



PPL Retirement Plan  
Summary Plan Description for  
Management Employees

December 2012

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## The Retirement Plan

This document summarizes the main Plan provisions of the PPL Retirement Plan (“the Plan” or “Retirement Plan”), as amended through January 1, 2012, and as in effect on December 1, 2012. It describes the benefits as they apply to eligible management employees of:

- ◆ PPL Electric Utilities Corporation
- ◆ PPL Global, LLC
- ◆ PPL Energy Services Group, LLC
- ◆ PPL EnergyPlus, LLC
- ◆ PPL Generation, LLC
  - PPL Brunner Island, LLC
  - PPL Holtwood, LLC
  - PPL Martins Creek, LLC
  - PPL Montour, LLC
  - PPL Susquehanna, LLC
- ◆ PPL Services Corporation
- ◆ PPLSolutions, LLC
- ◆ PPL Strategic Development, LLC

We encourage you to read this document carefully and share it with your family members. If you have any questions, please contact the PPL Pension and Savings Center at 1-800-827-3321 or Employee Benefits at the Employee Benefits mailbox at [benefits@pplweb.com](mailto:benefits@pplweb.com) or by calling 610-774-5022 (ETN 220-5022) or toll-free at 1-800-710-4985, Option #3.

Your eligibility or your right to benefits under the Plan should not be interpreted as a guarantee of employment. The company’s employment decisions are made without regard to the benefits to which you are entitled.

This document constitutes the “Summary Plan Description” as called for under the Employee Retirement Income Security Act of 1974. It is not the official Plan document nor

does it contain all the details of the Retirement Plan. The official Plan document and trust agreement govern the operation of the Plan and the payment of all benefits. While every effort has been made to make this book as accurate as possible, if there is any conflict between this summary and the Plan document and/or trust agreement, the terms of the Plan (as interpreted by the Administrative Committee of the PPL Employee Benefit Plan Board) will govern.

The benefits described in this Summary Plan Description are subject to approval by the Internal Revenue Service. The benefits described herein will be modified if necessary to obtain IRS approval.

Certain terms used in this summary of your Retirement Plan have special technical meanings. These terms appear in bold in this Summary Plan Description. A complete explanation of each of the terms is contained in the "Glossary."

## About Your Participation

This section includes important information about your participation in the Plan, including eligibility and getting started.

### Eligibility

You are eligible to participate in the Plan if you were hired prior to January 1, 2012 and are a:

- ◆ Regular, active management professional or administrative employee working full-time, or
- ◆ Professional Associate - part-time or an Administrative Associate - part-time

You are *not* eligible to participate in the Plan if you are a:

- ◆ specific professional employee,
- ◆ professional associate,
- ◆ administrative associate,

- ♦ temporary employee or
- ♦ co-operative associate and college intern.

An individual who provides services to a participating employer but who is classified by the employer, in its discretion, as a “leased employee” or an “independent contractor” is not covered under the Plan, even if a court or government agency decides that the individual is an “employee” of the employer.

The Plan also does not cover employees:

- ♦ covered by a collective bargaining agreement, unless the collective bargaining agreement provides for participation in the Plan, or
- ♦ covered by another defined benefit plan to which any PPL-affiliated company makes contributions.

## **When Participation Begins**

If you are already a Plan participant, your participation continues. If you were not already a Plan participant and eligible, you will automatically become a participant in this Plan on the first of the month following the earlier of the date on which you have reached:

- ♦ age 21 and have completed one year of eligibility service (see below), or
- ♦ age 30 and are normally scheduled to work at least 1,000 hours in a year.

Generally, an hour of service is any hour for which you receive compensation from the Company or certain affiliated companies. See the “Glossary” for more information.

If you terminate employment after having become a participant and you are later re-employed, you will become a participant again on the date you are re-employed.

## **Some Facts About Service**

The Plan considers four types of service: eligibility service, contributory credited service, credited service and vesting service.

## Eligibility Service

Eligibility service determines when you can participate in the Plan, and is measured by your employment with any participating company and/or affiliated company. You earn one year of eligibility service for any employment year in which you are credited with 1,000 **hours of service**. (An employment year is any 12-month period beginning with your date of hire to each anniversary of that date.)

Once you become a participant, you will continue to participate until you leave the Company.

## Contributory Credited Service

Contributory credited service is the period of your participation in the Plan before July 1, 1979, that is used to determine the amount of benefits you earned under the Plan before that date. (Before July 1, 1979, the Plan required employees to contribute in order to earn benefits under the Plan.) All periods of credited service, as explained below, before July 1, 1979, during which you made contributions to the Plan will be considered contributory credited service.

