Home Marketing Assistance program and comply with the guidelines. Your old home expenses eligible for reimbursement include first loan mortgage interest, property taxes, homeowner’s association fees/dues, hazard insurance premiums, security alarm service and reasonable costs for maintenance and utilities.
Household Goods Shipment, Storage and Vehicle Shipment	<ul style="list-style-type: none"> Packing, transporting and unloading of household goods provided by professional movers for up to 18,000 pounds of allowable items. Up to 30 days of storage in the old location OR up to 60 days storage in new location, but not both. The Company will arrange for the shipment of up to 2 vehicles if your new work location is 400 miles or more from your old work location.
Trailer / Mobile Home	<ul style="list-style-type: none"> If your primary residence is a trailer/mobile home, reimbursement of cost to transport the home to destination location in lieu of shipping 10,000 lbs. of household goods.
Final Move Trip	<ul style="list-style-type: none"> Mileage allowance for up to 2 vehicles if you drive to the new location OR Reimbursement for public transportation costs for you and your dependents. Non-officer transferees are to use commercial air coach accommodations for all travel. Time off from work to complete the Final Move is not covered as a normal work day and you must use PTO or unpaid time. Must drive an average of 400 miles/day.
Spouse or Domestic Partner Employment Assistance	<ul style="list-style-type: none"> You will be reimbursed for up to \$1,000 for spouse career assistance. Covers resume preparation, special certificates, specialized training, placement counseling, etc. Cost associated with service (up to \$1,000), if utilizing BGRS preferred supplier, will be directly paid to supplier.
Repayment Agreement	<ul style="list-style-type: none"> You are required to sign a Repayment of Relocation Costs Agreement. The Agreement details the terms and conditions under which termination of employment will require relocation costs repayment.
Tax Assistance	<ul style="list-style-type: none"> Most expenses subject to withholding are tax assisted by the Company. See your Relocation Plan Agreement for details.



HUNTINGTON INGALLS INDUSTRIES RELOCATION BENEFITS SUMMARY RENTAL STANDARD PLAN WITH OVERALL \$21,000 LIMIT

To maximize your relocation benefits and to understand Huntington Ingalls Industries' requirements, it is critical to discuss your relocation program and services with your assigned BGRS Consultant.

Relocation Benefit	Description
Eligibility	<ul style="list-style-type: none"> Once you have accepted your new position, do not begin any relocation processes or supplier selections until you have spoken with your BGRS Consultant. Otherwise, your relocation benefits will be impacted. You are eligible for relocation benefit reimbursements if the distance from your old home to the new work location is at least 50 miles farther than the distance from your old home to your former work location. The Company strongly recommends you complete your relocation as soon as reasonably possible after your Effective Transfer Date/Start Date. Relocation benefits and all reimbursements must be completed within 365 days.
Miscellaneous Allowance	<ul style="list-style-type: none"> A Miscellaneous Allowance of \$2,500 is provided for items not reimbursable under this Plan, such as servicing household items, utility connections, driver's licenses, etc. No receipts are required.
Lease Cancellation	<ul style="list-style-type: none"> You will be provided reimbursement of up to 2 month's rent, if necessary, for cancellation of a lease.
House Hunting Trip	<ul style="list-style-type: none"> House Hunting Trip for up to 5 days and 4 nights. This House Hunting Trip is for you and your spouse or domestic partner and covers lodging, transportation and meals up to certain maximums. Time off from work for the House Hunting Trip is not covered as a normal work day and you must use Paid Time Off (PTO) or unpaid time.
Rental Assistance	<ul style="list-style-type: none"> Your BGRS Consultant can assist with your short term/long term rental needs in the new location. If the employee leases a residence in the destination location and a finder's fee is customarily paid by the tenant (San Francisco, New York City, Boston, Chicago and Washington DC) an amount not to exceed one month's rent will be reimbursed with submission of documentation of the charges.
Temporary Living	<ul style="list-style-type: none"> Expenses covered for up to 30 days of temporary lodging, meals and incidentals for you and your dependents. Receipts are required for lodging expenses.
New Home Purchase Referral	<ul style="list-style-type: none"> A referral to a BGRS real estate agent will be provided to assist you with finding a new home.
Household Goods Shipment, Storage and Vehicle Shipment	<ul style="list-style-type: none"> Packing, transporting and unloading of household goods provided by professional movers for up to 18,000 pounds of allowable items. Up to 30 days storage in the old location OR up to 60 days storage in new location, but not both. The Company will arrange for the shipment of up to 2 vehicles if your new work location is 400 miles or more from your old work location.
Final Move Trip	<ul style="list-style-type: none"> Mileage allowance for up to 2 vehicles if you drive to the new location OR Reimbursement for public transportation costs for you and your dependents. Non-officer transferees are to use commercial air coach accommodations for all travel. Time off from work to complete the Final Move is not covered as a normal work day and you must use PTO or unpaid time Must drive an average of 400 miles/day.
Spouse or Domestic Partner Employment Assistance	<ul style="list-style-type: none"> You will be reimbursed for up to \$1,000 for spouse or domestic partner career assistance Covers resume preparation, special certificates, specialized training, placement counseling, etc. Cost associated with service (up to \$1000) will be directly paid if utilizing BGRS preferred supplier.
Repayment Agreement	<ul style="list-style-type: none"> You are required to sign a Repayment of Relocation Costs Agreement. The Agreement details the terms and conditions under which termination of employment will require relocation costs repayment.
Tax Assistance	<ul style="list-style-type: none"> Expenses subject to withholding are tax assisted by the Company. See your Relocation Plan Agreement for details.



