



**Important Considerations
For The Bristol-Myers
Squibb Pension
Plan Closure**



IMPORTANT CONSIDERATIONS FOR THE BRISTOL-MYERS SQUIBB PENSION PLAN CLOSURE

Bristol-Myers Squibb is finally completing what they began when they froze the U.S. pension plan back in 2009. They are terminating the pension plan. As they told employees in a recent letter, this is all a part of the pension de-risking strategy. It's a way for the company to reduce their future risk and administrative costs.

WHAT THE PENSION TERMINATION ENTAILS

For employees who depend on the pension plan, this is a big deal. When you first heard about it back in December, you probably experienced a wide range of emotions. How near you are to retirement and your confidence with your finances probably played a major role in your reaction.

Though the communications you have received are all about the U.S. Bristol-Myers Squibb Company Retirement Income Plan, it has probably left you wondering what's next. What other benefits might be changing?

The good news is that as of right now, nothing else is changing. These changes are only for the U.S. pension plan and doesn't impact any of your other BMS benefits. Notably, this has nothing to do with your eligibility for retiree medical benefits. This termination and the decisions you make regarding it will not impact them in any way.

PENSION TERMINATION PROCESS

So you know that your pension is being terminated, but how does that work? What's the process?

The first step was for BMS to notify you, which they have done. You should have received a home mailing that explains the changes. The notice recommends that you take some time to model your different benefit payment options online with your Fidelity NetBenefits account, which can be helpful.

Also, they provided you with the phone number for PricewaterhouseCoopers (PwC) where you can call for confidential and free retirement benefit decision support. The financial counselors at PwC can provide you with general education and guidance regarding the plan and the different options available to you. However, they are not allowed to offer specific tax, investment, or legal advice.



AN IMPORTANT OPPORTUNITY

The next step in the process is up to you. In April or May, you will need to make a decision that will have a lasting financial impact. You will have a one-time opportunity to take your pension as a lump sum even if you are still working at BMS. This is a rare opportunity only made possible by the termination of the plan. We will go into more detail about it below.

What happens next will depend upon the decision you make in April or May. If you choose the lump sum option, then it will be paid out to you in July. Otherwise, all of the retirement funds will be transferred over to Athene Annuity & Life Assurance Company in August.

If you don't choose the lump sum option, then not a lot will change for you except that it will be Athene paying out your pension and interacting with you regarding it instead of BMS. With the lump sum route, you have a variety of options available for the funds you receive.

YOUR OPTIONS

There are two primary options regarding your BMS pension:

OPTION #1: STICK WITH THE PLAN

While the plan itself is ending, you can still receive the same benefits you would have through Athene. However, there are a few potential differences between BMS managing the plan and Athene managing the plan. Athene is a highly rated insurance company. This is important because under BMS, your benefits were protected by the Pension Benefit Guaranty Corporation. That will no longer be the case, as now it is only Athene that guarantees them. You will also receive the same future payout amount, but it has not been determined what payout options will be granted to annuity holders in the future. That remains to be seen.

OPTION #2: TAKE A LUMP SUM

As mentioned above, this plan termination offers you a unique opportunity. Very rarely are you able to access pension funds early, especially while you are still working for the company that provides the pension.

This option opens up many opportunities for you. It allows you to take control of your own retirement instead of having to depend on your company and the wisdom of their decisions. It also allows you to actually have the cash in your possession instead of merely the promise of a future benefit.

THE IMPORTANCE OF PROFESSIONAL FINANCIAL ADVICE



Being able to take your pension as a lump sum right now is an incredible opportunity, but it is also a great responsibility. If your decisions cause your assets to lose value, you may have less to live on in retirement. However, there is also an opportunity to have your assets grow more quickly than they would within the plan, which could provide you with a higher standard of living in retirement.

This is such a life-impacting decision that it's important to consider all of your options and how they may impact your unique circumstances. As BMS communicated in their notice, it is wise to discuss your personal retirement income needs and considerations with a financial advisor. The PwC counselors can tell you about your different options, but only an independent financial advisor can tell you how they apply to you and your specific situation.

HOW WE CAN HELP



At Novi Wealth Partners, we're available to offer personalized, specific advice. We strive to deliver more than mere education, but to help you make a decision that will help empower you to live a better retirement.

We are independent advisors, meaning that we work strictly for our clients' best interests and not a broker-dealer or insurance company. We are beholden to no one but you, so we can offer you the best that the financial services industry has available rather than being tied to a specific company's products.

Also, we are fee-only advisors. We do not accept commissions, so we have no incentive to suggest anything except what is truly in your best interest. Finally, we are comprehensive financial planners, so we look at the big picture of your financial life and not just your investments or retirement. Every piece of your life is intertwined and they all need to be addressed and understood in order to make the best decision regarding your pension funds.

If you would like an expert guide to help you navigate this pension termination, give us a call at 609-921-7002 or email us at info@noviwealth.com. We look forward to helping you evaluate your options and come to the decision that is best for you and your family.