

Lawrence Livermore National Security, LLC

Online Benefits Summary Content

Lawrence Livermore National Security, LLC Benefits Summary

Effective October 1, 2007

Comparison of Compensation Package Options

Total Compensation Package 1 (TCP1) vs. Total Compensation Package 2 (TCP2)

Lawrence Livermore National Security, LLC (“LLNS”) is pleased to offer two comprehensive benefits packages to employees who join LLNS on October 1, 2007, who were employed by the University of California (UC) on September 30, 2007, and who have not retired from UC (“Transition Employees”).

The TCP1 package offers benefits that are substantially equivalent in the aggregate (“substantially equivalent”) to UC benefits currently offered to LLNL employees. The TCP2 package is a market-driven package based on a DOE-approved group of comparator companies.

Transition Employees will need to choose one benefits package, either:

- Total Compensation Package 1 (TCP1), or
- Total Compensation Package 2 (TCP2).

Your Compensation Package decision, as well as your acceptance of employment with LLNS, must be made by September 17, 2007.

Important Note!

LLNS reserves the right to amend or terminate all LLNS plans and programs.

Most immediately, because the LLNS plans must satisfy certain minimum coverage and nondiscrimination requirements, LLNS may need to change TCP1 benefits for Safety Members. Whether changes need to be made, and the nature of the changes, will not be known until after employee elections have been received and further analysis has been performed. LLNS will notify impacted Members of changes. UCRP benefits earned prior to October 1, 2007 will not be impacted by these changes.

DOE/NNSA has determined that, through September 30, 2008, LLNS may offer the TCP2 program benefits described in this summary. DOE/NNSA has, however, asked LLNS to inform you that if LLNS is unable to obtain DOE/NNSA approval of LLNS’ list of comparator companies by December 31, 2007, certain TCP2 program benefits must revert back to using the originally proposed contract package from the May 2007 BenVal study effective the first pay period of January 2008. In addition, LLNS is required to perform benefit cost comparisons in 2008 and subsequent years. If these cost comparisons indicate that the TCP2 program benefits exceed the comparator group by more than 5% in the aggregate, then LLNS must provide DOE/NNSA with a corrective action plan to modify the TCP2 benefits so they are no more than 5% above the group average.

**The following benefits are the same under both
TCP1 and TCP2.**

Health and Welfare Plans

This section provides a general overview of medical, dental, vision, life insurance and other health and welfare insurance plans offered by LLNS to Transition Employees.

Eligibility

The following health and welfare benefits information pertains only to employees who currently participate in a University of California-sponsored health or welfare plan. **You will not have the option of electing a plan through LLNS for the remainder of the 2007 calendar year if you are not currently enrolled in a plan through the University of California, unless you experience a qualifying life event.**

Changing Plans

On October 1, 2007, your UC benefit elections will be rolled over to LLNS.

More information will be provided after October 1, 2007 on when certain benefit elections are open for change and how to make a change.

Your healthcare and dependent care reimbursement account elections will also be rolled over to the 2008 plan year. For example, if you elected to contribute \$1,000 to the healthcare reimbursement account for the 2007 coverage period, you will contribute that same amount to the healthcare reimbursement account for the 2008 coverage period. More information will be provided after October 1, 2007 on when certain benefit elections are open for change and how to make a change.

In 2007 and 2008, you may also be able to change your plan elections for a qualifying "life-changing" event, such as a divorce, birth, or adoption.

There are a small number of UC employees and retirees currently enrolled in certain medical plans which will be discontinued after the LLNS transition. These people will be contacted individually by the LLNL Benefits Office and alternative benefit plans will be offered to replace the discontinued plans. If you are enrolled in a plan that will be discontinued and you are not contacted by September 1, 2007, please call the LLNS hotline at (925) 424-5567.

