



TO: Greensboro hourly employees, N.C. Local No. 317-T

**FROM: Shanah Coffey – Sr. Director, P&C Business Partner- Supply Chain
Caroline Smothers – Sr. Manager, Benefits**

DATE: February 11, 2025

SUBJECT: Retirement Stipend FAQs

The following FAQs represent our best effort to communicate the details of the retirement stipend, a negotiated benefit for eligible employees retiring on or after January 1, 2026. While that effective date is a long way off, we are providing some details now so that anyone who is eligible and considering retirement before or after this change can make an informed decision.

We listened to the union’s concerns and are happy to be aligned with the union on this important benefit. These FAQs are current as of February 11, 2025. As needed, we will publish updated versions. As we get closer to the January 1, 2026 effective date, more details will be available in the governing plan document and Summary Plan Description (SPD). We’re committed to being transparent in our communications about these benefits and will share these documents when they are available.

We appreciate the collaboration with the union to date and look forward to continuing to work together in the future to fulfill our negotiated commitments. If you have additional questions not yet addressed, please reach out to your P&C representative.

<p>1. What is a retirement stipend?</p>
<p>The retirement stipend from ITG Brands is money to help cover the cost of retiree medical benefits after you retire and before Medicare eligibility begins. If you are eligible, you may receive the retirement stipend beginning on your retirement date that is on or after January 1, 2026.</p>
<p>2. How do I know if I am eligible for the retirement stipend?</p>
<p>Upon your retirement on or after January 1, 2026, you may be eligible based on meeting certain age and length of service criteria. You need to be hired at the Greensboro factory before October 1, 2023, and retire at age 55 with 10 years of service, or at any age with 30 years of service. If you leave the company for any reason (including layoff) and you are later rehired, your original hire date at the Greensboro factory and subsequent rehire date will be used for purposes of determining years of service for your monthly Retirement Stipend eligibility and amount.</p> <p>For illustrative purposes only: Suppose you are age 57 and have an original hire date of February 1, 2013, at Greensboro factory. If you left employment on February 1, 2016, were rehired at Greensboro factory on February 1, 2019, and retired on February 1, 2026, you would have 10 total years of service (2013 – 2016 = 3 years + 2019 – 2026 = 7 years).</p>



<p>Please note that in all cases, you must provide ITG Brands with a 3-month notice of your intent to retire to be eligible for the retirement stipend by notifying the P&C department. This 3-month requirement does not supersede the General Provision 14 in the Master Agreement.</p>
<p>3. Do I need to be enrolled in an ITG Brands medical plan to receive the retirement stipend?</p>
<p>No, you do not have to be enrolled in an ITG Brands medical plan to receive the retirement stipend.</p>
<p>4. What is the amount of retirement stipend I may receive?</p>
<p>The amount is based on your original hire date at the Greensboro factory. If you were hired at the Greensboro factory prior to September 1, 2017 and meet the eligibility criteria, the amount is a \$1,500 retirement stipend per month (\$18,000 annually) until Medicare eligible. For those hired at the Greensboro factory on or after September 1, 2017 and meet the eligibility criteria, the amount is a \$750 retirement stipend per month (\$9,000 annually) until Medicare eligible.</p> <p>Stipend payments will be front-loaded at the beginning of each year in an amount equal to the total monthly stipends for the year. If your retirement date is other than January 1 of any given year, your front-loaded stipend amount for the year of retirement will include a prorated stipend amount equal to the total monthly stipends for the year. In addition, this stipend will continue through and including the month prior to Medicare eligibility and then will be discontinued, leading to a prorated year in the final year of eligibility as well.</p> <p>Those hired on or after October 1, 2023 are not eligible for the retirement stipend.</p>
<p>5. When will my eligibility for the retirement stipend end?</p>
<p>Your retirement stipend begins on your retirement date that is January 1, 2026 or later and ends when you become eligible for Medicare. The stipend will continue through and including the month prior to Medicare eligibility and then will be discontinued. Medicare coverage will begin the first day of a month.</p>
<p>6. Are my dependents eligible to use the retirement stipend?</p>
<p>For purposes of the retirement stipend, your eligible dependents include your spouse and/or any dependent children who you claim as a dependent on your Federal income tax return. If they meet this standard, qualified expenses they incur may be paid from the retiree's retirement stipend. If you file your Federal income tax return as Married Filing Separately, that will not impact your spouse's eligibility to use the retirement stipend for covered expenses.</p>
<p>7. Will the retirement stipend be taxed?</p>
<p>No, since the retirement stipend is intended for healthcare related expenses, this money is not considered income and is tax free.</p>