In addition, if you were an active employee on:

- ♦ July 1, 1994, and you were a participant before July 1, 1976, service between ages 27 and 30 after you completed one year of service for eligibility purposes (and which otherwise would have been credited except you were not yet a participant in the Plan) will be treated as contributory credited service under the benefit formula
- ♦ July 1, 2001, and you were a participant before July 1, 1976, service between ages 25 and age 27 after you completed one year for eligibility purposes (and which otherwise would have been credited but for the fact that you were not yet a participant in the Plan) will be treated as contributory credited service under the benefit formula.
- ♦ July 1, 2002, and you were a participant before July 1, 1985, service between age 24 and 25 after you completed one year of service for eligibility purposes (and which otherwise would have been credited but for the fact that you were not yet a participant in the Plan) will be treated as contributory credited service under the benefit formula.

## Credited Service

Credited service is the service you perform while you are a participant in the Plan. In general, credited service is used to determine the amount of your benefit earned after July 1, 1979. (For service before July 1, 1979, see the previous section, titled “Contributory Credited Service.”)

Credited service is calculated by years and fractions of years. You earn a full year of credited service, starting on July 1, 1976, for each employment year in which you are eligible for the Plan and you complete at least **2,080 hours of service**. You do not earn any credited service for any year in which you complete less than **1,000 hours of service**. If you have between **1,000 and 2,080 hours of service** during an employment year, you earn a fractional year of credited service for that year. Your fractional credited service equals your actual hours of employment divided by 2,080. For example, if you completed **1,040 hours of service** during an employment year, you would receive  $1,040/2,080$  or  $1/2$  of a year of credited service.

Until you have earned five years of credited service, service performed during the eligibility waiting period (see “Who Is Eligible”) before becoming a participant does not count as credited service. Once you have earned five years of credited service, you will be retroactively credited with service for the waiting period.

You will not have a full year of credited service until you complete **2,080 hours of service** in that employment year. In addition, you only earn years of credited service while you are actively participating in the Plan, so that if you transfer to a job classification that is not covered by the Plan you will cease to earn years of *credited* service, although you will continue to earn years of *vesting* service.

For employment before July 1, 1976, you receive a year of credited service for each year of credited service under the Plan in effect on June 30, 1976.



## Vesting Service

Years of vesting service are the years of your employment with PPL and Affiliated Companies that are counted to determine whether your benefit is vested (see "Vesting"). A "year of vesting service" is an employment year in which you are credited with 1,000 or more **hours of service**. If you have fewer than 1,000 **hours of service** in an employment year, you will not get a year of vesting service for that year.

For employment before July 1, 1979, you will receive years of vesting service according to the rules in effect under the Plan at that time.

## Leaves of Absence

If you go on a disability leave recognized under the Company's Long Term Disability Plan, you will continue to receive credit for years of vesting service and years of credited service (for benefit accrual purposes) until you terminate employment. Benefit accruals will be computed on your earnings at the time you went on disability leave.

During military leaves of absence, during which re-employment rights are protected by law, you will continue to earn years of vesting service and credited service. During other authorized leaves of absence, you will continue to earn years of service (for vesting purposes and eligibility to participate). In order to earn years of credited service (for benefit accrual purposes), you must make monthly payments equal to the cost of your benefit accrual, as determined by PPL Services Corporation and stated as a percentage of your monthly rate of base earnings immediately before the leave for the period of the leave of absence. This payment must be made during or at the end of the leave of absence.

During all but disability leave of absence recognized under the Company's Long Term Disability Plan, you must return to active employment when the leave expires or have made monthly payments to the Plan as described above to receive service credit.

## If You Are Re-employed

If you terminate your employment with a vested benefit and you are later re-employed by the Company, your years of vesting service and credited service before termination will be reinstated upon your re-employment, unless you received a lump-sum distribution of your entire accrued benefit because its actuarial present value was \$1,000 or less.

If you terminate your employment after July 1, 1985, before your benefit becomes vested and you are later re-employed by the Company, your years of vesting service and credited service will be reinstated if:

- ◆ Your **break in service** lasts fewer than five years, or
- ◆ Your number of years of vesting service before termination exceeds your number of consecutive one-year breaks in service (if greater than five).

If you terminated employment before July 1, 1985, see the SPD in effect when you terminated employment.

See the “Glossary” for a definition of **break in service**.

## Calculating Your Basic Benefit

Your basic benefit is called your accrued benefit. A description of how to calculate your accrued benefit follows, first under the “career average pay” formula and then under the “final average pay” formula. Your basic benefit will be calculated under the formula that results in the greater benefit to you.

In general, your basic benefit from the Plan is expressed as a monthly amount payable at age 65. If you work past age 65, it is expressed as a monthly amount payable if you retire immediately. If you retire and begin to receive benefit payments before age 65, your basic benefit may be reduced to account for its early payment.

## Career Average Pay Formula

Your monthly benefit under the career average pay formula for each year of credited service after July 1, 1986, will be 2.25% of your average monthly rate of earnings.

