

Morgan Stanley



# **Your Retirement Guide**

An Overview and Checklist

## Thinking About Retirement?

Whether you're ready to retire now, or just starting to think about retiring in the coming years, this guide can help get you started. It explains the benefits coverage options available to you and your dependents upon your retirement, your 401(k) plan distribution and pension payment options, and how retirement may affect your deferred compensation awards. This guide outlines steps to take for your benefits elections and deferred compensation awards when you're ready to start the process.

If you have questions along the way, contact a Retirement Specialist. For specific questions about your deferred compensation awards, contact EWM Participant Services.



### MEDICAL, PENSION OR 401(K) PLANS

#### Contact a Retirement Specialist

Call HR Services and say "Retirement Specialist" when prompted:

- US and Canada: **1-877-MSHR-411** (674-7411), or
- Outside US and Canada: **1-718-354-1343**

You'll need your user ID and password for the Benefit Center website ([morganstanley.com/benefits](https://morganstanley.com/benefits)) to work with a Retirement Specialist, and to access personalized information or modeling tools on the site.

If you misplace your logon credentials:

- 1: Call HR Services, or
- 2: From the Benefit Center homepage, click **Forgot User ID or Password**

### DEFERRED COMPENSATION AWARDS

#### Contact EWM Participant Services

- Email [questions@ewmglobal.com](mailto:questions@ewmglobal.com), or
- Call
  - US and Canada: +1 203-966-2125, or
  - UK: +44 (0) 203-325-2681 (UK)

# What's Inside

Thinking About Retirement? .....	2
Summary of Benefits Options Upon Retirement .....	4
Retirement Process Timeline .....	5
Retirement Process Checklist .....	6
Resources to Help Throughout the Process .....	8
• Work With Your Retirement Specialist .....	8
• Online Tools and Information .....	8
Benefits Overview Supplement .....	9
• Medical Coverage Overview.....	10
• Retiree Medical Eligibility Rules.....	11
• Medicare Enrollment Rules .....	11
• The Core Parts of Medicare .....	12
• Medical Coverage Scenarios.....	13
• Other Health and Insurance Benefits Overviews.....	14
• 401(k) Plan Overview .....	16
• Pension Plan Overview .....	19
• Deferred Compensation Overview.....	22
Whom to Contact with Questions .....	25



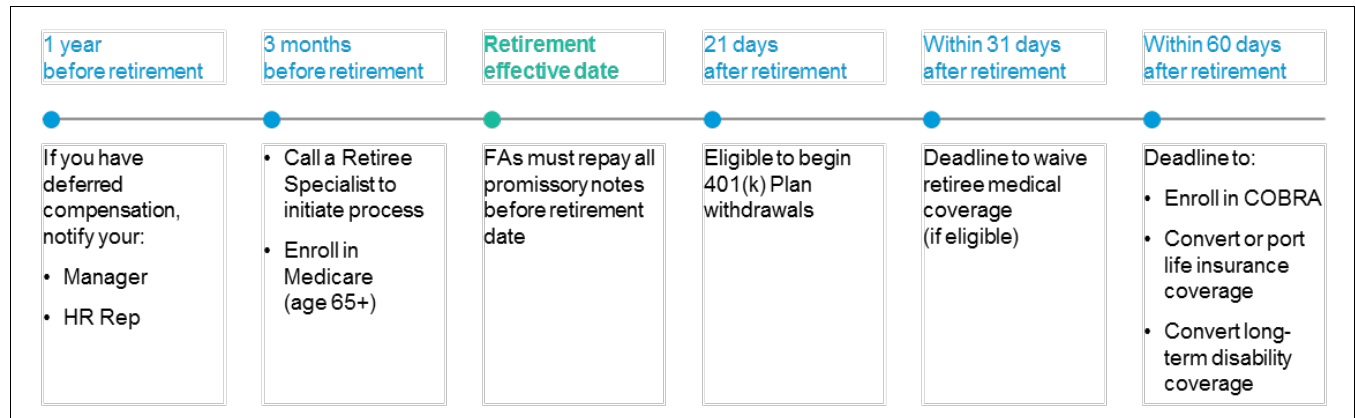
## Summary of Benefits Options Upon Retirement

Your coverage and savings payment options upon retirement will vary depending on a variety of factors. Below is an outline of the options that may be available to you. Detailed information can be found on the following pages of this guide, or by clicking the coverage option below.

Medical Coverage	<b>COBRA</b> allows retirees and their covered dependents enrolled immediately before retirement in the Firm's Medical Plan to continue coverage, generally for 18 months, following the retirement date. <a href="#">MORE</a>
	<b>Retiree Medical</b> – If you are eligible based on the applicable <a href="#">age and service requirements</a> , you may purchase medical coverage through the Firm. If you or your dependent is under 65, his/her coverage is similar to your coverage as an active employee. If you are both over 65, the Firm's retiree medical coverage options provide you with access to coverage that supplements Medicare. <a href="#">MORE</a>
	<b>Medicare</b> will generally be the primary medical coverage if you or your dependent is disabled or age 65 or older. <a href="#">MORE</a>
Dental and Vision Coverage	<b>COBRA</b> allows retirees and their covered dependents enrolled in the Firm's Dental and/or Vision Plans to continue coverage, generally for 18 months following the retirement date. <a href="#">MORE</a>
Life, Disability, Long-Term Care, Spending Accounts and Other Voluntary Insurances	<b>Life, Long-Term Disability, Individual Disability, GPEL, Legal Assistance, Long-Term Care, and voluntary insurance</b> (i.e., home, auto, Aflac and pet insurance) coverage may continue or be ported or converted after your retirement, if you pay the administrator directly. <a href="#">MORE</a>
	<b>Flexible Spending Account, Health Savings Account and Commuter Benefits</b> vary according to IRS rules. <a href="#">MORE</a>
	<b>Basic and Supplemental AD&amp;D</b> coverage generally ends on the last day of the month in which you retire. <b>Business Travel Accident</b> and <b>Short-Term Disability</b> coverage ends on your retirement date. <a href="#">MORE</a>
401(k) Plan	You may begin withdrawing your <b>401(k) Plan</b> funds from your account beginning 21 days after your retirement date. Certain IRS rules and considerations apply. <a href="#">MORE</a>
Pension Plan	If you meet the service requirements, you may have a vested <b>Pension Plan</b> benefit. <a href="#">MORE</a>
Deferred Compensation	Generally, unvested prior <b>year-end deferred compensation awards</b> will vest in full upon your retirement. <a href="#">MORE</a>

# Retirement Process Timeline


Below is a timeline of the retirement process. The checklist on the next page will provide more details for this process.



