

# **SUMMARY OF MATERIAL MODIFICATIONS**

TO SUMMARY PLAN DESCRIPTION DATED JANUARY 1, 2017

## **CITIGROUP PENSION PLAN**

This document is a summary of material modifications to the Summary Plan Description, dated January 1, 2017, of the Citigroup Pension Plan (the “Plan”). The summary describes changes made to the Plan effective as of November 1, 2018 (this “SMM”). You may now be eligible for a new lump sum distribution option and/or an earlier commencement of your benefit as a result of these changes.

Citi amended the Plan to allow more participants to receive their pension benefit in a lump sum payment, which can be consolidated and rolled over into their Citigroup Retirement Savings Plan account, an Individual Retirement Account (“IRA”) or other tax-deferred vehicle. Further, the amendment streamlines Plan administration and reduces Plan liabilities by allowing easier access to Plan benefits.

Effective November 1, 2018, the Plan has been amended to offer the lump sum option to all eligible participants who have an accrued benefit under the Plan, *regardless of the present value of such benefit*. An eligible participant also may elect an earlier pension commencement date. Note: similar amendments were previously adopted for eligible participants who accrued a Citibank Retirement Plan Benefit, Associates First Capital Corporation Pension Plan (“AFCC Plan”) Benefit, Shearson Transfer Benefit or Smith Barney Benefit but only if the present value of the benefit was \$200,000 or less.

This change generally applies to all participants, beneficiaries and alternate payees, (collectively referred to as “participants” or individually as a “participant”) who may not already be entitled to elect a lump sum optional form of payment for their Plan benefit. Details of the eligibility requirements are described below.

### **Expanded Lump Sum Option**

Effective November 1, 2018, the Plan provides that an eligible participant may elect a lump sum optional form of payment for their Plan benefit *regardless of the present value of such benefit*.

Certain Plan benefits are payable through a group annuity contract issued by John Hancock, MetLife or Prudential. This Plan amendment does not change the terms of any group annuity contract, which will govern the timing and form of any benefit payable from the group annuity contract.

The new lump sum option will not include the value of any additional benefits, called “early retirement subsidies,” which may be available to certain participants if they elect a monthly annuity form of benefit to begin at certain ages prior to age 65. Furthermore, this change to the Plan does not affect the requirement that a participant must have terminated employment with Citi to be eligible to commence benefit payments.

## **Expanded Benefit Commencement Provision**

Effective November 1, 2018, a participant may commence payment of his or her vested Plan benefit at any time after his or her employment with Citi has ended, *regardless of his or her age and service*. This change applies to former Citi employees who terminated before November 1, 2018, as well as any current Citi employee who terminates employment in the future.

A participant who is not otherwise early retirement eligible on termination will have the following payment options available to them:

- Lump sum;
- Single life annuity;
- 50% joint and survivor annuity; and
- 75% joint and survivor annuity.

If an annuity is elected instead of the lump sum option and the benefit is payable prior to normal retirement date, this annuity benefit is reduced from the benefit otherwise payable to the vested participant at normal retirement date. Please see below for additional information that could affect your decision.

## **Factors That Could Change the Value of Benefits**

The present value of a participant's vested accrued Plan benefit can change over time. Changes in the factors used to determine the present value of a participant's Plan benefit can result in an increase or decrease in the present value of this benefit. For example, the interest rates used to determine the present value by the terms of the Plan are updated annually in accordance with IRS published changes to ensure that a current market based rate is utilized. In general, if the interest rate increases, the lump sum value of an annuity payment decreases and the annuity value of a cash balance account increases.

In addition, the Plan references the latest IRS mortality tables for determining the present value lump sum amounts to ensure that updated expectations for life expectancy are considered. These tables are also updated periodically by the IRS. Using updated tables will change the factors used to determine the value of the benefits under the Plan and can result in an increase or decrease in the present value of this benefit.

Finally, a delay in a pension commencement date could increase the dollar amount of a participant's benefit. Plan annuity benefits that commence before age 65 are reduced in value to account for the fact that the participant would be eligible to receive these annuity forms of benefit over a longer period of time. Also, a delay in commencement of any benefit to a later date may trigger a late retirement increase or an actuarial adjustment depending on applicable Plan rules.

## **Benefits Not Eligible for Lump Sum Distribution**

- In most cases, due to federal income tax rules, a participant with a nonqualified retirement plan benefit payable from Citi will not be considered an eligible participant for purposes of the Plan changes described in this SMM. In other words, such a participant will not be eligible to receive his or her Plan benefit prior to the earliest retirement date allowable under the Plan, or in the form of a lump sum optional form of payment.

However, a participant whose Plan benefit was frozen on or after December 31, 2018 because such participant's compensation as of December 31, 2018 or thereafter was equal to or greater than \$120,000, and who became eligible for a nonqualified retirement plan benefit payable from Citi as a result of such freeze will be considered an eligible participant for purposes of the Plan changes described in this SMM.

- Any portion of a participant's benefit that is subject to the terms of a group annuity contract that does not allow for a lump sum option or the ability to commence that portion of his or her benefit prior to the earliest commencement date allowed must adhere to the terms of the group annuity contract, therefore those options will not be available for that portion of the participant's benefit.

## **To Determine if You Are Eligible for the Plan Changes**

If you would like specific information about your eligibility for the lump sum option or the earlier benefit commencement date, please contact the Citi Pension Center at the numbers listed below.

### **Citi Pension Center Contact Information**

#### **Online**

Visit the Citi PensionConnect website available through [My Total Compensation and Benefits](#) at [www.totalcomponline.com](http://www.totalcomponline.com), available from the Citi intranet and the Internet. From the main page, click "Citi PensionConnect" on the tile at the top right of the Welcome page. You will then be linked over to the Citi PensionConnect home page.

#### **Telephone**

Call the Citi Pension Center via ConnectOne at **1-800-881-3938**. From the ConnectOne "benefits" menu, choose "pension". Representatives are available from 8 a.m. to 8 p.m. Eastern time on weekdays, excluding holidays.

**For Expatriate employees and employees from outside the United States, Puerto Rico and Canada:** Call **1-469-220-9600** to reach ConnectOne.

**If you use a TDD:** Call the Telecommunications Relay Service at 711 (employees located in Puerto Rico should call 1-866-280-2050), and then call ConnectOne at **1-800-881-3938**.

#### **In writing**

You may write to the Plan for a copy of the Plan document:

Citigroup Inc. Global Benefits Department  
388 Greenwich Street – 15<sup>th</sup> Floor  
New York, NY 10013