If you were a Plan participant before July 1, 1986, the benefit that you earned before that date depends on your date of hire, Plan eligibility date and your July 1, 1986, **average monthly earnings**.

The following chart identifies the different benefit formulas used in the career average pay formula and the periods for which they apply.

### Benefit Formulas for Various Time Periods

For Service During the Period	Benefit Formula
July 1, 1986 to present	The sum, calculated separately for each year of credited service after July 1, 1986, of the product of: <ol style="list-style-type: none"> <li>2.25% x</li> <li>Your <b>average monthly earnings</b> of such year</li> </ol>
Before July 1, 1986	The product of: <ol style="list-style-type: none"> <li>2.25% x</li> <li>Your <b>average monthly earnings</b> as of July 1, 1986* x</li> <li>Your years of contributory credited service before July 1, 1979 <i>plus</i> your years of credited service between July 1, 1979 and July 1, 1986.</li> </ol>
July 1, 1971 to July 1, 1979 and service before 1971	The product of: <ol style="list-style-type: none"> <li>\$5.00 x</li> <li>Your years of credited service from July 1, 1971 to July 1, 1979, whether or not you contributed, <i>plus</i> your years of credited</li> </ol>

For Service During the Period	Benefit Formula
	service before 1971 after you had one year of service for eligibility purposes and were between the ages of 24 and 30, whether or not you contributed.

\*If your **average monthly earnings** as of any month between July 1, 1976, and July 1, 1986, were higher than your **average monthly earnings** on July 1, 1986, your higher **average monthly earnings** will be used.

### Example

To show how the career average pay formula under the Plan works, let's assume that you are retiring at age 65 on January 1, 2011. You were hired 41 years ago, at the age of 24, and have no breaks in service. Your earnings history might look like this:

Year	Average Monthly Earnings
1986	2,183.48 (July 1, 1986 rate)
1987	2,286.36
1988	2,394.10
1989	2,506.91
1990	2,619.72
1991	2,737.61
1992	2,860.80
1993	2,960.93
1994	3,108.97
1995	3,248.87
1996	3,395.07
1997	3,539.36
1998	3,680.93
1999	3,828.17
2000	3,981.30
2001	4,140.55
2002	4,285.47

Year	Average Monthly Earnings
2003	4,414.25
2004	4,546.67
2005	4,652.73
2006	4,793.21
2007	4,937.01
2008	5,085.12
2009	5,240.67
2010	5,397.89

**Step 1:** For the period of service before July 1, 1986:

Your retirement income for the period before July 1, 1986, is based on your **average monthly earnings** as of July 1, 1986 (\$2,183.48) and your credited years of service see the “Glossary” for a description of your years of service) as of July 1, 1986 (16 years). You receive \$49.13 ( $2.25\% \times \$2,183.48$ ) for each year of credited service. You are eligible to receive \$786.08 per month ( $16 \times \$49.13$ ).

**Step 2:** For period of service earned each year from July 1, 1986:

Your monthly accrued benefit for this period is determined by multiplying your **average monthly earnings** for each year of credited service after July 1, 1986 by 2.25% and adding the results.

Retirement Plan Year	Average Monthly Earnings	Monthly Accrued Benefit
1986	$2,183.48 \times 2.25\% =$	49.13
1987	$2,286.36 \times 2.25\% =$	51.44
1988	$2,394.10 \times 2.25\% =$	53.87
1989	$2,506.91 \times 2.25\% =$	56.41
1990	$2,619.72 \times 2.25\% =$	58.94

Retirement Plan Year	Average Monthly Earnings	Monthly Accrued Benefit
1991	2,737.61 x 2.25% =	61.60
1992	2,860.80 x 2.25% =	64.37
1993	2,960.93 x 2.25% =	66.62
1994	3,108.97 x 2.25% =	69.95
1995	3,248.87 x 2.25% =	73.10
1996	3,395.07 x 2.25% =	76.39
1997	3,539.36 x 2.25% =	79.64
1998	3,680.93 x 2.25% =	82.82
1999	3,828.17 x 2.25% =	86.13
2000	3,981.30 x 2.25% =	89.58
2001	4,140.55 x 2.25% =	93.16
2002	4,285.47 x 2.25% =	96.42
2003	4,414.25 x 2.25% =	99.32
2004	4,546.67 x 2.25% =	102.30
2005	4,652.73 x 2.25% =	104.69
2006	4,793.21 x 2.25% =	107.85
2007	4,937.01 x 2.25% =	111.08
2008	5,085.12 x 2.25% =	114.42
2009	5,240.67 x 2.25% =	117.92
2010	5,397.89 x 2.25% =	<b>60.72</b> (1/2 yr. July-Dec.)
		<b>\$2,027.87</b>

**Step 3:** For the period between July 1, 1971 and July 1, 1979:

If you were hired before July 1, 1979, you are eligible to receive a non-contributory benefit equal to \$5.00 per month for each year of credited service you completed between July 1, 1971 and June 30, 1979. You will also receive \$5.00 per month for each year of service before July 1, 1971, if you completed one year of service and were ages 24 to 30.