# Retirement Process Checklist

**Start 3 Months Out.** To ensure a smooth transition, start the retirement process at least **3 months** before your anticipated retirement date. If you hold [unvested deferred compensation](#), you may be required to provide the Firm with one-year's notice of your retirement in order to retain your awards.


## Initiate your retirement

-  **Call HR Services**

Call **1-877-MSHR-411** (674-7411) in the US and Canada.


Outside the US and Canada, call **1-718-354-1343**.


When prompted, say "initiate retirement."


You'll be assigned a **Retirement Specialist** who'll be your point of contact throughout the retirement process. Your Retirement Specialist can help you with information about your benefits options and cost of coverage.\* Note: Retirement Specialists are available to employees who are planning to retire within 3 months. If you are calling with questions more than 3 months before you plan to retire, call HR Services and select the prompt that best matches your inquiry.
-  **Notify your manager and HR Rep**

For employees with deferred compensation, you must notify your manager and HR Representative one year before your retirement date. All other employees are encouraged to notify their managers and HR Representatives as soon as possible but at least 3 months before their retirement date.

## Medical Coverage

-  **Understand your options**

**Contact a Retirement Specialist** to understand the options available to you and consider the best coverage for you and your dependents. The best option for you will vary depending on your age, dependents, eligibility and coverage needs.
-  **Enroll in or waive retiree medical or COBRA coverage**
  - **If you choose to waive retiree medical coverage**, you must call HR Services within 31 days of your retirement date.
  - **If you want to enroll in COBRA**, you must do so within 60 days of your retirement date. Your COBRA coverage will be retroactive to the first of the month following your retirement. There will be no lapse in coverage.

**Note:** If you or any of your dependents are eligible for both Morgan Stanley pre-65 Retiree Medical coverage and COBRA, you may defer enrollment in the Retiree Medical coverage if you first continue coverage through COBRA, which could be a lower-cost option. **However, if you waive retiree medical coverage and opt out of COBRA, you will not be able to re-enroll in retiree medical coverage at a later date.**
-  **Set up Direct Deposit**

**Contact HR Services to set up Direct Deposit for Retiree Medical or COBRA contributions.** Please have your bank or other account information available.

**Enroll in Medicare and UHC Connector Model plans**

- To enroll in Medicare:
  - Contact Social Security at **1-800-772-1213** or online at [www.socialsecurity.gov](http://www.socialsecurity.gov).
  - Then, call HR Services to report you've enrolled in Medicare Part B: **1-877-674-7411** in the US or Canada (outside the US or Canada: +1 718-354-1343).
- **Remember:** If you plan to retire at age 65 or over, enroll in Medicare as early as 3 months before your retirement date. If you delay enrollment, you may be subject to an enrollment period or a lifetime penalty. See more important [Medicare enrollment rules](#).
- To enroll in the UHC Connector Model or Medicare Supplement plan options or costs, visit [myuhcplans.com/morganstanley](http://myuhcplans.com/morganstanley) or call **1-855-618-1796**.

**Dental, Vision, Accounts and other Insurances coverage****Choose COBRA**

If you want to enroll in COBRA,\* you must do so within 60 days of your retirement date. Your COBRA coverage will be retroactive to the date your coverage as an active employee ends. There will be no lapse in coverage provided you timely enroll in coverage and pay the applicable premiums.

If you don't enroll in COBRA for your Flexible Spending Accounts (FSAs), spend your FSA contributions before retirement and submit any claims by April 30 of the year following the year in which you retire.

**401(k) and Pension Plan elections****Request a Distribution from the 401(k) Plan**

- Call HR Services to speak with a Retirement Specialist if you wish to request a distribution:
 

<b>US and Canada:</b> 1-877-MSHR-411 (674-7411)	<b>Outside the US and Canada:</b> + 1 718-354-1343
--	---

**Make a Pension Plan election**

- Call HR Services to speak with a Retirement Specialist if you wish to begin your pension benefit:
 

<b>US and Canada:</b> 1-877-MSHR-411 (674-7411)	<b>Outside the US and Canada:</b> + 1 718-354-1343
--	---
- Choose your benefit start date and form of payment, make federal and state tax withholding elections, and elect a payment method (for example, direct deposit).
- You can make your elections on the Benefit Center website or with a Retirement Specialist. You will then receive a Pension Election Authorization form that you must complete and return by the deadline shown. If you are married and elect a payment option other than a spousal joint and survivor annuity, this form must also be signed and dated by your spouse, and notarized by a notary public.

\* Find **COBRA rates** at any time by visiting [mybenefits.morganstanley.com](http://mybenefits.morganstanley.com), searching for **Contributions** and clicking **COBRA rates** at the bottom of the page. COBRA premiums are subject to change annually and you will be notified of any changes, typically during the Firm's annual benefits enrollment period.

## Resources to Help Throughout the Process



### Work With Your Retirement Specialist

Retirement specialists can take benefit elections over the phone, help you complete and return any required paperwork, and explain:

- Your overall retirement timeline;
- How to choose a retirement date that maximizes the benefits you'll receive from Morgan Stanley;
- Your benefits options;
- The forms and information you'll receive in the mail about your benefits;
- How to begin your Social Security and Medicare benefits, if applicable; and
- Review dependent eligibility for coverage

Consult with your tax advisor before making any financial decisions.