<p>8. How will I receive the retirement stipend?</p>
<p>We are providing the retirement stipend through a Retiree Reimbursement Account (RRA). You will receive a Payment Card (like a debit card) that will be front-loaded at the beginning of each year with your total retirement stipend amount for the calendar year.</p> <p>Once you submit your 3-month notice of retirement and approximately 30 days before you are set to retire, you will receive a Welcome Kit from a third-party vendor, who will administer the accounts. The Welcome Kit will include instructions for getting started, including forms you may need to complete.</p> <p>The third-party vendor will supply at least two Payment Cards and provide instructions on how to obtain additional cards, if needed.</p> <p>The full details of the RRA are contained in a plan document for the RRA.</p>
<p>9. Will the RRA balance roll over year to year and what happens if I don't use the full amount?</p>
<p>No. The RRA balance is "use it or lose it." Unused amounts are forfeited after each December 31. However, you will have an additional 60 days after the end of the Plan Year to submit claims that were incurred during the Plan Year.</p>
<p>10. Can I go on my spouse's health insurance plan?</p>
<p>If premium payments for your spouse's health insurance plan are made on a pre-tax basis, the stipend money cannot be used to reimburse the health insurance premiums (because the retirement stipend is already a pre-tax benefit, it may not be used toward expenses that are also made on a pre-tax basis). If premium payments for your spouse's health insurance plan are made on a post-tax basis, the stipend money can be used to reimburse the health insurance premiums.</p>
<p>11. What health-related costs are eligible for the retirement stipend money?</p>
<p>The retirement stipend can be used to cover medical, dental, and vision insurance premiums that you pay on a post-tax basis that are for you, your spouse, and for any of your eligible dependents (such as a child or stepchild) who you claim as a dependent on your Federal income tax return. You can also use it to pay for other health-related costs incurred for medical care as defined in Internal Revenue Code Section 213(d). A description of, and a listing of many items which may constitute expenses for healthcare, is available in IRS Publication 502, Medical and Dental Expenses, which is linked here and also available from any regional IRS office or on the IRS website at www.irs.gov.</p>
<p>12. Can I use the retirement stipend for my deductible?</p>
<p>Yes, the retirement stipend can be used to pay for your share of out-of-pocket expenses for your medical, dental, and vision coverage, such as deductibles, coinsurance, and copayments.</p>

<p>13. Does the retirement stipend cover dental, vision, and medical insurance premiums?</p>
<p>Yes. You may use the retirement stipend to pay for:</p> <ul style="list-style-type: none"> • Medical, dental, and vision insurance premiums that you pay on a post-tax basis for yourself, your spouse and any dependents (child or stepchild, for example) who you claim as a dependent on your Federal income tax return; • Medical, dental, and vision plan deductibles, copays, and coinsurance; and • Certain medical, dental, and vision care expenses as defined in Internal Revenue Code Section 213(d).
<p>14. What medical supplies are covered?</p>
<p>A partial list of covered medical supplies is included below. For a complete list of eligible medical expenses see Internal Revenue Code Section 213(d) and IRS Publication 502.</p> <ul style="list-style-type: none"> • Bandages, adhesive or elastic • Braces and supports • Blood pressure monitor • Blood sugar test kits • Catheters • Contact lens supplies • Cold packs/hot packs • Crutches • Denture adhesives • Diagnostic tests and monitors (such as blood glucose monitors) • Elastic bandages / wraps • First-aid supplies • Hearing aids • Orthotic inserts (custom or off-the-shelf) • Sunscreen • Thermometers • Walkers, wheelchairs, canes
<p>15. What if I want to rescind my 3-month intent to retire?</p>
<p>If you are still an active employee of ITG Brands, have communicated your intent to retire, and want to rescind your intent to retire, contact your P&C representative.</p>
<p>16. What is Alternative Health Solutions?</p>
<p>Alternative Health Solutions is an added, no-cost service that is available to employees, future retirees, and even current retirees. Certified licensed insurance advisors from Alternative Health Solutions provide education and guidance to help you choose a medical plan or understand your Medicare options. The advisors can help you choose a medical plan using a dedicated ITG Brands online decision tool. If you prefer to talk to someone over the phone, there's also dedicated phone support. Working with an advisor will not add to the cost of your medical plan; their job is simply to help you choose the best plan for your needs. Contact your P&C representative to learn more.</p>
<p>17. What's the difference between the retirement stipend and the retirement allowance?</p>
<p>The retirement stipend is provided strictly for qualified healthcare expenses and is nontaxable. The Retirement Allowance Plan (Pension) provides a taxable monthly annuity, intended to replace a portion of your preretirement wages. The Retirement Allowance Plan is only applicable for employees hired prior to September 1, 2017.</p>