Your monthly benefit for this period in this illustration equals \$40.00 (\$5.00 per month times 8 years of credited service for the service completed between July 1, 1971 and June 30, 1979, and \$30.00 (\$5.00 per month times 6 years of credited service) for service between age 24 and age 30.

### **Total Benefit at Retirement:**

The total monthly benefit payable to you at your normal retirement date (January 1, 2011) is the sum of the results of Steps 1 through 3:

Step 1	\$786.08
Step 2	\$2,027.87
Step 3	\$70.00
TOTAL:	\$2,883.95 per month

Your monthly retirement benefit is \$2,883.95 or \$34,607.40 per year.

### **Final Average Pay Formula Benefit**

Your benefit calculated under the Plan's career average pay formula will be tested against your benefit calculated under the final average pay formula. If the final average pay formula produces a larger benefit than the career average pay formula, you will receive the benefit under the final average pay formula.

Your final average pay formula benefit will be calculated as follows:

1.3% of your **final average earnings**  
up to the **average Social Security Covered Compensation**

plus

1.7% of your **final average earnings**  
in excess of the **average Social Security Covered Compensation**

multiplied by

the sum of your years of contributory credited service before July 1, 1979, and your years of credited service after July 1, 1979, up to a maximum of 40 years.

### Example

Assume your **final average earnings** will be \$5,016.26 (i.e., the sum of your **average annual earnings** for Plan years 2005 through 2010, divided by 12). Assume that the **average Social Security Covered Compensation** as of your retirement is \$59,268, of which the monthly amount would be 1/12th, or \$4,939. The sum of your contributory credited service and your credited service is 40 years. Your final average pay formula benefit would be determined as follows:

$$\begin{aligned} &1.3\% \times \$4,939 = \$64.21 \\ &\quad \text{plus} \\ &1.7\% \times (\$5,016.26 - \$4,939 = \$77.26) = \$1.31 \\ &\quad \$65.52 \\ &\text{multiplied by } 40 = \$2,620.80/\text{month} \end{aligned}$$

Your benefit under this formula would be \$2,620.80 per month. Your benefit under the career average pay formula is \$2,933.08 per month. Because the career average pay formula benefit is larger, you will receive \$2,933.08 per month until you die. (See "Your Payment Options" for more details on the effect of the form of benefit on your monthly amount.)

### **Benefits for Former Penn Water, Hershey Electric and Scranton Plan Participants**

If you participated in the former Penn Water, Hershey Electric or Scranton Plan, you will receive the greater of (a) the retirement benefit provided by your former Plan to its termination date, plus the retirement benefit from this Plan from that date forward or (b) a retirement benefit calculated according to the terms of this Plan.



## Vesting

Vesting refers to your right to receive a benefit. It means your benefit is non-forfeitable—it belongs to you. You become fully vested in the Plan:

- ◆ after you reach age 23 and have completed at least five years of vesting service, or
- ◆ if you leave the Company after you have reached age 55 with one year of company service.

Once you are vested, you are entitled to receive your accrued benefit after termination of employment starting on the first day of any month after you reach age 55, but not later than age 65. Your benefit will be calculated in the same way as explained for normal or early retirement, based on your years of credited service, and your earnings up to your termination date. If you decide to receive benefits before age 65, your benefit will be reduced (see “If You Otherwise Retire Early”). If you die before your benefits begin, your spouse will be entitled to a benefit from the Plan (see “Pre-retirement Death Benefit”).

If you leave the Company before you are vested, you will not be entitled to any benefits from the Plan unless you made contributions while on an authorized leave of absence, in which case you will be eligible for a deferred vested benefit attributable to your contributions plus interest payable on your Normal Retirement Date or on a reduced basis if paid on an Early Retirement Date.

Your benefit will be paid in a lump sum if the actuarial equivalent lump-sum value of your benefit is \$1,000 or less.

## Retirement Dates

### Normal Retirement

Your normal retirement date is the first day of the month following your 65th birthday.

## Postponed Retirement

You may postpone your retirement beyond age 65 and continue active employment. You will continue to accrue retirement benefits during active employment beyond age 65. No benefits will be paid until the month after you retire. If you continue to work past April 1 of the year following the year in which you reach age 70-1/2, your benefit will be adjusted, if necessary, to make sure that the additional retirement benefits you accrue are at least as valuable as the retirement benefits you would have received if you had retired on that date and started to receive your benefit.

## Early Retirement

You may retire as early as age 55.