### Online Tools and Information

On the Benefit Center site ([morganstanley.com/benefits](https://morganstanley.com/benefits)), click **Life Events | Retirement** for online retirement resources to:

- Model your retirement income and save any projections to compare later;
- If eligible, model the monthly cost of retiree medical coverage based on current plan year rates;
- Take advantage of financial planning resources; and
- Start the retirement process by entering your retirement date and reviewing your pension benefits and payment options.

**Note:** You should consult with your tax advisor before making any financial decisions.

## Benefits Overview Supplement



## Medical Coverage Overview

Upon retirement, there are three medical coverage options that may be available to you and your dependents, depending on your age and eligibility.

### COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides continuation of your Morgan Stanley benefits coverage, which would otherwise end upon your termination of employment. COBRA coverage is the same coverage provided to you as an active employee; however, you **pay the full cost of coverage**. Coverage is available for you and your eligible dependents who are enrolled with the Firm's plan immediately before your retirement.

Within two weeks of your last day of employment, you will receive COBRA enrollment information from HR Services explaining your right to continue coverage through COBRA, at your own expense, for a period of time (generally, 18 months). You will have 60 days from when your coverage ends (generally the last day of the month in which you terminate from the Firm) to enroll. COBRA coverage applies retroactively to the first of the month following your retirement date, provided you enroll in and pay COBRA premiums on time.

### The Retiree Medical Plan

The Retiree Medical Plan provides medical coverage for eligible employees and their dependents. See **Retiree Medical eligibility rules**.

**If you or your dependents are under age 65:** Coverage options are exactly the same as those available to active employees; however, the costs are different.

**If you or your dependents are over age 65:** Coverage options supplement your Medicare coverage. Your coverage options are provided through the **UnitedHealthcare (UHC) Connector Model**, which is a private exchange that offers a selection of Medicare Supplement Plans for medical and prescription drug coverage and enhanced customer service support through UHC's experienced health care advisors. In order to be eligible, you and/or your dependent must enroll in Medicare Parts A and B.

You may also be eligible for a **Retiree Reimbursement Account (RRA)**, which works with the (UHC) Connector Model. If eligible, Morgan Stanley will provide a subsidy to your RRA to help pay for Medicare premiums and health care expenses. Eligibility and subsidy amount are determined based on age and Firm tenure.

**Note: To preserve your access to retiree medical benefits, your Morgan Stanley Medical Plan coverage must be continuous. If you waive or cancel Retiree Medical coverage at any time, you may not elect it later and your dependents may lose access to the coverage provided under the Morgan Stanley Medical Plan.**

### Medicare

Medicare is the federal health insurance program for individuals who are disabled or age 65 or older. **Medicare will always be your primary health insurance coverage once you are age 65 or older and retired from the Firm.** See details on **Medicare**.

## Retiree Medical Eligibility Rules

Generally, employees must meet these requirements on their last day of employment at the Firm to be eligible for coverage under the Morgan Stanley Retiree Medical Plan:

1. Covered under the Morgan Stanley Medical Plan, and
2. Meet one of the following minimum age and service requirements:
  - Age 55 with 5 years of service; **or**
  - Your age plus your years of service equals 70, with at least 5 years of service

**Former Citigroup Employees Only:** If you transferred from Citigroup to Morgan Stanley Wealth Management in connection with the Morgan Stanley Smith Barney joint venture, special rules apply. If you are a prior Smith Barney employee who was part of the joint venture, on your last day of employment at Citigroup, you must have:

- Been at least age 50; **and**
- Age plus years of service at Citigroup equaling at least 60 with at least 5 years of Citigroup service

*Special eligibility rules apply if your retirement is due to Release.*

*Contact a Retirement Specialist or review the Morgan Stanley Health Benefits and Insurance Summary Plan Description for more details regarding retiree medical coverage and eligibility requirements for yourself and your dependents.*

## Medicare Enrollment Rules

- If you plan to retire at age 65 or over, enroll in Medicare as early as three months before your retirement date so you will be covered when you retire. If you delay enrollment and are not covered by Medicare when first retired, you may be subject to an enrollment period or a lifetime penalty.
- If you are employed by the Firm at age 65 or over, you are not required to enroll in Medicare until you have retired from the Firm. (This excludes employees on Long-Term Disability who are already Medicare-eligible.)
- If you are younger than age 65 and already receiving Social Security benefits, you'll be automatically enrolled in Medicare the first day of the month in which you reach age 65. If you are still actively working you may elect to decline coverage in Medicare Part B, as Morgan Stanley's active coverage will remain your primary coverage until you become disabled or retire from the Firm.
- If you have a domestic partner enrolled as your dependent in the Morgan Stanley Medical Plan, Medicare will be his/her primary medical coverage when he/she reaches age 65, regardless of whether you continue to be covered under the Morgan Stanley Medical Plan.

## The Core Parts of Medicare

If you are age 65 or over and retired from the Firm, Medicare will be your primary insurance coverage and secondary coverage options will be available through the UHC Connector Model. The UHC Connector Model provides Medicare Supplement Plans for medical and prescription drug coverage.

Below are the core Medicare components. Contact Medicare for more information.

### Part A Hospital Insurance

- Covers inpatient hospital stays, care in a skilled nursing facility, hospice care and some home health care.
- Provided at no cost to you.
- You're generally enrolled automatically.

### Part B Medical Insurance

- Covers certain doctors' services, outpatient care, medical supplies and preventive services.
- Premiums are generally based on your most recent income reported on your federal tax return.
- **You or your spouse or domestic partner) is required to enroll in Medicare Part B if you or your spouse or domestic partner is age 65 or over, and you are no longer employed at the Firm.** You should begin the enrollment process at least **3 months** before your retirement date.
- Coverage should be effective the first of the month following your retirement or the first of the month when you turn age 65, whichever is later.