Plan Type	Summary of Health & Welfare Plans
<p>Medical</p> <p><i>For more information about your specific medical plan, see your summary plan description.</i></p>	<p>LLNS will provide plans that are substantially equivalent to plans offered by UC:</p> <ul style="list-style-type: none"> ▪ Blue Cross Plus POS – CA ▪ Blue Cross PPO ▪ Core (fee-for-service) ▪ Health Net HMO – CA ▪ Kaiser – CA (north and south) ▪ Kaiser Umbrella Plan (through 12/31/07) ▪ Kaiser Mid-Atlantic (through 12/31/07) ▪ PacifiCare of CA HMO <p>If you are currently enrolled in one of the above plans, your current coverage level (including dependent coverage), contribution rate and deductible balances (if applicable) will carry over to LLNS. You pay your share of the premium on a pre-tax basis.</p> <p>LLNS is unable to offer the following UC medical plans:</p> <ul style="list-style-type: none"> ▪ Kaiser – Mid-Atlantic (effective 1/1/08) ▪ Kaiser Umbrella Plan (effective 1/1/08) ▪ PacifiCare of NV HMO ▪ Select EPO ▪ Western Health Advantage HMO <p>If you are currently enrolled in one of these five plans, you will need to make a new selection from the plans being offered.</p>
<p>Dental</p>	<p>LLNS will provide plans that are substantially equivalent in the aggregate to plans offered by UC:</p> <ul style="list-style-type: none"> ▪ Delta Dental Plan ▪ Delta Dental PMI Plan (offered in California only) <p>The Delta Dental Plan provides worldwide coverage from any dentist you choose. Almost all preventive dentistry is covered in full. For other services, you pay a \$50 annual deductible per person and a coinsurance of 20 percent to 50 percent of the charges. Delta dentists file claims for you. With this plan, if you prefer to see a non-Delta dentist, you pay the dentist directly, and then file claims with Delta.</p> <p>The PMI Plan includes Delta Dental Premier dentists. With this plan, you must see your PMI provider to receive benefits.</p>
<p>Vision</p>	<p>The Vision Service Plan (VSP) is a preferred provider organization that offers the following benefits:</p> <ul style="list-style-type: none"> ▪ One eye exam per calendar year ▪ One set of corrective lenses per calendar year (single vision, bifocal, trifocal or other complex glass or plastic lenses)

Plan Type	Summary of Health & Welfare Plans
	<ul style="list-style-type: none"> ▪ One set of frames every other calendar year (up to \$130) ▪ One set of contact lenses per calendar year (up to \$110, in lieu of eye exams, lenses and frames) ▪ Discounted laser corrective vision surgery
Flexible Spending Accounts	<p>The Health Care Reimbursement Account (HCRA)</p> <ul style="list-style-type: none"> ▪ Allows you to pay for eligible out-of-pocket health care expenses on a pretax, salary reduction basis. You determine the annual amount of your contributions from a minimum of \$180 to a maximum of \$5,000. ▪ Your account balance will roll over to LLNS <p>Dependent Care Reimbursement (DepCare)</p> <ul style="list-style-type: none"> ▪ Allows you to pay for certain dependent care expenses on a pretax, salary reduction basis. Dependents include certain adults. You determine how much you want taken from your paycheck(s), from a minimum of \$180 per year up to the lesser of: <ul style="list-style-type: none"> – \$5,000 per plan year (\$2,500 if you are married and filing a separate income tax return); – Your total earned income; or – Your spouse’s total earned income. ▪ Your account balance will roll over to LLNS
Employee Assistance Program	<p>The Employee Assistance Program offers on-site, confidential, personal counseling and referral services.</p>
Life Insurance	<ul style="list-style-type: none"> ▪ Basic Life – Provides life insurance coverage equal to your annual, base salary up to \$50,000 (coverage differs for CalPERS members). Benefits are paid to your beneficiaries if you die while employed or on paid leave, or during the first four months of approved leave without pay or temporary layoff. Benefits from this plan are payable in addition to any other death benefits for which you may qualify. ▪ Core Life – Provides \$5,000 of life insurance (excluding CalPERS members). Benefits are paid to your beneficiaries if you die while employed or on paid leave, or during the first four months of approved leave without pay or temporary layoff. Benefits from this plan are payable in addition to any other death benefits for which you may qualify. ▪ Supplemental Life – You may choose one of these coverage amounts: <ul style="list-style-type: none"> – \$20,000 – One times your annual salary, up to \$250,000 – Two times your annual salary, up to \$500,000 – Three times your annual salary, up to \$750,000 – Four times your annual salary, up to \$1,000,000 <p>Coverage is based on your salary and appointment rate as of your original date of hire with UC, or the full-time salary rate for your position as of January 1 of the current year (whichever is later), even if you</p>

