

READY TO RETIRE

Your Retirement Guide



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Congratulations!

You'll soon be retiring from Southern Company. In order to prepare, you'll need to make many important decisions about your Southern Company benefits and your financial security. This step-by-step guide takes you through the Southern Company retirement process. It also provides information about some of the other things you need to know, do and consider as you navigate the retirement process.



Retirement Resources

Southern Company provides a variety of resources to help you navigate the retirement process. Here are all the specialists standing by to help you. Please take note of which group you call for assistance with which plan or retirement process.

Hewitt Service Center <ul style="list-style-type: none">• Call the HSC to initiate your retirement• Call the HSC for assistance with these plans: Pension, Retiree Medical, Prescription Drugs, Dental, Life Insurance, AD&D Insurance	1-888-435-7563	resources.hewitt.com/southernco
Retire Online Initiate your retirement online	N/A	resources.hewitt.com/southernco
HR Direct All benefits information	1-888-678-6787	N/A
Retirement Process Support Request extra help with your retirement	1-888-678-6787	retirementsupport@southernco.com
MetLife Life Insurance	1-800-638-5433	metlife.com
Merrill Lynch Employee Savings Plan – 401(k)	1-800-369-9890	benefits.ml.com
Ayco Financial Planning Services	1-888-433-6018	aycofn.com/southernco.afn
Added Benefits <ul style="list-style-type: none">• Aflac Critical Illness• VSP Vision• Home and Auto• Hyatt Legal• John Hancock Long-Term Care• LifeLock Identity Theft Protection	1-855-218-5265	N/A
Medicare	1-800-MEDICARE (1-800-633-4227)	medicare.gov
Social Security Administration	1-800-772-1213	ssa.gov



How to Start the Retirement Process

To start the retirement process, you have the following options:



Tip: Start the process three months out.

Start the retirement process about 90 days before your intended retirement date, but no later than 30 days. This will give both you and the company enough time to make for a smooth transition.

1 Call the Southern Company Hewitt Service Center (HSC) toll free at **1-888-435-7563** to request a Retirement Package. If you choose this option, you will work with an HSC retirement specialist who will be your single point of contact for the entire process. He or she will work with you – using this guide – until you retire. Your HSC retirement specialist's job is to make the process easy, convenient and hassle-free – and to make sure that you retire with peace of mind.

2 Visit Your Benefits Resources™ (YBR) to access Retire Online.

If you are at work, getting to Retire Online takes just three clicks. From mySource, click the Hewitt Service Center application. That takes you to YBR. Click the red Retirement tab, and in the drop down box, click Retirement. That brings you to Retire Online.

If you are at home, go to **<http://resources.hewitt.com/southernco>**. You'll need to know the answers to your security questions.

Either way, logging in will require your Hewitt user ID and password. If you don't remember your user ID or password, an HSC retirement specialist can confirm your user ID and email or mail you a password. You also can reset your password and confirm your user ID by choosing the Forgot User ID or Password link on the YBR log-on page.

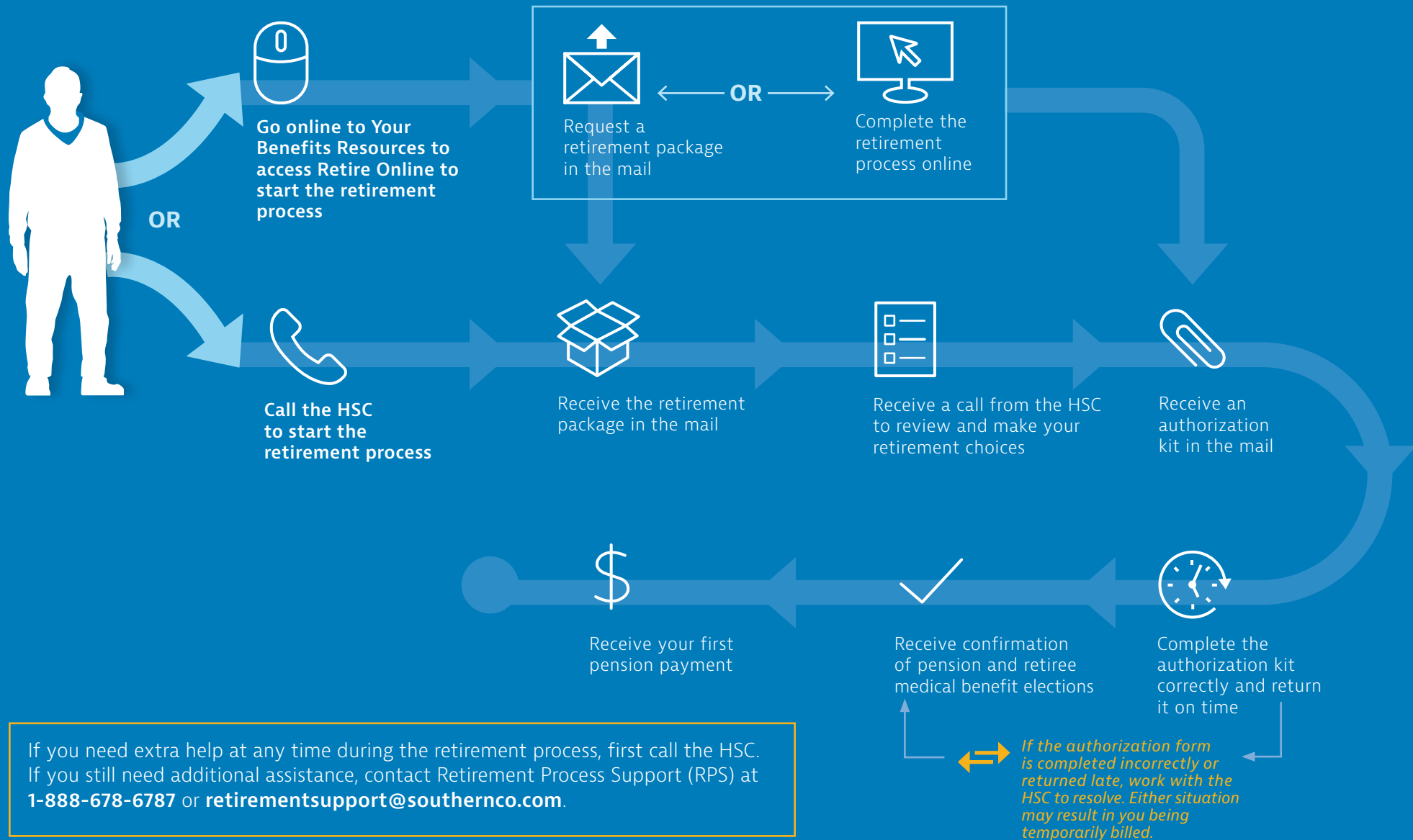
Call the HSC at **1-888-435-7563** if you need assistance with the online retirement process.