### Part C Medicare Advantage Plans

- Offered by private insurance companies that contract with Medicare to provide Original Medicare (Parts A and B) benefits. This optional benefit is an alternative to combining supplemental policies for medical and prescription drug coverage. This coverage may not be available in every state.

### Part D Prescription Drug Plans

- **Enrollment isn't automatic.** If you want coverage, you must enroll with the UHC Connector Model at retirement or through a private insurance prescription drug plan provider.
- **If you do not enroll in a Medicare Advantage or UHC Connector Model plan, you must enroll in Medicare Part D upon retirement or age 65, if later.**

**Medicare Supplement Plans:** Offered by private insurance companies that help pay some of the health care costs that Medicare Parts A and B don't cover. Retired Morgan Stanley employees and their spouse/domestic partners age 65 or over can access Medicare Supplement Plans through the UHC Connector Model and work with a licensed UnitedHealthcare Advisor to evaluate your needs and recommend a plan best suited for you.

## Medical Coverage Scenarios

### Your Coverage: Choose Your Scenario

#### YOU RETIRE **BEFORE** AGE 65

- If you're eligible for pre-65 Retiree Medical coverage, you'll be defaulted into coverage the 1st of the month following your retirement date. Your coverage will be the same plan option and coverage level in effect on your last day of employment at the Firm. If you don't want to be enrolled in retiree medical coverage, contact HR Services to decline the coverage. If you decline coverage you will **not** be provided the opportunity to re-enroll at a later date.
- Cost of Retiree Medical coverage will depend upon your eligibility for subsidy, coverage level and plan option elected.
- Or, you may enroll in COBRA upon retirement and may elect to enroll in pre-65 retiree Medical Plan coverage once the COBRA period has ended, if eligible. Compare the cost of COBRA versus pre-65 Retiree Medical coverage to determine the right coverage for you.

#### YOU RETIRE **AT OR AFTER** AGE 65

- You must enroll in Medicare 3 months before your retirement date. Medicare Parts A and B will be your primary coverage once you retire.
- You may also select a Medicare Supplement Plan through the UHC Connector Model, if eligible.
- Or, you may also elect COBRA coverage. If you're Medicare-eligible and retired, Morgan Stanley's Medical Plan always assumes you have enrolled in Medicare (even if you haven't) and pays only as your secondary coverage for eligible medical services.

### Your Spouse/Domestic Partner or Dependents' Coverage: Choose Their Scenario

#### HE/SHE IS **UNDER** AGE 65 WHEN YOU RETIRE

- Your eligible dependents may remain enrolled in the Morgan Stanley pre-65 Medical Plan as long as you remain enrolled in Morgan Stanley's pre-65 Retiree Medical coverage or post-65 medical and/or prescription drug supplemental plan through the UHC Connector Model.
- **Note: If you are 65 or older and you do not enroll in the UHC Connector Model, your dependents under age 65 will lose their coverage under the Morgan Stanley pre-65 Medical Plan and will not have an opportunity to re-enroll at a later date.**
- If you enroll in COBRA, they may also enroll in COBRA coverage and may elect to enroll in the Morgan Stanley pre-65 Retiree Medical Plan coverage once the COBRA period has ended, if eligible. Be sure to compare the cost of COBRA vs. the Morgan Stanley pre-65 Retiree Medical Plan coverage to determine the best option for your dependents.

#### HE/SHE IS **OR OLDER THAN** AGE 65 WHEN YOU RETIRE

- Your eligible post-65 dependent must enroll in Medicare 3 months before your retirement date. Medicare Parts A and B will be his/her primary coverage once you retire.
- He/she may also select a Medicare Supplement Plan through the UHC Connector Model, provided you are enrolled in the Morgan Stanley pre-65 Retiree Medical Plan or a UHC Connector Model Plan.
- If you enroll in COBRA, your dependent may also elect COBRA coverage. But if your dependent is Medicare-eligible, Morgan Stanley's Medical Plan always assumes he/she has enrolled in Medicare (even if he/she hasn't) and pays only as your secondary coverage for eligible medical services.
- **Your domestic partner must enroll in Medicare upon attaining age 65 regardless if you are active at or retired from Morgan Stanley.**

## Other Health and Insurance Benefits Overviews

<b>Dental and Vision coverage</b>	<p>You and your eligible dependents' dental and vision coverage ends on the last day of the month in which you retire from the Firm. You may elect to continue your dental and vision coverage through COBRA for up to 18 months.</p> <p>When your COBRA period ends for your dental coverage, you may elect dental coverage through the MetLife Retiree Dental Benefits program. You will receive notification from MetLife after your COBRA election period expires or your COBRA coverage ends. The MetLife Retiree Dental Program is an individual dental plan and not sponsored by Morgan Stanley.</p>
<b>Healthcare Flexible Spending Accounts (FSA)</b>	<p>Before-tax contributions to your Health Care FSA and Limited Purpose FSA will stop as of your last paycheck from Morgan Stanley. If there is a balance in your Health Care FSA or Limited Purpose FSA, you may request reimbursement only for expenses incurred <b>before your last day of employment</b>, unless you elect to continue contributing to your account on an after-tax basis through COBRA.</p> <p>If there is a balance in your Dependent Day Care FSA, you may request reimbursement for eligible expenses incurred through the <b>end of the calendar year</b> in which you retire.</p>
<b>Health Savings Accounts (HSAs)</b>	<p>You own your HSA and can continue to use it to pay for out-of-pocket qualified health care expenses at any time.</p> <p>Before-tax contributions to your HSA stop with your last paycheck from Morgan Stanley. UMB Financial, the HSA administrator, will contact you with details about your account and contributions once you retire.</p> <p>If you are enrolled in Medicare or are no longer covered under a High-Deductible Health Plan, such as the Morgan Stanley Medical Plan Option C, you may no longer contribute to your HSA. However, you may still access any remaining funds to cover qualified health expenses.</p>
<b>Life Insurance</b>	<p>Your active Basic and Supplemental Life Insurance coverage for you and your covered dependents ends on the last day of the month in which you retire from the Firm.</p> <p>Within 60 days after your coverage ends, you may elect to convert or port coverage through MetLife into an individual policy. Generally, you will pay more for coverage than you did as an employee.</p> <p>For information and a portability application, contact MetLife. MetLife must receive your completed application within 60 days after your last day of employment.</p>
<b>Basic and Supplemental Accidental Death and Dismemberment</b>	<p>Coverage for you and your covered dependents ends the last day of the month in which you retire from the Firm. Policies cannot be converted or ported.</p>
<b>Business Travel Accident Insurances</b>	<p>Coverage terminates on your retirement date from the Firm. Coverage cannot be converted or ported.</p>

