

RETIREE MEDICAL ACCOUNT

If you are an eligible Phillips 66 employee hired prior to January 1, 2013, you accumulate credits in a Phillips 66 Retiree Medical Account (RMA). You can use the credits at your discretion in retirement to offset your monthly premiums for pre- or post-65 coverage under the Retiree Medical Plan.

Through January 1, 2030, Phillips 66 will credit your RMA with:

- **Annual credits** for each year of service until you retire; and
- **Interest credits** calculated annually until you retire.

Your RMA is not a bank account — it consists of credits that can only be used to pay premiums for your retiree medical coverage through options identified by the company.

Unlike a pension plan, you do not “vest” in your RMA, and you forfeit any credits in your account if you leave the company before becoming eligible for retiree medical benefits. If you are later rehired, your original account will **not** be reinstated.

As an active employee, you will continue to receive credits until January 1, 2030. After this date, no new credits will be made to your RMA, even if you are still employed by the company and have not yet retired. When you later retire, you will be able to use the credits in your RMA as of January 1, 2030, to offset your retiree medical premiums. While credits to the RMA are discretionary and may change over time, the current annual credit is \$1,050 (prorated monthly) and interest credits are calculated at 3%.

Your RMA balance is calculated as follows:

- **Annual credit:** \$1,050 for each full year of service (prorated monthly), credited to your account until you retire or the program end date, whichever comes first. The prorated annual credit is credited to your RMA on the last day of the month for each complete month of service.
- **Interest credit:** 3% of your December 31 RMA balance, credited on January 1 of the following year, each year until you retire or the program end date, whichever comes first.

BENEFITS OF AN RMA

- You know how much is in your account and can choose when to apply it.
- You determine how much you want applied toward your eligible retiree medical premium.
- Annual interest allocations help offset medical inflation.

Note: *Once you or your dependents become eligible for Medicare, if you enroll in the UHC/AARP Medicare Supplement through Phillips 66 or a Kaiser Permanente Senior Advantage plan (available in California only), you may contact UHC or Kaiser for a proof of premium payment letter that can be submitted for reimbursement under the RMA. Instructions for submitting claims for reimbursement are available on Your Benefits Resources website at <http://resources.hewitt.com/phillips66>.*