Your benefit at early retirement will be calculated in the same way that your normal retirement benefit is calculated, except that it is based on your years of credited service and your earnings as of your early retirement date. In addition, your benefit may be reduced as described below if it starts before age 65.

Your retirement benefit will begin payments the first of the month after you retire. You may delay the start of payments until the first day of any month between your early retirement date and your normal retirement date. If you are considering deferring your pension payment, please contact Employee Benefits at the Employee Benefits mailbox at [benefits@pplweb.com](mailto:benefits@pplweb.com) or by calling 610-774-5022 (ETN 220-5022) or toll-free at 1-800-710-4985, Option #3.

### **If You Retire Early from Active Service or While on Long Term Disability with at Least 20 Years of Service**

If you retire early from active service or while on Long Term Disability and:

- ◆ you choose to start receiving your benefits on the first day of the month following your retirement, and
- ◆ the sum of

- your years of vesting service after June 30, 1979, plus
- your years of contributory credited service through June 30, 1979 (or if greater, your years of credited service from July 1, 1971, to June 30, 1979) total at least 20 years, your accrued benefit from the Plan at that time will be reduced depending on your age upon retirement. The percent of accrued benefit you will be entitled to is based on the schedule shown below:

Age When Benefits Begin	Percentage of Accrued Benefit Payable
55	60%
56	68%
57	76%
58	84%
59	92%
60	100%

Benefits are prorated for ages within the ranges shown. For example, if you are 55-1/2 when you retire, you will receive 64% of your accrued benefit.

### **If You Otherwise Retire Early**

If you have not completed 20 years of service and you want benefits to begin before age 65, or if you do not retire directly from active employment or Long Term Disability even if you have completed 20 years of service, you will receive the following percentage of your accrued benefit:

Age When Benefits Begin	Percentage of Accrued Benefit Payable
55	50%
56	54%
57	58%

58	62%
59	66%
60	70%
61	76%
62	82%
63	88%
64	94%

Benefits are prorated for ages within the ranges shown. For example, if you are 55-1/2 when you retire, you will receive 52% of your accrued benefit. If you are 62-1/2, you will receive 85% of your accrued benefit.

## If You Are Rehired After You Retire

If you are employed in “qualified re-employment,” benefits otherwise payable to you will be suspended for each month in which you continue your qualified re-employment. Your benefits will resume or begin when your “qualified re-employment” has ended. “Qualified re-employment” means continued employment beyond your normal retirement date or re-employment by the Company during which you are scheduled to work at least 1,000 hours in a Plan year or calendar year.

## Your Payment Options

Your Retirement Plan provides two normal forms of benefit payment—one for single people and one for married people. You will automatically receive your benefit in the appropriate normal form, unless you waive the normal form in writing and select an optional form of payment. However, if you are married, you must obtain the written, notarized consent of your spouse if you wish to waive the normal form of payment and elect an optional form (see “Waiver Rules for Married Participants”).

If the lump-sum present value of your benefit (or if you have died, your spouse’s pre-retirement death benefit) is less than \$1,000, you (or your spouse) will receive this benefit in a single lump sum, immediately upon your termination of employment or death. This lump-

sum distribution is not an option you can elect under the Plan; it will be made solely in this limited circumstance.

## **Normal Forms**

### **If You Are Married**

The 50% joint and survivor annuity is the normal form of benefit payment for married people. Under this form, your benefit payments are reduced because you will be providing an income for two lifetimes—yours and your spouse's. The amount your benefit is reduced depends on your age and your spouse's age.

You will receive your reduced monthly benefit for as long as you live. After you die, your spouse (if then living) will receive a monthly benefit equal to 50% of the amount you had been receiving. Payments to your spouse will continue for the rest of his or her life. If your spouse dies before you do, you will continue to receive the same reduced benefit.

If you are divorced before the first day of the month in which your benefits are scheduled to begin, but after you elect a form of benefit, the election will remain in effect unless you revoke it, you remarry or a qualified domestic relations order provides otherwise.

### **If You Are Single**

The single life annuity is the normal form of benefit payment for single people. Under this form, you will receive your monthly benefit for as long as you live. All payments will cease when you die.

## **Optional Forms**

If you prefer, you may elect one of the following forms of payment. You must elect an optional form of payment before you retire, and, if you are married, you must obtain your spouse's written, notarized consent to such an election.

- ◆ **Single Life Annuity:** As described above.
  
- ◆ **Contingent Annuity Option:** Under this option, you will receive a reduced monthly benefit in order to provide a lifetime income for your “contingent annuitant”—your spouse, a dependent child, brother, sister, parent or anyone else you wish to name—if you die. The amount your benefit is reduced will depend on the ages of you and your contingent annuitant, and on the percentage of your reduced benefit you elect to have continued after your death. If your beneficiary is not your spouse, and is more than 10 years younger than you, federal law limits the percentage that you may elect to have payable to your beneficiary after your death.