Before you begin the retirement process, be sure to:

- Run a pension estimate.
 - Let your supervisor know when your last day will be.
 - Make copies of your W-2, paystub with deductions, as well as any forms you will not have access to once you separate from service and can no longer access mySource.
 - If you don't already have a bank account, set up a checking or savings account.
-



How the Retirement Process Works



Working With Your HSC Retirement Specialist

Retirement specialists at the HSC understand how important your retirement decisions are. They'll take all your benefit elections over the phone, help you complete and return any required paperwork, and help you understand:

- How to pick a retirement date that maximizes the benefits you'll receive from Southern Company.
- What benefit options are available to you under the Pension Plan. (See **page 19** or the Pension SPD for more information.)
- The forms and information you'll receive in the mail about your benefits.
- How to enroll in your retiree medical and insurance benefits.
- Options to continue plans that will end at your retirement, such as Spouse Life Insurance.
- What action steps you need to take and when.

Need Help Managing Your Retirement Savings?

Merrill Lynch® is available to provide you with personalized support on a range of matters related to your financial life, taking into consideration how your Southern Company financial benefits and your other savings and investments work together to create a total financial picture.

Simply call Merrill Lynch at **1-800-369-9890** to speak to a participant service representative about your needs. Representatives are available from 8 a.m. to 7 p.m. ET, Monday through Friday. You will need your Social Security number or 9-digit internal verification number when you call. You also will need the numerical equivalent of your benefits.ml.com password. If you do not know it, press 0 to reach a customer service representative.



Tip: Remember your user ID and password.

For your security, you'll need your Hewitt user ID and password to work with a retirement specialist or access personalized information or modeling tools on YBR. If you don't remember them, visit <http://resources.hewitt.com/southernco> or call the HSC toll free at 1-888-435-7563 to request new ones. Don't forget your user ID and password – you'll need them to call or log on after you've retired, too.



Get Extra Help From Retirement Process Support

The RPS Team is available if questions arise during your retirement process. While we always recommend that your first call be to the HSC, if you still need more support, please email the RPS Team at **retirementsupport@southernco.com**. RPS will work with the HSC and other vendors as needed on your behalf. They will follow-up with you, and track your issue until it is resolved. They also will stay involved behind the scenes for the remainder of your retirement process to be sure everything runs smoothly.



Your Retirement Action Checklist


Use this checklist to keep track of what you need to do as you work through the retirement process.

Your Retiree Benefits

Pension Plan

What You Need to Know

- ☐ If you're vested in the Pension Plan, you'll get a pension benefit. Being vested means you have a right to receive your accrued (earned) pension at a future retirement date. You are vested in your accrued Pension Plan benefit after you've completed five years of vesting service.
- ☐ Once you are vested, you are eligible to receive a Pension Plan benefit:
 - On or after age 65;
 - As early as age 50 with at least 10 years of accredited service; or
 - Before reaching age 65 with the benefit actuarially reduced by a specific percentage, based on your age at retirement.
- ☐ **Important: Choose your retirement date carefully.** Your age and years of service have a big impact on the amount of your pension benefit. Your HSC retirement specialist can help you make the decision that's right for you.

 **Tip: No pension benefit?**
Use direct debit.

Direct debit gives you a hassle-free way to pay retiree medical insurance premiums if you are not receiving a pension benefit.

What You Need to Do

- ☐ Choose the type of payments you want, as well as how and when you want to receive them. (See **page 19** for an explanation of your options.)
- ☐ Name your beneficiary. If you retire on or after January 1, 2017, you can choose a spouse beneficiary, or, with spousal consent, a non-spouse beneficiary who is age 21 or older.
- ☐ Return the required forms before the deadline stated on the forms to make sure that your payments won't be delayed.
- ☐ Have your bank or other account information available to set up direct deposit or direct debit. Direct deposit is mandatory as of January 1, 2017. You will need available: financial institution name, routing number, account number, and type of account (checking or savings). If you are receiving a pension benefit, your retiree medical insurance premiums will automatically be deducted from your monthly pension payment, unless noted otherwise.
- ☐ Call your HSC retirement specialist toll free at **1-888-435-7563** or visit YBR at **<http://resources.hewitt.com/southernco>**.