Plan Type	Summary of Health & Welfare Plans
	<p>work part time.</p> <ul style="list-style-type: none"> ▪ Dependent Life – You may choose from: <ul style="list-style-type: none"> – Basic Dependent Life – This plan covers your spouse or domestic partner and/or eligible children for \$5,000 each. – Expanded Dependent Life – This plan covers your eligible family members for these amounts: <ul style="list-style-type: none"> • Spouse or domestic partner: An amount equal to 50 percent of your Supplemental Life insurance amount (\$200,000 maximum) • Eligible children: \$10,000 each
Accidental Death and Dismemberment	<p>The Accidental Death and Dismemberment (AD&D) plan provides worldwide coverage for you and your enrolled family members for accidental death or dismemberment or loss of sight, speech or hearing caused by an accident. The plan offers three levels of coverage, including:</p> <ul style="list-style-type: none"> ▪ The <i>self-only</i> plan – covers you; ▪ The <i>family</i> plan – covers you, your spouse or eligible domestic partner and your children; the family plan covers your spouse or partner for 60 percent of your coverage amount. With eligible children, it covers your spouse or partner for 50 percent of your amount and each child for 20 percent. ▪ The <i>modified family</i> plan – covers you and your children; the modified family plan covers you, and each eligible child is covered for 20 percent of your amount. Your spouse or domestic partner is not covered.
Short-term Disability	<ul style="list-style-type: none"> ▪ The Short Term Disability plan provides partial income replacement if you are unable to work due to a <i>non-work</i> related disability covered by the plan. The benefits include: <ul style="list-style-type: none"> Employee’s Outside of California <ul style="list-style-type: none"> – 55% of your eligible earnings up to a maximum of \$800 per month, <i>less benefits from other income</i> (such as Social Security benefits, other governmental programs or coverage, earnings from rehabilitative employment and defined benefit retirement plans). – Coverage is limited to six months – LLNS pays the entire cost of coverage Employee’s Within California <ul style="list-style-type: none"> – 55% of your eligible earnings up to a maximum of \$882 per week, <i>less benefits from other income</i> (such as Social Security benefits, other governmental programs or coverage, earnings from rehabilitative employment and defined benefit retirement plans) – Coverage is limited to 52 weeks – LLNS pays the entire cost of coverage (employees contribute to the California State Disability Insurance programs through a payroll tax)
Supplemental Disability	<p>The Supplemental Disability Plan is voluntary and provides additional income replacement if you are unable to work due to a <i>non-work</i> related disability covered by the plan. For the first 12 months of disability, the benefit paid from Supplemental Disability and Short-term Disability</p>

