

Agenda

- What is a retiree
- What happens after I retire?
- TI Employees Pension Plan
- TI 401(k) Savings Plans
- Profit Sharing
- Employee Stock Purchase Plan
- Stock Option Grants and Restricted Stock Units
- TI Extended Health Benefits Coverage
- Life Insurance and AD&D

The Definition of a Retiree at TI

- You may *retire* from TI when:
 - You have 20 years of service at any age
 - You are 60 years old with 5 years of service
 - You are 65 years old with 1 year of service
- TI Employees Pension Plan defines retirement as:
 - 55 years old with 20 years of vesting service
 - 60 years old with 5 years of vesting service
 - 65 years old with 1 year of vesting service

What happens after I retire from TI?

You need an action plan for:

- Pension benefit
- 401(k) account
- ESPP account held at UBS
- Stock Option Grants and Restricted Stock Units
- Medical & Dental
- Life and AD&D

TI Employees Pension Plan

- Defined Benefit (DB) plan which provides a benefit after retirement / termination (monthly or lump sum)
- Benefit is determined by service and pay
 - Credit for every day you are a participant in the plan
 - Average of your highest 5 consecutive and complete calendar years of eligible earnings
- Benefits are paid under the following conditions
 - Normal Retirement: you retire at age 65 with at least 1 year of vesting service
 - Early Retirement: you retire
 - At age 55 with 20 years of vesting service
 - At age 60 with 5 years of vesting service
 - Terminate Vested: you have completed at least 5 years of vesting service prior to termination

TI Employees Pension Plan

- Provides the following forms of payment:
 - Married Participant eligible for early or normal retirement
 - Normal - 50% Joint and Survivor Annuity
 - Optional forms of payment
 - Single Life Annuity
 - 10-Year Certain and Life
 - 5-Year Certain and Life
 - 100% Joint and Survivor Annuity
 - 75% Joint and Survivor Annuity
 - Lump Sum
 - Single Participant eligible for early or normal retirement
 - Normal – Single Life Annuity
 - Optional forms of payment
 - 10-Year Certain and Life
 - 5-Year Certain and Life
 - Lump Sum

TI Employees Pension Plan

Lump Sum Interest Rates

	2009
PBGC	3.50
PPA	4.78 / 5.45 / 5.46

What are the deadlines to have my Lump Sum calculated with 2009 interest rates?

Retirement deadline	Nov. 1, 2009
Pension election authorization form is received by the TI Benefits Center	Nov. 1, 2009
Lump Sum Benefit is Paid	Dec. 1, 2009

TI Employees Pension Plan

- When can I be paid?
 - Payments are made on the 1st day of each month
 - If you retire/terminate on the 1st day of a month, the earliest you can be paid is the 1st day of the next month
 - If you retire/terminate on any other day, the earliest you can be paid is the 1st day of the second month
 - TI Benefits Center MUST receive your completed paperwork by the 1st of the prior month to be included in the upcoming payment cycle
- As an example - to be paid on December 1, 2009
 - Terminate / retire on or before November 1, 2009
 - Paperwork has been received by November 1, 2009

Pension – Things to Consider

- Lump sum vs. annuity
- Lump sum – Rollover or cash
 - Plans are required to withhold 20% from cash distributions for federal income tax
 - Cash distributions may be subject to early withdrawal penalty
- Lump sum interest rate (lower the rate the higher the lump sum)

TI Employees Pension Plan

- How can I find out what my benefits are?
 - Log on to NetBenefits
 - Click on TI Employees Pension Plan
 - Click on “Estimate a Payment” under Act
 - Select your last day of employment
 - Select the date you begin receiving benefits
 - Relationship of your beneficiary and date of birth (optional)
 - Click on the Calculate button
 - NetBenefits displays an estimated single life annuity. Click on “View all payment options” to see the other optional forms of payment available to you

Estimate a Payment

The screenshot shows a Microsoft Internet Explorer browser window displaying the Fidelity NetBenefits website. The address bar shows the URL: <https://workplaceservices400.fidelity.com/netbenefits/navstation/navigation>. The website header includes the Texas Instruments logo and navigation tabs for Home, Savings & Retirement, Health & Insurance, and Your Profile. The current date is Wednesday, March 11, 2009.