Your Retiree Benefits, *continued*

Employee Savings Plan (ESP)

What You Need to Know

- ☐ Your ESP contributions stop.
- ☐ You must repay any outstanding ESP loan. Merrill Lynch will inform you of the due date. If your loan is unpaid after this date, the outstanding balance will become taxable income. You also may owe a fine. Contact Merrill Lynch directly at **1-800-369-9890** to obtain loan payoff information.
- ☐ You can leave your money in the ESP, take some or all of it in cash, or roll over some or all of it into an Individual Retirement Account (IRA). You also may choose to receive your ESP benefit in up to 20 annual installments, as long as they will not extend past your life expectancy.
- ☐ You'll continue to choose how any money you leave in the plan is invested.

What You Need to Do

- ☐ Choose how and when you want to take money out of the ESP.
- ☐ Call Merrill Lynch directly at **1-800-369-9890**, or log on at **benefits.ml.com** to learn more about your options.

Social Security

What You Need to Know

- ☐ You may begin receiving a reduced benefit as early as age 62; however, if you start benefits early, your benefit may be reduced as much as 30 percent depending on the number of months you receive benefits before you reach your full retirement age. Full retirement age is the age at which you first become entitled to full or unreduced retirement benefits. This occurs between ages 65 and 67, depending on the year you were born.
- ☐ You can apply for Social Security benefits online, by phone or at your local Social Security office.
- ☐ Remember that once you are age 65, payments for Medicare health coverage will be deducted from your Social Security payments.
- ☐ **Important:** To begin Social Security payments any time after age 62, contact the Social Security Administration three months before you want payments to begin.

What You Need to Do

- ☐ Establish an account on **www.ssa.gov**.
- ☐ Apply for benefits three months before you would like the first payment to arrive by visiting **www.ssa.gov** or calling **1-800-772-1213**.
- ☐ Watch the Introduction to Social Security video on mySource under the Pension/ESP tab.



Your Retiree Benefits, *continued*



Medicare Parts A and B *(See page 20 for more information.)*

What You Need to Know

- ☐ The Southern Company Retiree Medical Plan does not cover amounts that Medicare would pay as the primary payer. Therefore, when you or your spouse become Medicare eligible, you must apply for Medicare Parts A and B in order to ensure full health coverage.
- ☐ If you are age 65, you are automatically enrolled in Medicare when you sign up for Social Security benefits, unless you elect otherwise.
- ☐ You need to enroll within three months before you reach age 65. If you wait, you may have to pay a premium penalty.
- ☐ If you become Medicare-eligible before age 65 due to disability, it's important that you contact the HSC to move to a post-65 Retiree Medical Plan that coordinates as secondary to Medicare. See more about Medicare on **page 20**.
- ☐ Remember that payments for Medicare health coverage will be deducted from your Social Security payments.
- ☐ **Important:** Enroll in Medicare three months before age 65 to ensure that your benefits will begin when you need them to and to avoid possible premium penalties.

What You Need to Do

- ☐ Enroll in Medicare before you reach age 65.
- ☐ Visit **www.ssa.gov** or call **1-800-772-1213**.
- ☐ For information about Medicare, visit **www.medicare.gov** or call **1-800-MEDICARE (1-800-633-4227)**.



Your Retiree Benefits, *continued*

Medicare Part D *(See page 20 for more information.)*

What You Need to Know

- ☐ Medicare Part D covers prescription drugs and is optional. However, you may want to consider enrolling in Part D if your annual drug costs exceed Southern Company's prescription drug coverage limit or if you selected the medical-only benefit option.
- ☐ If you elect prescription drug coverage under both Medicare Part D and the Southern Company Retiree Medical Plan, the Medicare Part D plan will be the primary plan and you will need to show both your Medicare Part D and CVS Caremark prescription drug ID cards when having a prescription filled.

NOTE: All Southern Company benefit options that provide prescription drug coverage impose an annual limit (except the Mississippi Power Company options). In 2017, the annual limit for you and your spouse is \$6,000 each on prescription drug benefits for retirees age 65 and older. You can contact CVS Caremark at **1-800-843-5670** to find out whether you are likely to exceed this limit.

What You Need to Do

- ☐ Compare Medicare Part D prescription drug plans available to you by using the Prescription Drug Plan Finder tool on Medicare's website at **www.medicare.gov** or by calling **1-800-MEDICARE (1-800-633-4227)**.
- ☐ If you decide to enroll in a Medicare Part D prescription drug plan during Medicare Annual Enrollment, you must enroll between October 15 and December 7. You also can enroll at age 65 when you first become eligible.