Plan Type	Summary of Health & Welfare Plans
	<p>coverage <i>combined</i> will be:</p> <ul style="list-style-type: none"> ▪ 70% of your eligible earnings, up to a maximum benefit of \$10,000 per month, <i>less benefits from other income</i> (such as Social Security benefits, other governmental programs or coverage, earnings from rehabilitative employment and defined benefit retirement plans). <p>If your disability is longer than 12 months, benefits will continue to be paid from the Supplemental Disability Plan as described above. However, if you have <i>no other source of income</i>, your benefit will be the lesser of:</p> <ul style="list-style-type: none"> ▪ 50% of your eligible earnings, OR ▪ 70% of your eligible earnings, <i>less benefits from other income</i> (such as Social Security benefits, other governmental programs or coverage, earnings from rehabilitative employment and defined benefit retirement plans), ▪ up to a maximum benefit of \$10,000 per month. <p>You pay the premiums for this coverage</p> <p>Plans are available with 7-day, 30-day, 90-day, and 180-day waiting periods. Your current election carries over to LLNS.</p>
Business Travel Accident Insurance	<p>If eligible, while traveling on official LLNS business or while engaged in designated hazardous activities on behalf of LLNS, you will be covered 24 hours a day, worldwide, against accidental death and dismemberment for up to \$100,000 (\$250,000 for Senior Managers). In addition, the following business travel assistance services are available to you while traveling on official business outside a 100-mile radius of your home or regular place of employment:</p> <ul style="list-style-type: none"> ▪ Pre-Travel Assistance ▪ Medical Emergency Services ▪ Legal Assistance ▪ Travel Assistance
Legal	<p>The legal plan is a pre-paid legal insurance plan that gives you access to preventive, domestic, consumer and defensive legal services. The plan provides unlimited access to a toll-free telephone line and covers specific legal services.</p>
Long Term Care	<p>Lawrence Livermore employees have access to a voluntary Long Term Care (LTC) program sponsored by CalPERS. Current plan members will be able to continue their participation in this program. LLNS employees wishing to enroll in a LTC program beginning October 1, 2007, will be offered an alternative voluntary plan provided by a separate vendor.</p>

Other voluntary benefits currently offered may be continued depending on employee participation and the vendor's agreement to continue the program for LLNS.

The following benefits are *NOT the same* under both TCP1 and TCP2.

Retirement and Retiree Benefit Plans

This section provides a general overview of differences between the Defined Benefit Plan and the Defined Contribution Plan within TCP1, and the Defined Contribution Plan within TCP2. This section also provides a general overview of the differences for other Retiree benefits, including medical, dental, legal and AD&D. These comparisons apply to employees eligible for TCP1 only. Generally, new hires will automatically be enrolled in TCP2 with the Defined Contribution 401(k) Plan.

See the end of this section for some additional considerations for University of California Retirement Plan ("UCRP") Vested and Non-Vested employees.

See the Appendix for more information about these benefits.

Benefit Plan	TCP1	TCP2
Defined Benefit Plan – A defined benefit plan in which LLNS contributes toward your retirement income based on age, service credit and compensation.	Substantially equivalent in the aggregate to current UC defined benefit plan (UCRP)	Not offered.
Defined Contribution 401(k) Plan – A 401(k) defined contribution plan where you may contribute. LLNS makes contributions to the TCP2 defined contribution 401(k) plan but <i>not</i> to the TCP1 defined contribution 401(k) plan.	New plan that allows you to contribute on a pre-tax or after-tax basis. LLNS will not contribute to this plan.	New plan that allows you to contribute on a pre-tax or after-tax basis. LLNS will make a base contribution for you and will match your contributions (if any).
Defined Benefit Eligible Disability Plan – Disability Benefit for UCRP eligible employees under TCP1 only. Not offered under TCP2.	Substantially equivalent in the aggregate to disability benefit offered under UCRP, but offered outside the TPC1 pension plan.	Not offered.
Defined Benefit Eligible Survivor Income Plan – Provides survivor income to certain survivors of UCRP eligible employees under TCP1 only. Not offered under TCP2.	Substantially equivalent in the aggregate to survivor income benefit offered under UCRP, but offered outside the TCP1 pension plan.	Not offered.
Retiree Health & Welfare, Group Legal and AD&D – Includes medical and dental (employer subsidized) and group legal and AD&D (retiree pays all cost), after you retire from LLNS.	Substantially equivalent in the aggregate to current UC retiree medical program.	Access only; full cost paid by retiree. As an alternative, if you are a Transition Employee, you may participate in the TCP1 retiree medical and dental