If your contingent annuitant dies before you do but after payments to you have commenced under this option, you will continue to receive the same reduced benefit until your death but no benefit will be paid to any beneficiary upon your death (see “Rules Governing Election of Plan Options”).

- ◆ **Joint and Survivor Annuity with “Pop-Up” Option:** This form is identical to the contingent annuity option described above, except that your contingent annuitant must be your spouse, and if your spouse dies before you do, the monthly amount payable to you will revert—or “pop-up”—to the amount you would have received under the single life annuity form. To cover the cost of the “pop-up” feature, the monthly amount you receive during your lifetime (before your spouse’s death) will be less than the monthly amount you would receive without the “pop-up” feature. In other words, your monthly payments under the 50% Joint and Survivor Annuity would be larger than your monthly payments if you elect a 50% Joint and Survivor Annuity with Pop-Up.
  
- ◆ **Guaranteed Payment Period Option:** Under this option, you accept a reduced benefit payable for your lifetime, but are guaranteed that together, you and your beneficiary will receive a minimum number of payments for five, 10 or 15 years, whichever period you select. This means that if you die after retirement, but before you receive payments for five, 10 or 15 years (the period you have selected), the balance of the guaranteed payments will be paid to your beneficiary. If both you and your beneficiary die before the

end of the guaranteed period, the remainder of such payments will be reduced to an actuarially equivalent lump sum and paid to the estate of the beneficiary.

If you are age 84 or older when you start receiving your pension under this option, the maximum number of monthly payments you can elect will be limited to reflect your shorter life expectancy.

You may change your beneficiary until the date on which the guaranteed period expires. The amount of the reduction to your benefit depends on the length of the guaranteed period you have chosen.

### **Rules Governing Election of Plan Options**

You may elect an optional form of benefit at any time during the period beginning 90 days before the first day of the calendar month for which benefits are first payable to you and ending on the date your benefits begin.

You may not revoke or change your election of a form of benefit or change your contingent annuitant after your benefit payments begin.

If you do not elect an optional form of payment within the 90-day period described above, payments will be made in the normal form of payment described under "Normal Forms."

Except as follows, if you elect an optional form of benefit and you die before your benefits begin, your election will be canceled. However, if within 90 days before your retirement date you had elected a 50% joint and survivor annuity providing for periodic payments to your beneficiary after your death, your election will remain effective and will be used to calculate your pre-retirement benefit. See "Pre-Retirement Death Benefits."

If your beneficiary or contingent annuitant dies before the effective date of the option, your payment method will automatically revert to the normal form of payment method applicable to your marital status—unless you designate a new beneficiary or contingent annuitant or make another election. As previously noted, if you are married and wish to elect an optional

form of payment, you must obtain your spouse's written consent and witnessed by a notary public. See "Waiver Rules for Married Participants."

If you have any questions regarding the Plan's payment options, please contact the PPL Pension and Savings Center toll-free at 1-800-827-3321 or Employee Benefits at the Employee Benefits mailbox at [benefits@pplweb.com](mailto:benefits@pplweb.com) or by calling 610-774-5022 (ETN 220-5022) or toll-free at 1-800-710-4985, Option #3.

### **Waiver Rules for Married Participants**

Under federal law, if you are married and want to elect an optional form of payment, or any form that does not provide monthly benefits at least equal to a 50% survivor annuity for your spouse's lifetime, both you and your spouse must agree to waive the 50% joint and survivor annuity benefits in writing before your benefits start. Your spouse's signature to agree to this waiver must be on the proper form and witnessed by a notary public.

In addition, your spouse must understand that no benefits will be paid to him or her after you die (unless he or she is a designated beneficiary under the elected optional form of payment) and this understanding must be reflected in this written waiver by your spouse. You will receive the appropriate forms when you initiate your retirement. A waiver of the 50% joint and survivor annuity benefit can be revoked during the 90-day election period before your benefits begin.

### **Pre-Retirement Death Benefits**

If you are vested and die before you begin to receive benefits under the Plan, your spouse will receive a lifetime monthly income from the Plan—even if you leave the Company before you retire. The Plan automatically provides a Pre-retirement Death Benefit at no cost to you. This option will provide monthly income to your spouse equal to the benefit he or she would have received under the normal form of payment (a 50% joint and survivor annuity) for which you would have been eligible had you retired on the date of your death.

If you die before age 55, your spouse's benefit will be payable at the time you would have



reached age 55 (or any month thereafter as elected by your spouse but no later than the date you would have reached age 65). The benefit payable will be equal to the benefit you would have received, if you:

- (1) had terminated your employment on the earlier of your date of death or actual termination of employment,
- (2) had survived to the benefit commencement date elected by your spouse,
- (3) had then begun to receive immediate benefits under a 50% joint and survivor annuity and
- (4) had died on the following day. If the present value of the pre-retirement spouse's benefit at the time of your death is \$1,000 or less, it will be immediately paid to your spouse in a single sum.