Your Retiree Benefits, *continued*

Retiree Medical Plan

What You Need to Know

- ☐ You are eligible to receive retiree medical benefits if (1) you are eligible to be covered under the active employee Medical Plan immediately before terminating active employment status (including termination of employment following an approved leave of absence) and (2) when you terminate you are eligible to receive retirement income under the Southern Company Pension Plan.
- ☐ The Retiree Medical Plan works in conjunction with Medicare when you or your spouse reach age 65. It's important to sign up for Medicare Parts A and B to receive full medical benefits. (See **page 20**.)
- ☐ Your monthly Retiree Medical Plan premium will be deducted from your monthly pension payment, if you request for it to be. If you won't be getting pension payments or if your payment doesn't cover your premium amount, you'll be billed, or you can sign up for direct debit to have the premium deducted from your bank account.
- ☐ **Important:** If you and your eligible dependents are enrolled in active medical coverage, you will automatically be enrolled in retiree medical. **It is important to note that you will need to make changes to your default medical option within 60 days of retirement. Keep in mind that if your dependent is age 23 or older, his/her coverage will not carry over to the Retiree Medical Plan.**
- ☐ If you or an eligible dependent is not enrolled in active medical coverage and you want coverage when you retire, you must enroll (or make an election change) within 60 days of the date you retire in order to add coverage.
- ☐ If you are an eligible retiree and don't enroll in the Retiree Medical Plan now, you will have an opportunity to enroll during any annual enrollment period after retirement. Refer to your Summary Plan Description for other Special Enrollment Rights. You also can enroll mid-year if you experience a Qualified Status Change.
- ☐ If you have an HRA through Southern Company for completing wellness activities, you will continue to be able to use your HRA dollars from your account to pay for eligible healthcare expenses in retirement. To access these HRA dollars, you must be enrolled in a Southern Company Retiree Medical Plan. If you terminate prior to becoming eligible for retirement, you will lose access to the HRA dollars on the day after termination unless you elect to take COBRA coverage.

To access and manage your retiree HRA online, log on to the Your Spending Account (YSA) website (<http://resources.hewitt.com/southernco>) and click on the "Your Spending Account" tab at the top of the home page.



Your Retiree Benefits, *continued*

Retiree Medical Plan

What You Need to Know

- ☐ Find out if you're eligible to enroll in the Retiree Medical Plan.
- ☐ Decide if you want to enroll.
- ☐ If you don't want to enroll, you may temporarily continue your coverage through COBRA. (See **page 14**.)
- ☐ Enroll within 60 days of your retirement date.
- ☐ Your premiums will be automatically deducted from your Pension Plan monthly payment or you may set up direct debit from your bank account.
- ☐ Call your retirement specialist toll free at **1-888-435-7563** or visit YBR at **<http://resources.hewitt.com/southernco>**.

Retiree Dental Insurance

What You Need to Know

- ☐ You are eligible to receive retiree dental benefits if you are eligible to be covered under the active employee Dental Plan immediately before terminating active employment status (including termination of employment following an approved leave of absence) and when you terminate you are eligible to receive retirement income under the Southern Company Pension Plan.

What You Need to Do

- ☐ Find out if you're eligible to enroll in the Retiree Dental Plan.
- ☐ Decide if you want to enroll.
- ☐ If you don't want to enroll, you may temporarily continue your coverage through COBRA. (See **page 14**.)
- ☐ Enroll within 60 days of your retirement date.
- ☐ Your premiums will be automatically deducted from your Pension Plan monthly payment or you may set up direct debit from your bank account.
- ☐ Call your retirement specialist toll free at **1-888-435-7563** or visit YBR at **<http://resources.hewitt.com/southernco>**.



Your Retiree Benefits, *continued*

COBRA and Health Care Tax Saver Account

What You Need to Know

- ☐ You will receive a mailing about options available under COBRA, as required by law. COBRA provides for the continuation of active coverage for you and your dependents should you lose your group health coverage under Southern Company plans. COBRA only applies to Medical, Dental, and the Health Care Tax Saver Plans if you were enrolled prior to retirement.
- ☐ If you (and your eligible dependents) plan to enroll in retiree medical and/or dental benefits, you may disregard the COBRA package for these plans. If you decide not to enroll in retiree medical and/or dental benefits, or if your enrolled dependents are not eligible for retiree benefits, you may temporarily continue your active medical and/or dental coverage through COBRA.
- ☐ The Health Care Tax Saver coverage will end at the end of the month in which your employment ends unless you elect to continue your participation through COBRA. COBRA coverage will only continue through the end of the plan year in which you retire. You can continue to file claims for services that were incurred while you were employed, but services incurred after retirement may not be reimbursed unless you elect COBRA.

What You Need to Do

- ☐ Submit claims to your Health Care Tax Saver Account before your retirement date.
- ☐ Decide if you want COBRA coverage.
- ☐ Enroll when you receive your COBRA enrollment materials in the mail.
- ☐ Have your bank or other account information available to set up direct debit.
- ☐ Call your retirement specialist toll free at **1-888-435-7563** or visit YBR at **<http://resources.hewitt.com/southernco>**.



Your Retiree Benefits, *continued*

Retiree Life and A&D Insurance

What You Need to Know

- ☐ You are eligible for retiree life insurance coverage if you are eligible to receive retirement income under the Southern Company Pension Plan and prior to retirement you were classified as a regular full-time or regular part-time employee.
- ☐ **If you retire before age 65**, your life insurance coverage amount is equal to \$2,000 x your accredited years of Southern Company service at retirement, up to a maximum benefit of \$50,000.*

If you retire before age 55, your benefit is equal to half of the amount you would have received if you retired between age 55 and 65 (described above).*

If you retire after age 65, your maximum life insurance benefit will be:

- \$25,000 – if you die in 2017, 2018 or 2019
- \$12,500 – if you die in 2020 or beyond

**These figures may vary depending on if you are a grandfathered or covered employee.*

- ☐ You may continue life insurance coverage you lose as a result of retirement either through portability eligible insurance under another group policy or by converting to an individual policy. This must be done within 31 days of your retirement date.