Benefit Plan	TCP1	TCP2
		<p>plan. If you decide to participate in TCP2, your service credit will be frozen as of your last day of employment with UC before your initial LLNS hire date, for the purpose of determining your eligibility and the level of employer contributions toward the TCP1 retiree medical and dental plan.*</p>

Important Additional Implications of Your Benefit Program Choice

	TCP1	TCP2
<p>UCRP Vested Employees</p>	<p>Your service credit from UCRP will transfer to the TCP1 Defined Benefit Plan. Your benefit from TCP1 will use your service from UC and LLNS, which will result in a substantially equivalent in the aggregate benefit value compared to your UCRP benefit. As of October 1, 2007, future benefits will be administered through the LLNS Defined Benefit Plan.</p> <p>Your UC sick leave will transfer over to LLNS and will be eligible to be converted to pension service credit at retirement from LLNS.</p>	<p>Your accrued UCRP benefit will be frozen and will be paid to you at retirement by the UCRP.</p> <p>If you are eligible to retire under UCRP, you may elect to leave your sick leave with UC. If you choose to retire within 120 days of leaving UC, your sick leave will be converted to UCRP service credit. If you do not retire within the 120 day period, your sick leave will be forfeited.</p> <p>If you choose to go inactive in UCRP and transition to LLNS under TCP2 on October 1, 2007, your service credit will apply in determining your base contribution from LLNS in the defined contribution 401(k) plan (i.e. whether LLNS will contribute 3.5%, 4.5% or 5.5% on your behalf). In addition, your service credit will be applicable to the TCP1 retiree medical plan as described above. If you retire from UCRP and later are employed by LLNS, you will be treated as a new employee and your prior UC service will not be counted.</p>
<p>UCRP Non-</p>	<p>Same as above.</p>	<p>Generally, since you are not vested in</p>

Vested Employees		<p>your UCRP benefit, you will not receive a UCRP benefit if you elect TCP2.</p> <p>Your service credit will apply in determining your base contribution from LLNS in the defined contribution 401(k) plan (i.e. whether LLNS will contribute 3.5%, 4.5% or 5.5% on your behalf).</p>
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Appendix – Additional Information on Benefit Plan Differences Between TCP1 and TCP2

Defined Benefit Eligible Disability Plan (DBED)in TCP1

	TCP1
DB Eligible Disability Plan	As part of TCP1, LLNS will provide disability income if you have a permanent disability or a disability expected to last 12 consecutive months or longer. Your disability income is a percentage of pay based on service credit and salary, minus any Social Security benefits you receive. Refer to the payment table in your DBED benefit summary.

Defined Benefit Eligible Survivor Income Plan (SIP) in TCP1

	TCP1
DB Eligible Survivor Income Plan (pre-retirement)	As part of TCP1, LLNS will provide a monthly benefit to your eligible survivor(s) if you die while you are an eligible participant as defined by the plan. Under the basic benefit, your survivor(s) will receive 25% of your full-time regular salary for the first three monthly payments; then the benefit will be reduced by \$106.40 per month for the remaining payments. The benefit will be calculated differently if your former UCRP benefits were not coordinated with Social Security and/or you are not eligible for Social Security benefits when you die. There is no minimum amount guaranteed. The SIP also provides a domestic partner survivor income benefit designed to be substantially equivalent in the aggregate to the benefit a surviving spouse would receive under the LLNS pension plan.