The main content area is titled "Estimate a Payment" and includes a "Print This Page" link. Below the title, there is a "Related Links" section with a link to "Retirement Planning Tools".

The "Estimate a Payment" section contains the following text: "Use this page to estimate the benefit payment you could receive from your pension plan at a given retirement date. You are **required** to select or enter at least one date from the 'Dates and Ages' section. You may enter any other assumptions that will help you accurately reflect your situation in the spaces provided."

The "Dates and Ages (Required)" section lists three radio button options:

- 53 Yrs 10 Mos 05/01/2009
- 55 Yrs 1 Mos 08/01/2010
- 65 Yrs 0 Mos 07/01/2020

Below this, it states: "If you have **not** selected one of the above dates, enter a date or age for **at least one** of the following:"

There are two rows of input fields for "Yrs." and "Mos." (mm/dd/yyyy):

- Age or date you expect to **stop working**:
- Age or date you want to **start receiving your benefits**:

The "Select Your Beneficiary (Optional)" section states: "If you select a Beneficiary, you **must** enter the Beneficiary Date of Birth." It includes a dropdown menu for "Beneficiary" and a text input field for "Date of Birth" (mm/dd/yyyy).

A "Calculate" button is located below the beneficiary section.

At the bottom of the page, there is a disclaimer: "This is an estimate. Texas Instruments Incorporated (TI) reserves the right to correct any errors. Specifically, if the calculation provided conflicts with the benefit defined by the TI Employees Pension Plan (the Plan), the Plan will prevail." The footer includes the Fidelity logo and copyright information: "© Copyright 1996-2009 FMR Corp. All rights reserved. Legal Disclaimer".

See your Results

Fidelity NetBenefits - Microsoft Internet Explorer

Address: https://workplaceservices400.fidelity.com/netbenefits/navstation/navigation

Log Out | Help

Home Savings & Retirement Health & Insurance Your Profile

Wednesday, March 11, 2009

Savings & Retirement > Estimate a Payment >

Benefit Estimate 2

[Print This Page](#)

TI Employees Pension Plan

View

- Your Pension Summary
- How To Collect Your Pension Benefit
- Status of Collecting Your Pension
- Retirement Dates
- Service Summary
- Earnings & Hours
- Employment History
- Pension Resources

Act

- Estimate a Payment**
- Compare Estimates
- Request a Pension Form
- Contact Us

[Tools & Learning](#)

Your Future Benefit

This estimate of your future benefit is based on the following assumptions:

- You stopped working on **06/30/2010**
- You started receiving your benefits on **08/01/2010**

The [default payment options](#) for this calculation are as follows:

Default Payment Options				
Payment Source	Form Of Payment	Amount	Frequency	Payable to
TI Employees Pension Plan	Single Life Annuity	\$267.07	Monthly	you

[View all payment options](#)

- [Estimate another payment](#)
- [Compare estimates](#)

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TI Employees Pension Plan

- How do I request payment of my benefit?
 - Must complete a pension distribution package
 - Call the TI Benefits Center and speak with a retirement specialist
 - You will receive paperwork to complete
 - Complete, and return to the TI Benefits Center
 - You cannot initiate your paperwork more than 90 days prior to your benefit commencement
 - We suggest you request your paperwork 60 - 75 days prior to payment

TI's 401(k) Savings Plans

- Full Plan Distribution cannot be made from the plan until after you retire or terminate from TI.
- Distribution options include:
 1. Leave your account balance in the TI plan indefinitely (Balance must be at least \$1,000)
 2. Rollover your vested balance to a new employer's plan
 3. Rollover your vested balance to an Individual Retirement Account (IRA)
 4. Have your vested balance paid directly to you in a lump-sum payment
 5. Combination of rollover and direct payment
- Options 1, 2 & 3 allow you to defer any current tax consequences.
- With Options 4 & 5, your distribution is subject to federal income taxes. You may also be subject to an early withdrawal penalty and state income taxes, if applicable.