Tip: Get more information.

Because retiree life insurance rules are complex and the benefit amount at retirement is likely to change, see the Life Insurance SPD for details.

- ☐ You may enroll in Retiree Accidental Death and Dismemberment (AD&D) Insurance coverage as soon as you retire. The maximum amount of coverage is \$50,000. The coverage defaults, but you can enroll if you did not elect this coverage as an active employee.
- ☐ Any life insurance you carried on your spouse as an active employee will be discontinued. However, Retiree AD&D Insurance is available on your spouse.

What You Need to Do

- ☐ Decide if you want to continue your coverage(s).
- ☐ Call your HSC retirement specialist toll free at **1-888-435-7563** or visit YBR at **<http://resources.hewitt.com/southernco>**.
- ☐ For more portability or conversion options, contact MetLife at **www.mybenefits.metlife.com** or call **1-800-438-6388**.

Disability

What You Need to Know

- ☐ Short- and Long-Term Disability coverage ends on the last day of the month before you retire.



Your Retiree Benefits, *continued*

Added Benefits

Home and Auto Insurance / Long-Term Care Insurance / Group Legal Services / Vision Care / Critical Illness

What You Need to Know

- ☐ The Added Benefits® program is not sponsored or administered by Southern Company. The Added Benefits program is a platform of voluntary benefits made available to retirees through a third-party vendor for convenience and potential cost savings.
- ☐ Your retirement doesn't affect your current Added Benefits coverage options.
- ☐ You may voluntarily enroll in Added Benefits as a retiree.
- ☐ You'll be billed each month by the provider for the cost of your Added Benefits coverage.

What You Need to Do

- ☐ Review the Added Benefits options. If you're enrolled in an option, determine if it still meets your needs. If you're not enrolled, consider whether you should be.
- ☐ For more information or if you are interested in having premiums deducted from your pension check, contact Added Benefits at **www.socoaddedbenefits.com** or call **1-855-218-5265**.

Other Resources and Actions Steps

Transition Payment Recovery

What You Need to Know

- ☐ Employees of Georgia Power, Mississippi Power, Savannah Electric and Southern Company Services were paid an extra week's pay in 1994 when the company converted to a common pay cycle during that year. If you received this payment, your final paycheck will be reduced by the amount paid to you. Contact the Southern Company Payroll Helpline at **1-877-762-6729** with questions about transition pay.

Vacation or Personal Time Off (PTO)

What You Need to Know

- ☐ Any remaining accrued and unused vacation or PTO will be included in your final paycheck as determined by your employing company's policy.
- ☐ If you have unused purchased vacation remaining at retirement, you will be paid back the cost of vacation you paid for but did not use. Any purchased vacation taken but not paid for will be deducted from your final paycheck. If you have questions, call HR Direct at **1-888-678-6787**.



Other Resources and Actions Steps, *continued*

Pension and 401(k) Plan Benefits From Past Employers

What You Need to Know

- ☐ Are you eligible for pension plan benefits from past employers?
- ☐ Do you have balances in past employers' 401(k) plans?

What You Need to Do

- ☐ Factor these benefits into your planning.
- ☐ Decide how and when you want your benefits paid.
- ☐ Contact your past employers and/or financial institutions.

Personal Savings

What You Need to Know

- ☐ Your personal savings, including bank accounts, IRAs, brokerage accounts and other investments are other important sources of retirement income.

What You Need to Do

- ☐ Factor these savings into your planning.
- ☐ Contact a financial advisor to help you make informed financial decisions. Or, visit mySource for information about financial resources through Ayco.

Estate Planning

What You Need to Know

- ☐ An estate plan ensures that you and your beneficiaries get the maximum value from your hard-earned money both before and after your death.
- ☐ You should consider having a will, living trust, durable power of attorney, power of attorney for health care, and/or a living will.
- ☐ Estate planning is for everyone, not just for wealthy people.

What You Need to Do

- ☐ Gather and review all your financial records, current will, etc.
- ☐ Contact a financial advisor to help you make informed financial decisions. Or, visit mySource for information about financial resources through Ayco.



Employee Savings Plan Distribution Options

You'll be asked to choose among several Employee Savings Plan (ESP) distribution (payment) options as part of the retirement process. Your retirement specialist can help you understand your options and the tax rules that may apply. Because these rules are very complex, you should consider talking with a qualified financial advisor about your personal situation. You also may contact Merrill Lynch directly at **1-800-369-9890**, or log on at **benefits.ml.com**.

ESP Distribution Options

- 1. Remain in the ESP.** Under this option, you can withdraw your money as needed. However, federal regulations require retired employees to begin taking distributions from their ESP accounts no later than April 1 of the year following the year in which they turn age 70½.
- 2. Roll ESP assets over** into either a traditional Individual Retirement Account (IRA) or Roth IRA.
- 3. Take a final lump sum distribution.** Under this option, you could choose to receive the value of your ESP account in cash. Note that there could be significant tax consequences if you elect to take a lump sum distribution.
- 4. Choose to receive your ESP distributions in up to 20 annual installments.** Note that this option may be irrevocable, so you can't stop payments or request additional dollars.