<b>Short-Term Disability</b>	Coverage ends on the day you retire from the Firm. Coverage cannot be converted or ported.
<b>Long-Term Disability</b>	<p>Coverage ends on the day you retire from the Firm. If you are under age 65, you may convert a portion of your Long-Term Disability (LTD) coverage (generally up to \$4,000 per month) to an individual insurance policy issued by MetLife without providing Evidence of Insurability, as long as you have been insured under the LTD Plan for at least 12 consecutive months immediately before retirement.</p> <p>For information and a conversion application, contact MetLife. MetLife must receive your completed application within 30 days after your last day of employment with the Firm.</p>
<b>Individual Disability Insurance</b>	<p>If you participate in Individual Disability Income insurance, your coverage will continue as long as you:</p> <ol style="list-style-type: none"> <li>1. Continue to pay your premiums, and</li> <li>2. Have not reached your non-cancelable expiration date.</li> </ol>
<b>Long-Term Care</b>	You may continue your Long-Term Care coverage by remitting payments directly to the carrier.
<b>Voluntary Benefits (Aflac plans, home, auto and pet insurance)</b>	You may continue this coverage by paying premiums directly to the insurance carrier. The carrier will contact you directly with details. If you have any questions, contact YouDecide at 1-800-864-1539. If you have been paying premiums through payroll deductions, contact your carrier for payment information.
<b>Legal Assistance Plan</b>	Your coverage ends on the day you retire from the Firm – though you may continue coverage at your own expense for 30 months. The plan covers eligible legal fees for eligible services that were open and pending before your retirement date whether or not you continue coverage after you retire from the Firm.
<b>Group Personal Excess Liability Insurance</b>	Your coverage will end on December 31 in the year you retire from the Firm. Coverage continuation may be possible. For details, call AJ Gallagher, the plan administrator, at 212-994-7022.
<b>Commuter Benefits</b>	<p>Your contributions will cease as of your last paycheck from the Firm. If there is a balance in your account and you have made a Pay Me Back election, you may submit claims to be reimbursed for eligible expenses incurred before your retirement date up to 180 days after the expense was incurred.</p> <ul style="list-style-type: none"> <li>• If you do not claim the funds within that timeframe, they will be forfeited.</li> <li>• If there is any unused balance on your commuter card, you will have up to 90 days after you incurred the expense to use the funds on your card. If you do not use the funds within that timeframe, they will be forfeited.</li> </ul>

## 401(k) Plan Overview

If you have participated in the Firm's 401(k) Plan, you should decide upon retirement whether to withdraw or keep your money in the Plan. See below for a summary of these options, timing of employee and Company Contributions, and special rules for how to repay an outstanding 401(k) loan.

### Employee Contributions

Your 401(k) contributions will continue to be deducted from your pay based on your elections on file with HR Services up to the later of 30 days following your last day of employment or 10th of the month following the month your employment ends. No contributions may be made from any severance pay.

### Keeping Your Balance in the Plan

- **If your vested balance is more than \$1,000**, you may keep it in the Plan until the later of April 1st of the year after you turn age 72 or the year your employment ends. If you do not elect a final distribution by that time, your balance will be paid to you automatically. A portion of your distribution will be considered a minimum required distribution and will not be eligible for roll over into an Individual Retirement Account (IRA) or another employer's qualified plan.
- **If your vested balance is \$1,000 or less**, your account will automatically be paid to you (or rolled over to another plan or account you designate) – generally, 60 days after your retirement date.

### Company Contributions

Generally, you must be employed on December 31 to receive Company Contributions (Company Match, Transition Contributions, Fixed Contributions), if eligible, for the Plan year. If your employment ends due to Retirement, as defined by the Plan (generally, age 55 with 5 years of service, or age 65 with at least 3 years of service), you will receive Company Contributions, if eligible, for the year in which your employment ends. Your Company Contributions will be credited to your 401(k) Plan account in the first quarter (typically, at the end of January) of the calendar year following the year you retire from the Firm.

### Withdrawing Your Balance from the Plan

- Beginning 21 calendar days after your last day of employment, you may elect to receive a lump-sum distribution or a partial payment of your vested 401(k) Plan account.
- You may elect to roll over all or a portion of your distribution to an IRA or another employer's qualified plan that accepts rollovers. A rollover lets you postpone taxes on the taxable portion of your payment.
- Keep in mind:
  - **Distributions from the Plan before age 59-1/2**, which are not rolled over to an IRA or another employer's qualified plan, usually constitute an early distribution subject to a 10% federal tax penalty.
  - **To preserve special tax treatment on the net unrealized appreciation of your Morgan Stanley stock**, you must take a full distribution of your account and elect the Morgan Stanley stock distribution to you in-kind (in shares). For more information, review the *Special Tax Rule on Net Unrealized Appreciation FAQ* on the Benefit Center website, or call a Retirement Specialist.
- **If you take a full distribution from the Plan in the year your employment with the Firm ends**, you may want to take your final distribution after any Company Contributions are posted to your Plan account the following January.