401(k) Plan Distributions

- If your vested account balance is at least \$1,000 on your Termination Date, you can leave your balance in the plan indefinitely, however the plan must begin minimum distributions in the year you reach 70 ½
- If your vested account balance is less than \$1,000 you have 90 days after termination to request a distribution
 - If you do not, your vested balance will automatically be distributed to you in cash and Federal Income taxes will be withheld
 - You may be subject to a penalty tax for early distribution (generally before age 59 ½)

401(k) Distributions – things to consider

- Cash vs Rollover
 - Plans are required to withhold taxes (currently 20%) from cash distributions
 - Cash distributions may be subject to an early withdrawal penalty
- Rollover
 - Do I know the correct name for the institution?
 - Does the institution where I have an IRA accept stock in a rollover?
 - Does my new employer's plan accept rollovers?
- TI Stock Fund
 - Do I want cash or stock (“in-kind” distribution)?
 - What is Net Unrealized Appreciation on TI Stock?
- Talk with a financial advisor about your options

401(k) Plan Loans

- After you retire or terminate from TI you may continue to pay on your 401(k) loans.
- Loans are re-amortized to a monthly payment amount.
- To find more information about this, see NetBenefits or call the TI Benefits Center.
- You are required to make payments via ACH (automate clearing house)

If for any reason your loan becomes delinquent at any time and remains delinquent for more than 90 days, it will be in default and will be deemed a distribution to you. The outstanding loan balance will be reported to the IRS. The amount will be included in your taxable income. You will be subject to all applicable taxes and penalties.

TI Stock Options and Restricted Stock

- If you are retirement eligible under the TI Employees Pension Plan, your options continue under the terms stated in each grant agreement
- If you are retiring with 20 years of service, your options may continue under the terms stated in each grant agreement
- See your stock option agreement or contact UBS Financial Services for additional information about your specific stock grants.

TI Extended Health Benefits

- You may be eligible for TI Extended Health Benefits Coverage (retiree medical/dental) based on the following criteria:
 - **If hired before January 1, 1998** - You have 20 years of TI service or at least 60 years of age with 5 years of TI service or at least 65 years of age with 1 year of TI service on your Termination Date
 - **If hired on or after January 1, 1998** - You have 20 years of TI service on your Termination Date
 - Note: TI employees hired through an acquisition should verify eligibility for TI Extended Health Benefits Coverage by contacting the TI Benefits Center
- To participate in TI Extended Health Benefits Coverage, you must enroll prior to or within **30 days following your Termination Date**, or forego your eligibility in the future. To sign up, contact the TI Benefits Center at 888-660-1411. If you are eligible and choose not to participate in TI Extended Health Benefits Coverage, you will be offered the opportunity to continue coverage under COBRA

TI Extended Health Benefits Pricing

Web site location: <http://health.ti.com/>

- Click on “Health Benefits Web Site”
- Click on “Health Plan Prices”
- Click on “2009”
- Click on “Extended Health Benefits Coverage”
 - Pre-Medicare prices
 - Medicare Eligible prices
 - Dental prices

Life Insurance & AD&D

- Life and AD&D coverages end at midnight on your retirement or termination date
- You may convert existing Life and/or AD&D coverages to a personal policy
 - Life Insurance: MetLife 800-275-6387
 - AD&D: Zurich 800-834-1959
- Have 31 days from date of retirement to convert



Where to go for more Information

- NetBenefits Web site
 - 401(k), pension, and health benefits
 - Web address: <http://www.netbenefits.fidelity.com>
- TI Benefits Center
 - TI HR Connect (888-660-1411), select option 1 for Fidelity
 - Medical, Dental, 401(k) and Pension questions
- UBS Financial Services
 - Employee Stock Purchase, Stock Options & Restricted Stock Units
 - Phone: 800-597-7516
 - Web address: <http://www.ubs.com/onesource/txn>
- HR Service Center
 - TI HR Connect (888-660-1411), select option 3 for HR and Payroll
 - Payroll, Time Bank, W2 questions
- Extended Health Benefits Pricing
 - Web address: <http://health.ti.com>

Miscellaneous

- Personal Address – for non-actives
 - Notify the TI Benefits Center by calling TI HR Connect at 888-660-1411 and select option 1
 - Update your information on NetBenefits
- Retiree Badge
 - Contact the TI badge room
- TI Alumni Association
 - <http://www.tialumni.org/new/>