NOTE: A 10% additional tax may apply to all taxable ESP amounts withdrawn before age 59½ unless you are retiring on or after your 55th birthday.



Tip: Update your beneficiary designations.

Regardless of what your will specifies, the beneficiaries you list in your various plans (ESP, life insurance, etc.) will receive those assets. It is extremely important that you look at your beneficiary designations at least once a year. Also, be sure to review your beneficiaries when you experience life changes, such as marriage, divorce, death of a spouse or birth of a child or grandchild.

Call your HSC retirement specialist toll free at 1-888-435-7563 if you need assistance or visit YBR at <http://resources.hewitt.com/southernco> to make updates or changes to your beneficiaries.



Pension Plan Distribution Options

At retirement, you will choose a Pension Plan form of payment as well as make tax withholding and direct deposit elections. Your HSC retirement specialist can help you understand your options and elections. Here are some things to consider as you think about what types of payment options might be best for you.

Defer Payment

- ☐ Can you live comfortably now if you delay receiving your pension payments until a later date? Can your personal savings or other sources of income meet your needs in the meantime?

Lump Sum Option May Be Available

- ☐ Effective January 1, 2017, lump sum payouts are permitted for participants whose benefit has a present value of \$100,000 or less.

Take a Single Life Annuity

- ☐ You'll receive a monthly payment for the rest of your life, and payments will end when you die.
- ☐ If you are married and choose this option, your spouse must consent to your choice. Your spouse will not receive a monthly survivor's benefit from the Pension Plan.
- ☐ Are you married? Do you have dependents? Will choosing this option hurt their financial security after your death? Do you have life insurance or other income or savings that will support them?

Take a Joint and Survivor Annuity

- ☐ You'll receive a monthly payment for the rest of your life. When you die, your eligible designated beneficiary will receive a percentage of your monthly benefit for his or her lifetime.

- ☐ Your monthly benefit will be lower than the amount you would receive with a Single Life Annuity. The 50% Joint and Survivor Annuity is the automatic payment if you're married, unless you choose a different payment option and, if required, your spouse consents.

Take an Age 65 Level Income Annuity

- ☐ This option is available only if you were hired before January 1, 2016.
- ☐ You'll receive a monthly payment for the rest of your life, and payments will end when you die.
- ☐ If you are married and choose this option, your spouse must consent to your choice. Your spouse will not receive a monthly survivor's benefit from the Pension Plan.
- ☐ This option is available only if you start your pension payments before you reach age 65. Prior to age 65, you'll receive a larger payment from the Pension Plan. At age 65, your pension payment will reduce (or may stop) to coordinate with payments you're receiving from Social Security. Pension Plan and Social Security payments, when combined, should provide you with approximately the same amount of income you received prior to age 65.

NOTE: You should apply for Social Security benefits three months prior to turning age 65 to ensure your payments begin on time. Otherwise, your total retirement income will be a lesser amount.



Southern Company's Retiree Medical Plan and Medicare

Medicare is a federal health insurance program for people who are age 65 and older or disabled at retirement. It has three parts.

Part A

Medicare Part A covers hospital stays, care in skilled nursing facilities, home health care, hospice care and blood transfusions. Everyone who is eligible for Medicare gets Part A; for most, there is no charge for it.

Part B

Medicare Part B covers doctors' services, outpatient hospital care and some medical supplies and equipment. It also covers some services that Part A doesn't cover, such as certain physical and occupational therapy and home health care services. Part B has a monthly premium that's deducted from your monthly Social Security benefit.

You must have both Part A and Part B coverage for Southern Company's post-65 Retiree Medical Plan to pay full benefits and to avoid a significant coverage gap.

Here's why: The Southern Company plan covers some of the costs that Part B normally does not. However, it does not reimburse any of the cost that Medicare Part B would pay — whether or not you are enrolled in Part B. This means that if you don't have Part B coverage, you'll personally be responsible for paying the costs that Part B would have covered.

Part D

Medicare Part D covers prescription drugs. Part D is optional; a monthly premium applies. Medicare delivers Part D coverage by contracting with private prescription drug plans. These plans offer standard Part D coverage and also may offer more coverage and additional drugs for higher monthly premiums. Several Medicare prescription drug plans are available in each state, so you'll need to determine which one might best meet your needs. You may enroll in Medicare Part D between October 15 and December 7 each year. Enrollment isn't automatic: if you want coverage, you must enroll directly with the private prescription drug plan.

Southern Company's retiree medical benefits provide "creditable coverage" which is considered as good or better than Medicare Part D. However, you may want to consider enrolling in Part D if your annual drug costs exceed Southern Company's prescription drug coverage limit, or if you select the medical-only benefit option. You should enroll in prescription drug coverage either through Southern Company or through Part D; otherwise, if you later decide to enroll in Part D, you may be charged a late enrollment penalty.



Tip: Learn about disability eligibility.

If you are eligible for Medicare early due to disability, contact the HSC.



Medicare Part C is not currently offered by Southern Company. Medicare Part C is an approved, private health insurance plan for individuals enrolled in Medicare Part A and Part B. It is not a separate benefit. When you join a Medicare Advantage plan, you are still in the Medicare program and must continue paying your Part B premium.