## Additional Considerations

As long as your vested balance remains in the 401(k) Plan, you will continue to:

- Have access to the Plan's low-fee investment fund options.
- Be credited with gains, losses and dividends on investments held in your account.
- Be permitted to transfer funds or reallocate your account balance in accordance with Plan rules through the Benefit Center website or by talking to HR Services.

## 401(k) Loan Repayment

If you have an outstanding loan balance in your 401(k) account on the last date of your employment with the Firm, you may:

- **Continue to repay** any outstanding loan over the remaining term to avoid taxation of the outstanding amount. You can set up automatic monthly payments through direct debit from your bank account. For your outstanding loan balances and repayment instructions, visit the Benefit Center website or call HR Services.
- **Default on your loan.** The taxable portion of your loan amount will be deemed distributed to you and reported as taxable income in the year of default, including the 10% federal penalty tax if you're under age 59-1/2 unless you make a rollover contribution in the same amount to an IRA or another employer's qualified plan by the due date (with extensions) for filing your federal income tax return for the year the amount is considered distributed to you.
- **Take a distribution** before paying off your loan. If you do, you must keep a balance in your account at least equal to your outstanding loan balance or your loan will be deemed distributed to you and reported as taxable income. You may be able to roll over an amount equal to the unpaid loan balance to an IRA or other employer's qualified plan to defer taxation, provided you do so by the due date (with extensions) for filing your federal income tax for the year the amount is deemed distributed to you.



### For More Information

See the below plan documents on the Benefit Center website ([www.morganstanley.com/benefits](http://www.morganstanley.com/benefits)). Click Savings & Retirement, then Plan Information (bottom of the page), then Retirement and Savings:

- 401(k) Plan Summary Plan Description
- 401(k) Investment Guide and Fee Disclosure
- Payment Rights Notice
- Special Tax Rule on Net Unrealized Appreciation Frequently Asked Questions (NUA FAQ)

You may also wish to consult with a financial planner or tax advisor before you take a distribution from your 401(k) Plan account.



## Pension Plan Overview

You may have a vested right to receive a pension from Morgan Stanley if you were hired as an eligible employee before July 1, 2007, and have completed at least five years of service with the Firm (as defined in the Pension Plan). General information and the Pension Plan payment options are summarized below.

### **It is your responsibility to call HR Services when you wish to begin your pension.**

Generally, you can elect to begin receipt of your pension benefits as early as age 55. If you elect to receive benefits earlier than age 65, your benefit is reduced to reflect the longer period over which benefits are expected to be paid. Special early-retirement subsidies may apply to certain employees. For additional information, speak to a Retirement Specialist.

If the actuarial present value of your vested pension benefit is:

- **\$1,000 or less**, your pension benefit will automatically be paid to you in a lump sum as soon as administratively practicable.
- **Between \$1,000 and \$25,000**, you may elect to receive your pension benefit in a lump sum or any of the monthly annuity payment options.
- **Greater than \$25,000**, you may elect to begin your pension benefit between ages 55 and 65 or at retirement, if later. You may receive your pension benefit in any of the annuity payment options or, if eligible, as a lump sum.

You can request a "Pension Plan – Starting Your Benefit" kit from HR Services when you are within 90 days of your preferred pension start date. See the **Payment Option Comparison** on the next page for further information.

## Pension Plan Payment Option Comparison

The table below explains how the payment options work and helps you compare the advantages of each option. You cannot change your form of benefit after your payments have begun.

How It Works	Advantages	Considerations
<b>Lump Sum</b> (if eligible)		
<ul style="list-style-type: none"> <li>A lump-sum payment is a single payment equal to the value of your pension benefit (or a portion of your pension benefit, in some situations).</li> <li>No other payments will be made to you or your beneficiary.</li> <li>If you are married, your spouse's consent is required to elect this option.</li> </ul>	<ul style="list-style-type: none"> <li>The full value of your benefit is paid to you at the time of retirement.</li> <li>You have control over how you invest or combine this payment with other savings.</li> <li>Allows more flexibility for providing benefits to your heirs and beneficiaries after your death.</li> <li>Can be rolled over to an IRA.</li> </ul>	<ul style="list-style-type: none"> <li>Even with average investment performance, your benefit may not last your entire lifetime depending on how long you live, other retirement savings and/or how much you spend.</li> <li>You'll have to pay taxes on the full amount in the year that it's paid to you if you don't roll it over into an IRA.</li> </ul>
<p>Note: If you previously participated in the Dean Witter Reynolds Inc. Pension Plan, the lump-sum payment option is available on the portion of your Pension Plan benefit accrued through December 31, 2002.</p>		
<b>Single Life Annuity</b>		
<ul style="list-style-type: none"> <li>This option provides you with a fixed monthly payment for your lifetime. When you die, your payments stop, and no more benefits will be paid.</li> <li>If you are married, your spouse's consent is required to elect this option.</li> </ul>	Typically provides the largest monthly payment relative to other optional forms.	<ul style="list-style-type: none"> <li>When you die, benefit payments stop.</li> </ul>
<b>10-Year Certain and Life Annuity</b>		
<ul style="list-style-type: none"> <li>Provides a fixed monthly payment throughout your lifetime.</li> <li>If you die before 120 monthly payments are made, your spouse or beneficiary receives the remaining payments (up to a combined total of 120 payments).</li> <li>If you're married, your spouse's consent is required to elect this option.</li> </ul>	Guarantees 120 months of payments regardless of how long you live.	<ul style="list-style-type: none"> <li>Your monthly payment is typically lower than a single life annuity option because the Plan guarantees a minimum of 120 monthly payments.</li> <li>No benefits are payable to your spouse or beneficiary after the guarantee period.</li> </ul>