Defined Benefit Plan in TCP1

	TCP1 Defined Benefit Plan (in addition to TCP1 Defined Contribution 401(k) Plan)	TCP2
Who is Eligible	Employees must be eligible for, and select, TCP1.	Not Offered
How Your Benefit is Determined	The calculation of your benefits uses these numbers: <ul style="list-style-type: none"> ▪ Your service credit – the <i>total number of years of service credit you have in the UCRP as of September 30, 2007</i>, plus your service credit with LLNS ▪ Your age factor – a factor based on the complete years and months of your age on the date you retire 	

	TCP1 Defined Benefit Plan (in addition to TCP1 Defined Contribution 401(k) Plan)	TCP2
	<p>(Age factor is .0250 at age 60, decreasing by .0014 per year to .0110 at age 50 for non-Safety Members. Safety Member age factor is .0300 at age 60 and unreduced at age 50 with five years of service.)</p> <ul style="list-style-type: none"> ▪ Your Benefit Percentage-a number determined in step 1, below ▪ Your Highest Average Pensionable Compensation (HAPC) – your average monthly salary during the 36 highest continuous months preceding retirement. <p>Step 1: Calculating your Benefit Percentage Service credit x age factor= benefit percentage (not to exceed 100%)</p> <p>Step 2: Calculating Your Basic Retirement Income Benefit Percentage x HAPC – Benefit Percentage x \$133 offset = Basic Retirement Income (for employees previously not eligible for Social Security, only service after October 1, 2007, is used in calculating the offset.)</p> <p>Step 3: Calculating your temporary supplement Benefit percentage x \$133 = monthly temporary supplement (for employees previously not eligible for Social Security, only service after October 1, 2007, is used in calculating your temporary supplement.)</p> <p>Note: If you demonstrate that you are not eligible for Social Security when you retire, the benefit formula will not include the \$133 offset and you will not receive the temporary supplement.</p>	
How Much You Contribute	The plan provides for employee contributions, but currently none are required.	
How Much LLNS Contributes	Except for some employee contributions previously contributed to the UCRP and transferred to the TCP1 Defined Benefit Plan, LLNS currently contributes the full cost of your benefit from the Defined Benefit Plan.	
Forms of Payment Available	You may receive a benefit at retirement, paid in one of several ways: Default payment form: <ul style="list-style-type: none"> ▪ Life annuity for unmarried participants ▪ 50% joint and survivor annuity for married participants Optional forms of payment:	

	TCP1 Defined Benefit Plan (in addition to TCP1 Defined Contribution 401(k) Plan)	TCP2
	<ul style="list-style-type: none"> ▪ Life annuity ▪ 100%, 75%, 66-2/3% or 50% joint and contingent annuity <p>The joint and survivor and joint and contingent annuity amounts will be <i>increased</i> by a factor of 1.024 (1.048 for those who were not eligible for coordinated benefits with Social Security while a UCRP participant, and who demonstrate they are not eligible for Social Security at retirement, and for Safety members) because the Survivor Continuance has been eliminated.</p>	
When You Are Vested	You are 100% vested in your benefits after 5 years of service.	
If You Die Before Receiving Benefits	A \$7,500 benefit will be paid to your spouse if you are married, or to your <i>beneficiary</i> (e.g., a child or a domestic partner) if you are unmarried. In addition, your eligible spouse or domestic partner, if any, may also receive an annuity.	

Defined Contribution 401(k) Plans in TCP1 and TCP2

	TCP1	TCP2
	Defined Contribution 401(k) Plan – employee contributions only (in addition to DB Plan described above)	Defined Contribution 401k Plan – LLNS base contributions and matching contributions
Who is Eligible	Employees must be eligible for, and select, TCP1.	Generally, employees who are not eligible for TCP1, or who are eligible for but do not select TCP1.
How Your Benefit is Determined	Your account balance at retirement, which is determined by contributions you make, adjusted for investment gains and losses.	Your account balance at retirement, which is determined by company service-based contributions, contributions you make, and company matching contributions. Your account balance is adjusted for investment gains and losses.
How Much You Contribute	You may contribute up to 75 percent of your eligible compensation on a pre-tax or after-tax basis up to the current IRS limits (generally, the IRS limit	You may contribute up to 75 percent of your eligible compensation on a pre-tax or after-tax basis up to the current IRS limits (generally, the IRS limit on pre-tax contributions is \$15,500 for 2007).