Your Health Coverage Options

Visit YBR at <http://resources.hewitt.com/southernco> for more information about your Retiree Medical Plan options. The cost of your Southern Company retiree medical coverage may change each year. You'll receive information about pricing changes each fall before annual enrollment.

If you're younger than age 65 when you retire, Southern Company's Retiree Medical Plan will be your primary plan until you and your spouse become eligible for Medicare.

If you and your spouse become eligible for Medicare at different times, you'll be offered medical options that accommodate both of your Medicare eligibilities.



Questions?

Your HSC retirement specialist can help you understand how Medicare works with Southern Company's Retiree Medical Plan. For more information about Medicare, visit www.medicare.gov or call **1-800-MEDICARE (1-800-633-4227)**.

- To enroll in Medicare Parts A and B, visit the Social Security Administration website at www.ssa.gov or call **1-800-772-1213**.
 - To enroll in Medicare Part D, enroll directly with the private Medicare Part D prescription drug plan of your choice or visit www.medicare.gov or call **1-800-MEDICARE (1-800-633-4227)**.
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Retirement Elections Worksheet

This worksheet is provided to help you keep track of the decisions you make when completing the retirement package or using Retire Online. Completing this worksheet is optional, but it may be helpful to have all your decisions in one place.

Pension: Election	
Find this information in the Pension Calculation Statement section of your retirement package.	
Payment Option	Amount of Option
	\$

Pension: Federal Tax Withholding	
Find this information in the Notice of Rights - Federal Income Tax Withholding section of your retirement package.	
If you don't make a choice, withholding will be defaulted based on a marital status of married and three allowances.	
Withhold for Federal Taxes?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, Use This Marital Status:	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married but withhold at higher single rate
Number of Allowances	
Additional Flat Dollar Amount to Withhold	\$

Pension: State Income Tax Withholding	
Find this information in the Notice of Rights - State Income Tax Withholding section of your retirement package.	
Withhold for State Taxes?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, Use This Marital Status:	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married but withhold at higher single rate
If Yes, Use This Choice Available in My State:	
If you move to a different state during retirement, please inform the HSC so appropriate taxes can be applied.	



Pension: Where to Send Your Payment

Find this information from your financial institution.

Making a direct deposit choice authorizes Southern Company to deposit your monthly payments and to instruct your financial institution to appropriately credit/debit your account in the case of a deposit error.

Send Monthly Payment
Directly to:

Financial Institution
Name:

Account Number:

Type of Account:

☐

Checking

☐

Savings

Financial Institution
ABA Routing Number
(available from your
financial institution):

Retiree Medical

Find more information on [mySource > Pension/ESP > Prepare for Retirement > Nearing Retirement & Ready to Retire Planning > What Benefits Do I Keep in Retirement?](#)

Check the choice you want to make.

Retiree Is Under Age 65

☐

Single – Under 65

☐

Retiree and Spouse – Both Under 65

☐

One Under 65 and One 65 or Older

☐

Under Age 65/Disabled

Retiree Is Age 65
or Older

☐

Single – 65 or Older

☐

Retiree and Spouse – Both 65 or Older

☐

One Under 65 and One 65 or Older

Medicare

☐

Medicare Part A

☐

Medicare Part B

☐

Medicare Part D (Optional)



Retiree Life Insurance

If you are eligible, MetLife will send you information separately about the opportunity to convert your life insurance or take your life insurance benefit with you. (General information about coverage levels is provided on [page 15](#).) This is not a choice you make through the HSC.

Retiree AD&D Insurance

Find more information on [mySource > Pension/ESP > Prepare for Retirement > Nearing Retirement & Ready to Retire Planning > What Benefits Do I Keep in Retirement?](#)

Check the choice you want to make.

[No Coverage](#) ☐ No Coverage

[\\$50,000 Coverage](#) ☐ You Only
☐ You + Spouse/Domestic Partner
☐ You + Child(ren)
☐ You + Family

Other Benefits

Find more information on [mySource > Pension/ESP > Prepare for Retirement > Nearing Retirement & Ready to Retire Planning > What Benefits Do I Keep in Retirement?](#)

Check the choice you want to make.

