

## **CORBE Support for a Cash Balance Plan Participant FAQs**

1-For an Active Status Participant (who is still employed by Ericsson) in the Cash Balance Plan, where is their money kept?

**An Active Status Participant has an account in the Ericsson US Pension Plan<sup>A</sup>.**

2-When an Active Participant Retires, what is the default process?

**The default process for a retiring Cash Balance Participant is to become a Pay Status Participant and receive monthly benefits from the Ericsson US Pension Plan<sup>B</sup>.**

3-What options, beyond the default process, does a retiring Cash Balance Participant have?

**In addition to the Default Process in 2, an Active Cash Balance participant may elect:**

- (i) one of the other monthly payment alternatives (and remain as a Pay Status Participant to receive monthly benefits from Pension Plan), or**
- (ii) a Lump Sum (and exit the Pension Plan)<sup>C</sup>.**

4-What does CORBE do for Cash Balance Participants?

**CORBE addresses income security concerns of Cash Balance Participants who are current employees as well as those former Cash Balance Participants who have moved to Pay Status—their monthly payments come from the Plan<sup>D</sup>.**

**[CORBE](#) urges all current Ericsson Cash Balance employees to consider joining [CORBE](#)<sup>E</sup>.**

**Disclaimer**—These FAQs relate to CORBE Member’s information needs, and are based on sources believed to be accurate, and are provided solely for general informational purposes. They do not address any specific or individual situation, or circumstance and are not intended to serve as legal or financial advice or as a complete legal description of the matters to which they relate. Nothing herein constitutes a binding legal representation or statement by CORBE. You should consult with an appropriate advisor if you have specific legal or financial questions concerning your individual circumstances.

## End Notes

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**A.** As stated in Ericsson US Pension Plan,

**§3.7** *Cash Balance Participant shall mean a Participant who was a participant in the portion of the Telcordia Pension Plan that provided a cash balance benefit rather than a traditional pension benefit.*

**§3.6** *Cash Balance Account shall mean the hypothetical bookkeeping account established and maintained [by the Plan].*

About 40% of the current Ericsson current employees are Cash Balance participants and have a “hypothetical” Cash Balance Account that is part of the Ericsson US Pension Plan.

**B.** When an employee retires, they will receive monthly benefits as their Normal Retirement Benefit (REF: Ericsson US Pension Plan §5.6 (b) (iii) Cash Balance Participants):

*The Normal Retirement Benefit of a Cash Balance Participant shall be a monthly benefit equal to the Equivalent Actuarial Value of his Cash Balance Account.*

This monthly benefit will vary depending a Participant’s wages, years of service, marital status and other parameters.

**C.** In addition to the Normal Retirement Benefit, there are other optional forms of payment [see **§6.4 Description of Options**: Single Life; various Joint and Survivor options; Five-year Certain and Life Annuity available to a retiree; a Cash Balance Participant may elect to receive an immediate lump sum payment equal to one hundred percent (100%) of the vested portion of the Participant's Cash Balance Account.]

**D.** CORBE’s purpose is to promote the interests of its Members in maintaining company provided benefits, including the Ericsson US Pension Plan. CORBE analyzes the Plan’s US Government filings (i.e., [Form 5500](#)), [Ericsson corporate status](#), and the [Pension Benefit Guarantee Corporation](#) financial status. CORBE analysis results are the basis for its income security reports at the CORBE Member Annual Meeting. CORBE communicates with Ericsson Managers to advocate how Ericsson can help to provide income security for CORBE Members.

**E.** CORBE Members regularly applaud the work CORBE does on their behalf and state that the information they receive from CORBE is helpful and useful in their personal planning.