	TCP1	TCP2
	on pre-tax contributions is \$15,500 for 2007).	
How Much LLNS Contributes	LLNS does not contribute to this plan.	<p>LLNS will provide a service-based contribution as follows:</p> <ul style="list-style-type: none"> ▪ 3.5% per year for 0-9 years of service, or ▪ 4.5% for 10-19 years of service, or ▪ 5.5% for 20 or more years of service. <p>LLNS also will match 100% of the first 6% of pay you contribute.</p>
Forms of Payment Available	<p>Your entire account balance is portable – you may take it with you if you leave LLNS. You may elect a lump sum, or roll over your account into an IRA or other qualified plan.</p> <p>Optional forms of distribution include installments and partial distributions.</p> <p>Distributions must begin as needed to meet IRS minimum distribution requirements.</p> <p>In-service loans and hardship withdrawals are currently allowed in this plan.</p>	<p>Your entire account balance is portable – you may take it with you if you leave LLNS. You may elect a lump sum, or roll over your account into an IRA or other qualified plan.</p> <p>Optional forms of distribution include installments and partial distributions.</p> <p>Distributions must begin as needed to meet IRS minimum distribution requirements.</p> <p>In-service loans and hardship withdrawals are currently allowed in this plan.</p>
When You Are Vested	You are immediately vested in your account balance (adjusted for investment gains and losses).	You are immediately vested in your account balance (adjusted for investment gains and losses).
If You Die Before Receiving Benefits	Your spouse or <i>beneficiary</i> (e.g., child or domestic partner) will receive the value of your account.	Your spouse or <i>beneficiary</i> (e.g., child or domestic partner) will receive the value of your account.

Retiree Medical and Dental

	TCP1	TCP2
Eligibility for Retiree Medical and Dental	<p>You must be receiving monthly retirement or survivor income from the LLNS-sponsored Defined Benefit Plan. Or, you must be receiving disability income from the LLNS-sponsored Defined Benefit Eligible Disability Plan.</p> <p>Continuation is limited to the plan(s) in effect and dependents enrolled at the time of retirement.</p> <p>Effective date of retirement, disability or survivor income must be within 120 days of the date LLNS employment ends; for survivor income, within 120 days of the date the employee/annuitant dies. Coverage must be continuous in a LLNS group sponsored plan from the date employment ends to the effective date of the monthly retirement, disability or survivor income.</p> <p>Minimum required service credit is age 50 with 10 years of service at retirement or five years of service and meeting the "Rule of 75."</p> <p>Different service requirements may apply if receiving survivor income.</p>	<p>Age 50 with 10 years of service at retirement, or 5 years of service and meeting the "Rule of 75".</p> <p>As an alternative, if you are a Transitioning Employee, you may participate in the TCP1 retiree medical and dental plan. If you decide to participate in TCP2, your service credit will be frozen as of your last day of employment with UC before your initial LLNS hire date, for the purpose of determining your eligibility and the level of employer contributions toward the TCP1 retiree medical and dental plan.*</p>
LLNS Contribution for Retiree, Dependent and Survivor Coverage	<p>The current maximum LLNS contribution is the same dollar amount as LLNS contributes for active employees.</p> <p>The LLNS contribution currently is determined by applying a service based factor to the maximum LLNS contribution, as follows:</p> <ul style="list-style-type: none"> ▪ 0 – 4 years of service credit: 0% 	<p>Except for Transition Employees, as described below, LLNS does not contribute to the cost of this coverage. It is an access-only plan.</p> <p>For Transitioning Employees, your service credit for determining the LLNS contribution will be frozen as of your last day of employment with UC before your initial LLNS hire date.*</p>