**How It Works****Advantages****Considerations****5-Year Certain and Life Annuity**

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Provides a fixed monthly payment throughout your lifetime.</li> <li>• If you die before 60 monthly payments are made, your spouse or beneficiary receives the remaining payments (up to a combined total of 60 payments).</li> <li>• If you're married, your spouse's consent is required to elect this option.</li> </ul> | <ul style="list-style-type: none"> <li>• Guarantees 60 months of payments regardless of how long you live.</li> </ul> | <ul style="list-style-type: none"> <li>• Your monthly payment is typically lower than a single life annuity option because the Plan guarantees a minimum of 60 monthly payments.</li> <li>• No benefits are payable to your spouse or beneficiary after the guarantee period.</li> </ul> |
|---|---|--|

**50% Joint and Survivor Annuity**

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Provides a fixed monthly payment throughout your and your spouse's or beneficiary's lifetimes; the monthly payment decreases by 50% if you die before your spouse or beneficiary.</li> <li>• If you're married, this is the default form of payment. However, you can choose another option with your spouse's consent.</li> </ul> | <p>When you die, your spouse or beneficiary continues to receive monthly income, if your spouse or beneficiary is still living.</p> | <ul style="list-style-type: none"> <li>• Once payments begin, you can't change your beneficiary.</li> <li>• Your monthly payment is typically less than a single life annuity because the expected payment period is longer.</li> <li>• When you die, only 50% of your monthly payment will continue to your spouse or beneficiary.</li> <li>• If your spouse or beneficiary dies before you, no benefits are payable after your death to any person.</li> </ul> |
|---|---|--|

**75% Joint and Survivor Annuity**

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Provides a fixed monthly payment throughout your and your spouse's or beneficiary's lifetimes; the monthly payment decreases by 25% if you die before your spouse or beneficiary.</li> <li>• If you're married and elect your spouse as your beneficiary, your spouse's consent is not required to elect this option.</li> </ul> | <p>When you die, your spouse or beneficiary continues to receive monthly income, if your spouse or beneficiary is still living.</p> | <ul style="list-style-type: none"> <li>• Once payments begin, you can't change your beneficiary.</li> <li>• Your monthly payment is typically less than a single life annuity because the expected payment period is longer.</li> <li>• When you die, only 75% of your monthly payment will continue to your spouse or beneficiary.</li> <li>• If your spouse or beneficiary dies before you, all payments stop at your death.</li> </ul> |
|---|---|---|

**100% Joint and Survivor Annuity**

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Provides a fixed monthly payment throughout your and your spouse's or beneficiary's lifetimes.</li> <li>• If you're married and elect your spouse as your beneficiary, your spouse's consent is not required to elect this option.</li> </ul> | <p>When you die, your spouse or beneficiary receives the same monthly amount (100%) that you were receiving, if your spouse or beneficiary is still living.</p> | <ul style="list-style-type: none"> <li>• Once payments begin, you can't change your beneficiary.</li> <li>• Your monthly payment is typically less than a single life annuity because the expected payment period is longer.</li> <li>• If your spouse or beneficiary dies before you, all payments stop at your death.</li> </ul> |
|--|---|--|

## Deferred Compensation Overview

Based on certain eligibility criteria, your unvested deferred compensation awards may vest in full upon your retirement.

### **Determine if you are retirement or full-career eligible.**

You may review your retirement eligibility by award on the Executive Compensation site under the **Resources** tab | **Age & Service Provisions**.

### **One-year notice of your retirement may be required.**

Many awards require that you provide the Firm with **one-year notice** of your retirement; otherwise, you could forfeit unvested amounts of the award at retirement. You should provide one-year notice of your retirement for purposes of full-career eligibility to your manager and your HR Representative. You may view which awards require one-year retirement notice on the Executive Compensation website under the **Resources** tab | **Age & Service Provisions**.

### **Vested awards pay and deliver on original conversion and distribution schedules.**

Generally, vested stock unit awards convert to shares of Morgan Stanley stock and are delivered into your Morgan Stanley brokerage account listed on the Executive Compensation site. Vested deferred cash awards are paid on the next administratively available payroll after the distribution date. If you do not have a valid internal brokerage account on file, your shares will be directed to a [Limited Purpose Account](#).

### **Review/update your beneficiaries on the Executive Compensation website.**

You must designate beneficiaries for each of your awards and each award may have different beneficiaries. On the Executive Compensation site, click the **Profile** tab and then select **Beneficiary Designation**.

- To add a beneficiary, click **+ Add Beneficiary** | **Create New** | **Save** | **Add Selected** | **Submit**.
- To update a beneficiary, click **edit** next to designated beneficiary's name, update fields | **Save**.

### **Continue to receive email notifications.**

Please ensure you have provided your HR representative with an email address where you can be reached if you wish to receive notifications regarding your deferred compensation after retirement.

### **Review/update your brokerage account on the Executive Compensation website.**

Ensure your Morgan Stanley brokerage account information is correct and the most up to date on the Executive Compensation website under **Available Accounts** | **Add Account** or **Edit** available account(s). **Note:** The Firm will not deliver shares to an external account.

### **Continue to notionally invest your deferred cash account.**

You may continue to notionally invest your deferred cash awards among a diverse notional investment menu on the external Executive Compensation website during the reallocation window periods.

### **Review/update direct deposit for future deferred cash payments.**

On the Payroll Americas website, click the **Deposits** tab | **Direct Deposit**. Then, follow the instructions under **Account** for **Select Incentive Compensation**.

### The Federal Insurance Contributions Act (FICA) Tax

If you are a US employee, per IRS rules, deferred compensation awards become FICA taxable when you become eligible for retirement, as there is no longer a substantial risk of forfeiture. The Firm may accelerate the distribution of a portion of your equity and/or deferred cash award(s) to fulfill your FICA obligation. You can learn more about FICA and the acceleration on the Executive Compensation website under **Actions | Review FICA details**.

### Select Employees' Capital Accumulation Program (SECAP)

If you are a SECAP participant, distributions will commence on the earlier of your distribution commencement date and January 2 of the year following the year in which you attain age 65.