If the actuarial present value of the pre-retirement death benefit when you die is \$1,000 or less (as determined by the Plan's actuary using actuarial factors set forth in the Plan), it will be immediately paid to your beneficiary in a lump sum. If your beneficiary is your spouse, he or she may elect to roll over this amount to an individual retirement account or an individual retirement annuity (see "Mandatory Tax Withholding and Direct Rollovers").

#### ***A Note About Death While Performing Qualified Military Service***

If you die while you are on a leave of absence for qualified military service under the Uniformed Services Employment and Re-employment Rights Act (USERRA), you will:

- ◆ be treated as if you had returned to work on the day before your death, and
- ◆ receive vesting service and benefit service during the period of your military leave.

### **Minimum Death Benefit**

If you contributed to the Plan before July 1, 1979, and did not receive a refund of your contributions or they were not transferred to the PPL Deferred Savings Plan, or if you contributed to the Plan while on an authorized leave of absence and subsequently terminate your employment before you are vested, you and/or your spouse or beneficiary must receive total benefits from this Plan which are at least equal to the total contributions you made to the Plan, plus interest.

## Mandatory Tax Withholding and Direct Rollovers

Your pension benefit is subject to federal income tax, but is not taxed until you receive a direct distribution or payment from the Plan. The law requires that this tax be withheld from your payments based on wage withholding tables, unless you elect not to have tax withheld. If you receive your entire benefit in a lump-sum distribution because the present value of your benefit (as determined by an actuary) is \$1,000 or less, the law requires that 20% of the amount distributed to you be withheld, unless you roll the distribution over to an IRA or other retirement plan that accepts rollovers.

You may roll over any single sum distribution to an individual retirement account or an individual retirement annuity (IRA) or plan of another employer. State taxes vary from state to state. You should consult with your tax advisor regarding your individual tax situation.

If you leave the Company before age 55 and receive a lump-sum distribution before age 59½, you will be subject to a 10% penalty tax. If you choose an annuity option, you will not be subject to a penalty tax regardless of when payments begin. You will be provided with the necessary forms to elect an annuity or a lump-sum cash payment (including a rollover) and a Special Tax Notice, summarizing the tax implication of your options.

These provisions also apply to your spouse or non-spouse beneficiary.

## Applying for Your Benefit

If you intend to retire, you must complete Form 5049 (PPL Retirement Request Form). If you have any questions, please contact Employee Benefits at the Employee Benefits mailbox at [benefits@pplweb.com](mailto:benefits@pplweb.com) or by calling 610-774-5022 (ETN 220-5022) or toll-free at 1-800-710-4985, Option #3. After you have submitted Form 5049, you must contact the PPL Pension and Savings Center toll-free at 1-800-827-3321 to start the retirement process. This request should be made no more than 180 days before the date you want benefits to begin.

If you have notified the Company of your plans to retire as of a specific date, the Company may take action to fill your position or reassign work you performed. If you change your mind before your last day of work, the Company is not required to return you to your former position or find a position for you.

Your retirement date is always the first of the month.

If you want to be paid a form of benefit other than the normal form, you must select it or request additional information before your retirement date. Remember that if you are married, you must obtain your spouse's written, notarized consent to elect an optional form of payment.

If you have any questions about the provisions of the Plan and how they may affect you, please contact Employee Benefits at the Employee Benefits mailbox at [benefits@pplweb.com](mailto:benefits@pplweb.com) or by calling 610-774-5022 (ETN 220-5022) or toll-free at 1-800-710-4985, Option #3.

## **Failure to Apply for Benefits**

If you don't submit a written application for pension benefits by the later of your normal retirement date or the date your employment terminates, an attempt will be made to contact you. The Plan has no obligation to make payments during the period in which benefits would have been payable had you made a timely application, but the amount you receive when payment starts will be increased to reflect the payments that otherwise would have been made.

## **If Your Claim Is Denied**

The Administrative Committee of the PPL Employee Benefit Plan Board is responsible for reviewing and determining the amounts payable from the Plan and advising each participant or beneficiary of those amounts. The Committee has the authority to approve your application for benefits or explain why your claim is being denied.

You or your eligible spouse (or other beneficiary) will receive a written notice of the claim decision within 90 days after the Committee receives the documentation it needs to process the claim. This period may be extended by 90 days if special circumstances require an extension for processing the claim. You or your eligible spouse (or other beneficiary) will receive a notice from the Committee before the first 90-day period runs out that explains why the extension is needed and the date by which the Plan expects to make a decision.