1. How do I know what relocation benefits I am eligible for?

Answer: Your relocation benefits will be outlined in either the Homeowner Buyer Value Option with Cap Plan, or the Renter Standard Plan with Cap

2. If I exceed my cap, can I have it increased so that I can utilize all of the benefits outlined in my relocation policy?

Answer: No, you may utilize only the benefits where you will stay within your cap. If you exceed your cap for any reason, HII has the right to collect the overage from the employee

3. If I pass on my one-year time frame to utilize my relocation benefits, can I get an extension?

Answer: No

4. If I don't stay with the company or move positions within a year, will I have to repay the relocation costs for this relocation?

Answer: Yes

5. If there is any money left over in my cap when I have completed my relocation benefits, will I get the remainder paid out to me?

Answer: No, once you have utilized all of your relocation benefits, your relocation is considered complete

6. Will the company pay to transport my pets?

Answer: no, not as a separate benefit, however you can utilize your miscellaneous expense allowance for pet transport

7. Can I use my corporate credit card?

Answer: No, you are not permitted to use your corporate credit card. You must use your personal credit card and submit to BGRS for reimbursement

8. For my home finding trip and final move trip, how should I book my travel?

Answer: you will follow the same business guidelines and book through AdTrav (855)401-4558

9. If I have expenses that I have not submitted to BGRS for reimbursement past my one year timeframe, can I still submit them and be fully reimbursed?

Answer: No, per policy, you have 365 days from your effective start date to submit any relocation expenses for reimbursement. If you fail to do so, you will forfeit the benefit that expense is related to.

10. Will my spouse and children receive their own relocation package?

Answer: There will be one relocation package per employee. Spouse and/or children are taken into consideration for each benefit



- Eligibility
- Health Benefits
- Savings Plan
- Retiree Medical
- Resources



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).



- You are designated as eligible when you receive an individually addressed letter, 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
- If you have any questions regarding your eligibility you should contact your HR Business Partner

Severance Payment Calculation



Formula Information	Terms	Examples
Cash Formula	1 Week of Pay x Years of Full Service	Example: You are a salaried employee working full-time. Your weekly rate is \$800, and you have 10 Years of Service. At the time of your layoff, you would receive a lump sum payment of \$8,000 (1 x \$800 x 10 years).
Minimum Benefit	2 Weeks of Pay	Example: You have only one Year of Service at the time of your layoff. Your benefit will equal 2 Weeks of Pay.
Maximum Benefit	26 Weeks of Pay	Example: You have 30 Years of Service and are paid \$900/week. Your total benefit would be limited to \$23,400 (1 x \$900 x 26 weeks). Even though you have 30 years of service, the maximum benefit is 26 weeks.
Years of Service	Severance Benefits are calculated using your "Continuous Service Date"	If you have broken service with the Company, the Severance benefit is based on your "Continuous Service Date" – not your "Original Hire Date".

Health Benefits Continuation under COBRA



- 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 through COBRA equal to one week for each full year of service (counted from your most recent hire date)
- 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 termination date
- 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 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 additional cost to you, through the end of the month of your layoff 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

Employee Cost for Benefits Continuation – Cost Sharing Period



- You will receive an extension of your medical, dental and vision benefits through COBRA, at active rates, through the remainder of the severance period (if any)
- The Severance coverage period continues for a maximum of 26 weeks
- 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

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



- You will be billed for your continuation of coverage by the Huntington Ingalls 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 at *UPoint*

Your Cost for Coverage Prior to Severance



- Medical, dental and vision coverage has a cost associated with it. This is your per-pay-period cost to purchase the coverage
- The per-pay-period cost is the same regardless of whether you work one day or the full pay period. The Company does not prorate premiums based on number of days you worked in the pay period.



- 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 vesting schedule
- If your account balance exceeds \$1,000 you have the choice of leaving your money in the HII Savings Plan, roll over the funds to a qualified plan or an IRA or take a direct distribution.
- 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.

HII Newport News Operations Savings (401(k)) Plan for Union Eligible Employees



- If you were a participant in the Huntington Ingalls Newport News Operations Savings (401(k)) Plan for Union Eligible Employees, you should direct any questions related to that Plan to:
 - Wells Fargo at 1-800-377-9188



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 age 65 or older, you may purchase Supplemental Medicare coverage through Via Benefits. You may speak to Licensed Benefit Advisors at Via Benefits by calling 1-866-343-5757 or online at www.my.viabenefits.com.



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 employee 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



- If you do not currently meet the age and service requirements for retiree medical you may still qualify for Retiree Medical if you are:
 - At least 53 on the layoff date with a minimum of 10 years of service
 - Under age 53 but have 75 points or more (age + years of service)
- Those employees who meet the criteria above may commence Retiree Medical coverage the first of any month after attaining age 55 by contacting the Huntington Ingalls Benefits Center
- You will not be eligible for the Company Subsidy for retiree medical coverage because one of the qualifications for the subsidy is you must have 10 years of service after age 45



Due to the potential volume of employees requesting pension estimates, we encourage you to request pension estimates by going online to the *UPoint LOGON* at <http://hiibenefits.com>.

Huntington Ingalls Benefits Center (HIBC)

Available Monday through Friday

(Excluding holidays)

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

Call

1-877-216-3222



- A webpage is under development that will become the central point for communication
 - All presentations and documents will be available for review
 - Dedicated email address for questions
 - Q&A will be updated and available for review
 - Links to info on career services
 - Tips on resume writing, interviewing and job search techniques
 - Notification of job fairs and networking events
 - Information on registering for one-on-one meetings
- HR team will provide employees with webpage link soon





- Secure all approvals
- Provide updates on timing and pace of work completion
- Determine work completion dates for employees
- Communicate, communicate and communicate some more