If you have already attained age 65 at the time of your retirement, distributions will commence on January 2 of the year following the year in which you retire.

### Pre-Tax Incentive Compensation Plan (PTIP)

**PTIP distributions do not begin automatically.** If you are a PTIP participant, you may request a specific start date and choose the number of annual installments over which to receive distributions (5, 10, 15 or 20 years). Both choices apply to all PTIP awards.

- **Requests must be received 12 months before the first distribution.**
- Distributions may not start while you are an employee or before age 55.
- To begin the election process, you may contact EWM by calling (203) 966-2125 or +44 (0) 203-325-2681 or emailing [questions@ewmglobal.com](mailto:questions@ewmglobal.com).

## Accessing the Executive Compensation Website in Retirement

Following your retirement, you should register on the external Executive Compensation website so you can manage your deferred compensation account online.

### Once you register, you will be able to:

- Receive important notices by e-mail at the address you use as your login ID.
- View your current award balances, scheduled distribution dates, award rules and documentation.
- Give delivery instructions for stock unit conversions.
- Reallocate deferred cash notional investments.
- Designate your beneficiaries.
- Authorize the release of your information to another person (such as a financial advisor or accountant).
- Update your address, phone number and e-mail.

### How to Register

1. Following your retirement, you may send an e-mail to [ectoken@morganstanley.com](mailto:ectoken@morganstanley.com) including your name, Morgan Stanley employee ID and date of birth.
2. You will then receive a 20-digit token, via a return email.
3. Visit <http://morganstanley.com/excomp>.
4. Enter your 20-digit security code, birthday month and day as well as the 5-character Morgan Stanley employee ID.
5. Click **next**.
6. Select five security questions and answers.
7. Enter a valid e-mail address that will be your login ID.
8. Click **Submit**.
9. Confirm or change any previously provided answer and click **OK**.
10. Retrieve your verification e-mail from Private Key Admin.
11. Back on the Executive Compensation website, select **click here to set up your Private Key Password**
12. Create your Private Key password and then click **Next**. **Note:** Your password must be 8 characters long and include a combination of at least one uppercase letter, one lowercase letter, one number and one symbol.

## Whom to Contact with Questions

<b>HR Services</b> (including Retirement Specialists)	1-877-MSHR-411 (674-7411) Outside the US and Canada: +1 718-354-1343 (toll) 9 am to 7 pm, ET, weekdays <b>Note:</b> If within 3 months of retirement, say “Initiate retirement” when prompted
<b>Benefit Center Website</b>	<a href="http://www.morganstanley.com/benefits">www.morganstanley.com/benefits</a>
<b>Commuter Benefits</b>	877-WAGEWORKS (924-3967)
<b>Deferred Compensation</b>	US: +1 203-966-2125 UK: +44 0 203-325-2681 <a href="mailto:questions@ewmglobal.com">questions@ewmglobal.com</a>
<b>Dental</b>	MetLife: 1-800-474-7371
<b>Employee Stock Purchase Plan</b>	1-800-622-2393 or 720-414-6858 (toll) 9 am to 6 pm ET, weekdays <a href="http://shareholder.broadridge.com/ms">shareholder.broadridge.com/ms</a> <a href="mailto:msshareholder@broadridge.com">msshareholder@broadridge.com</a>
<b>Former Advisor Program</b>	<a href="mailto:fap_inquiries@ms.com">fap_inquiries@ms.com</a>
<b>Individual Disability Insurance</b>	212-536-8782 For policies issued before Jan. 2014, call Covala Group at 800-235-3551.
<b>Group Personal Excess Liability Insurance</b>	212-994-7022
<b>Life Insurance</b>	MetLife: 1-800-753-9021
<b>Long-Term Care</b>	Policies issued <b>before Nov. 1, 2011</b> : MetLife – 1-800-984-8650 Policies issued between <b>Jan. 1, 2012, and Jun. 30, 2013</b> : Prudential – 1-800-732-0416 Policies issued <b>before Nov. 23, 2016</b> : John Hancock/LTCI Partners – 1-855-889-5535
<b>Medicare</b>	1-800-MEDICARE (633-4227) <a href="http://www.medicare.gov">www.medicare.gov</a>
<b>Social Security</b>	1-800-772-1213 <a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a>
<b>UHC Connector Model: Retiree Medical Coverage Costs and Options</b>	1-855-618-1796 <a href="http://www.myuhcplans.com/morganstanley">www.myuhcplans.com/morganstanley</a>

### **Other Important Information**

Whenever you use the Benefit Center to initiate a transaction, whether online or with a HR Services Representative, you are authorizing the Plan Administrator to process each election as if you had given your written, signed authorization to do so.

Morgan Stanley and the Plans are not responsible for any delay in processing transactions due to system unavailability, incomplete information, administrative delay or other reasons. You are responsible for ensuring that your elections are correctly reflected on confirmations, statements and the Benefit Center website. If you do not contact the Benefit Center immediately to correct any errors, you may not do so at a later date and you will be entitled only to the benefits shown. In its discretion, the Plan Administrator retains the right to correct any errors it discovers, subject to the terms of the Plan.

The Plan Administrator reserves the right to verify any dependent's eligibility for benefits under Morgan Stanley's Plans. Intentionally providing false or misleading information concerning yourself or others may subject you to legal or disciplinary action by Morgan Stanley, including termination of employment and cancellation of executive compensation, as applicable. If dependent coverage is listed, this statement is not a guarantee of any dependent coverage; each Plan has the ultimate authority for determining dependent eligibility based on that Plan's coverage rules. See the Summary Plan Descriptions (SPDs) for details.

Any inconsistency between the terms of any letter or verbal representation and the official Plan document will be governed by the Plan document. Although Morgan Stanley expects to continue its benefit Plans indefinitely, Morgan Stanley and its affiliates necessarily reserve the right to amend, modify or discontinue its Plans at any time.

The Firm does not render advice on tax and tax accounting matters to clients. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under US federal tax laws.