	TCP1	TCP2
	<p>LLNS contribution</p> <ul style="list-style-type: none"> ▪ 5 – 9 years of service credit: If age plus years of service credit equal at least 75, then 50% LLNS contribution; otherwise not eligible ▪ 10 years of service credit: 50% LLNS contribution ▪ 11 – 20 years of service credit: Increases in 5% increments, up to 100% ▪ Hired with UC pre-1990 with 10 or more years of service: 100% of LLNS contribution. <p>Different contribution schedules may exist if receiving survivor income. Please reference the LLNS SPD for Retirees.</p>	
Member Contribution for Retiree, Dependent and Survivor Coverage	The difference between total cost and the LLNS contribution.	<p>You pay the full cost.</p> <p>For Transitioning Employees, you pay the difference between total cost and the LLNS contribution.</p>
Medicare Part B Reimbursement (for Medical coverage only)	If the LLNS contribution is greater than the rate for the plan chosen by a Medicare-eligible retiree, then the difference can be used to pay for all or a portion of the Medicare Part B premium.	<p>Access only; full premium paid by retiree.</p> <p>For Transitioning Employees, if the LLNS contribution is greater than the rate for the plan chosen by a Medicare-eligible retiree, then the difference can be used to pay for all or a portion of the Medicare Part B premium.</p>

Retiree Group Legal and AD&D

	TCP1	TCP2
Eligibility	Same as Medical and Dental.	Same as Medical and Dental.
No LLNS contribution	LLNS does not contribute to the cost of this coverage.	LLNS does not contribute to the cost of this coverage.
Member Contribution for Retiree, Dependent and Survivor Coverage	You (or survivor) pay the full cost.	You (or survivor) pay the full cost.

* The frozen service credit subsidy is only available under TCP2 if you take a monthly annuity from UCRP. If you take a lump sum, then you have access only retiree medical under TCP2.

This document contains the most up-to-date information available as of the date of publication regarding LLNS benefits. LLNS reserves the right to change these programs in a manner consistent with federal law. Benefit programs offered by LLNS (including benefit programs based on assets transferred from the UC pension plan to the LLNS pension plan) will be subject to federal law, including the Employee Retirement Income Security Act ("ERISA"), which provides rights and protections to plan participants and beneficiaries. This is a change from the status of benefits provided by UC, which may have been subject to the "vested rights doctrine" or other state of California provisions that limited certain changes to benefits.

While great care has been taken to develop this document, it is not a guaranty. In particular:

- *The terms and conditions of the plan may change at any time.*
- *The plan may be terminated or amended at any time.*
- *The U.S. federal government may change terms under which the Social Security system provides retirement income or the laws (including tax laws) applicable to employer-sponsored retirement plans.*
- *Your employment relationship may be voluntarily or involuntarily changed or terminated.*

The benefits ultimately payable to you will be determined in accordance with the rules of the LLNS benefit plans and applicable law. The actual benefit you receive at retirement will depend on your actual pay, service, contributions, pre-retirement distributions and age of your contingent annuitant.

Any plans referenced in this statement are governed by formal plan documents. Should any discrepancy exist between the information in this document and the plan documents, the plan documents will govern.

Your participation in retirement plan choice does not create any contractual or other rights to receive any benefits, nor does your participation or projections of benefit growth constitute a condition or right of future employment.

Some special situations are not reflected in this summary.

Remember, before making your decision, be sure to evaluate all of the materials offered to you by UC, LLNL and LLNS. You must respond to your LLNS job offer by 5 p.m. Pacific time September 17, 2007, or the offer becomes invalid. If you do not choose between TCP1 and TCP2, you will have TCP2 as your Total Compensation Package from LLNS.

If you have further questions, please contact the LLNS hotline at (925) 424-