[Dental](#) ☐ No Coverage
☐ Same as Active Coverage

[Tax Saver Health Care Account](#) ☐ No Coverage
☐ Continue Through COBRA

[Vision](#) ☐ No Coverage
☐ Continue Through Annual Enrollment

[Group Legal](#) ☐ No Coverage
☐ Continue Through Annual Enrollment

[Long-Term Care](#) ☐ No Coverage
☐ Continue Through Annual Enrollment

[Personal Lines](#) ☐ No Coverage
☐ Continue Through Annual Enrollment

[Financial Planning](#) ☐ No Coverage
☐ Continue Through Annual Enrollment

[Critical Illness](#) ☐ No Coverage
☐ Continue Through Annual Enrollment

[Home and Auto](#) ☐ No Coverage
☐ Continue Through Annual Enrollment



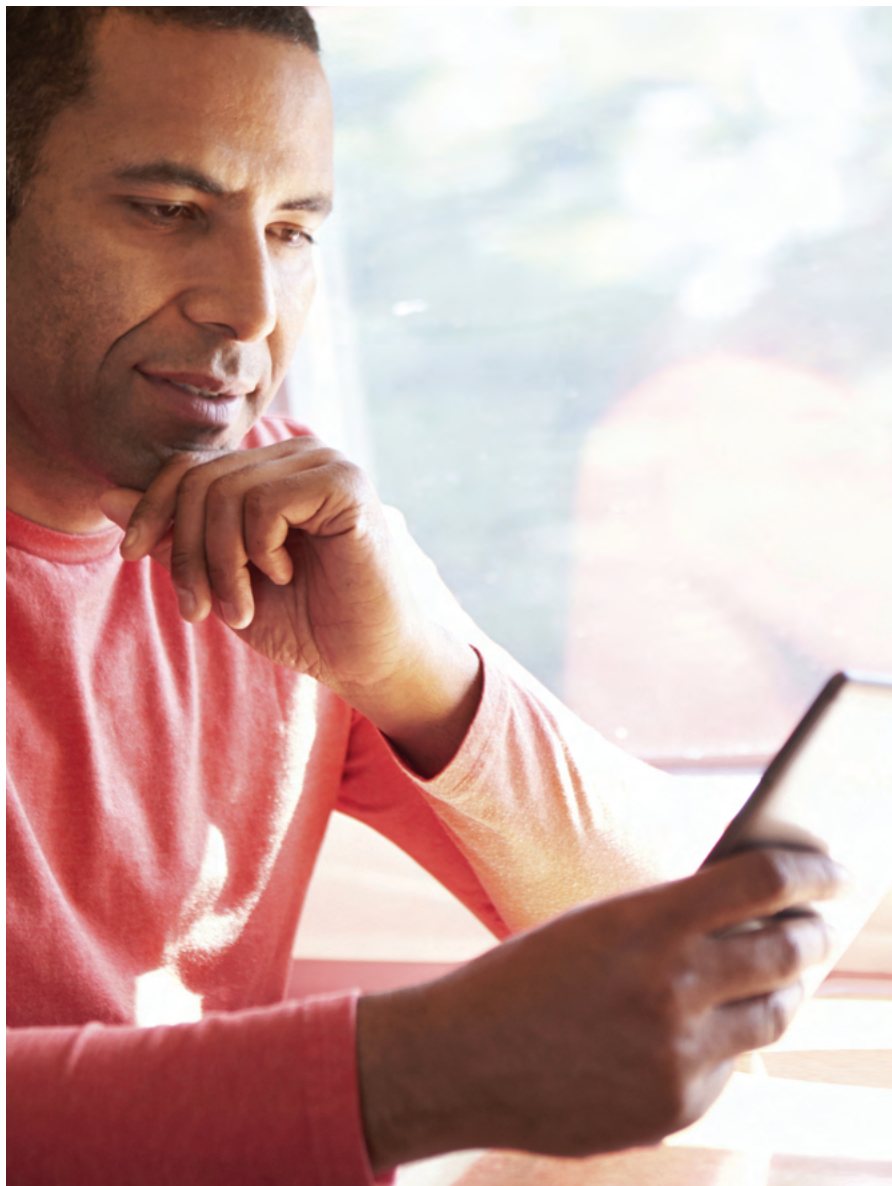
Calculating Net Benefits

Note: All costs should be expressed as monthly amounts, as pensions are paid monthly.

STEP 1 Enter Monthly Pension Payment Amount		STEP 3 Subtract Monthly Coverage Costs		FINAL STEP	
	+ \$	Medical	– \$	Step 1 Total	\$
STEP 2 Subtract Estimated Monthly Withholding Amounts		Dental	– \$	Step 2 Total	– \$
Estimated Federal Withholding	– \$	Life Insurance	– \$	Step 3 Total	– \$
Estimated State Withholding	– \$	AD&D Insurance	– \$	Step 4 Total	– \$
Total Estimated Withholding	= \$	Total Coverage Costs	= \$	Estimated Net Pension Payment	= \$
		STEP 4 Subtract Monthly Added Benefits Costs			
		Home and Auto Insurance	– \$		
		Long-Term Care Insurance	– \$		
		Group Legal Services	– \$		
		Vision Care	– \$		
		Critical Illness	– \$		
		Total Monthly Added Benefits Costs	= \$		



Your Last Day of Work: A To-Do List



- ☐ Complete and submit your expense reports.
- ☐ Make sure your corporate credit card balance is at zero.
- ☐ Coordinate with your manager to deactivate your credit card.
- ☐ Cancel your subscriptions.
- ☐ If you're a manager, complete or update employee performance evaluations.
- ☐ Return the following to your manager:
 - ID badge/Access card
 - Parking ID
 - Credit card
 - Keys (building, desk, cabinets, vehicles, storage, etc.)
 - Cell phone, pager
 - Computer, laptop, printer, fax machine and software
 - Office supplies
 - Company car, if applicable



Tip: Remember to report address changes.

After you retire, don't forget to let the HSC know when your address changes. To report an address change, call **1-888-435-7563** and ask to speak with a representative. Or, visit YBR at <http://resources.hewitt.com/southernco>. You'll need your user ID and password.





This guide is intended to provide a summary of the information you should consider as you prepare for your retirement. This guide does not supersede the description of benefits contained in the plan documents. In the event of any discrepancy between this guide and the plan documents, the plan documents will govern. Southern Company retains the right to make changes to the plans at any time.

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