If your claim is being denied, you will be provided with the following:

- ◆ Specific reason for the denial.
- ◆ Specific Plan references relied upon in making the decision.
- ◆ Descriptions of any additional information needed to approve your application.
- ◆ Explanation of why the additional information is necessary.
- ◆ Explanation of the application review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action following an appeal of an adverse determination.

If you or your eligible spouse (or other beneficiary) does not receive a notice of denial within 90 days (or within 180 days if an extension is needed), you or your eligible spouse (or other beneficiary) may consider the claim denied and you or your eligible spouse (or other beneficiary) may appeal the denial.

## **How to File an Appeal if the Claim Is Denied**

If the claim is denied (in whole or in part), you, your eligible spouse (or other beneficiary) or a designated representative may file a written appeal with the Plan Administrator. The appeal must be filed within 60 days after the date that you or your eligible spouse (or other beneficiary) is notified of the denial. To file the appeal:

- ◆ State, in writing, why you or your eligible spouse (or other beneficiary) believes the claim should have been approved.
- ◆ Submit any information and documents relevant to the claim, including any additional information not submitted with the initial claim.
- ◆ Send the appeal and any supporting documentation to the Plan Administrator.

To help with the appeal, you, your eligible spouse (or other beneficiary), or a designated representative may request, free of charge, copies of all documents, records and other information relevant to the initial claim for benefits.

The review of the claim will be undertaken in a full and fair manner. The Plan Administrator will review all comments, documents, records or other information relating to the claim that you, your eligible spouse (or other beneficiary), or a designated representative submits, without regard to whether this information was previously submitted or relied upon in the claims process.

### **Timeframe for Decisions on Appeal**

You or your eligible spouse (or other beneficiary) will receive a written notice of the decision on the appeal within 60 days after the appeal is received by the Plan Administrator. This period may be extended by 60 days if special circumstances require an extension for deciding the appeal. You or your eligible spouse (or other beneficiary) will receive a notice from the Plan Administrator before the first 60-day period runs out that explains why the extension is needed, and the date by which the Plan expects to make a decision.

### **If the Appeal Is Denied**

If the appeal is denied (in whole or in part), the Plan Administrator will send you or your eligible spouse (or other beneficiary) a written notice that will include the following information:

- ◆ Specific reasons for the denial.
- ◆ Reference to the specific Plan provisions on which the appeal decision was based.
- ◆ Summary of your or your eligible spouse's (or other beneficiary's) right to additional appeals or legal action.
- ◆ Statement that you or your eligible spouse (or other beneficiary) can request, free of charge, copies of all documents, records, and other information relevant to the appeal decision. Information is "relevant" if it:
  - Was relied upon in making the appeal decision,

- Was submitted to, considered by, or generated by the Plan in determining your appeal, or
- Demonstrates compliance with the Plan's administrative processes for making appeal decisions.

### **If the Claim Continues to Be Denied**

After you or your eligible spouse (or other beneficiary) has exhausted the Plan's appeal process, you or your eligible spouse (or other beneficiary) may bring a civil action in court under Section 502(a) of ERISA for a judicial review of the final decision and to otherwise enforce your or your eligible spouse's (or other beneficiary's) rights under the Plan.

The civil action may assert that the denial decision was incorrect or that the Plan Administrator failed to follow the procedures stated above; however, if you or your eligible spouse (or other beneficiary) do not follow the above procedures, you or your eligible spouse (or other beneficiary) may lose the right to bring a civil action.

#### **Important Note**

If you or your eligible spouse (or other beneficiary) takes legal action, the lawsuit beginning the civil action must be filed within three years after the benefit claim was initially filed.

## **Circumstances Which May Affect Your Benefits**

There are certain circumstances that could cause you or your spouse to lose or fail to qualify for Plan benefits, or that will reduce your benefit.

- ◆ If you did not contribute to the Plan before July 1, 1979, your benefit may be substantially less than it would have been if you had been a contributing member.
- ◆ If you leave the Company before you reach age 23 and complete at least five years of vesting service, you will forfeit all benefits earned under the Plan (other than your own contributions if any) unless you are later re-employed by the Company or have attained

age 55 (see “If You Are Re-employed”).

- ◆ If you retire or otherwise terminate employment and begin to receive benefits from the Plan before you reach age 65 your benefit may be reduced to account for its early payment (see “Early Retirement”).
- ◆ Under all of the Plan payment methods except the single life annuity and the “pop up” option, your retirement benefit will be permanently reduced to provide a benefit to someone else after your death (see “Your Payment Options”).
- ◆ If you are a married participant and do not obtain your spouse’s written notarized consent to waive the normal form of benefit payment, your benefit will be paid as a 50% joint and survivor annuity regardless of whether you make another election (see “Waiver Rules for Married Participants”).
- ◆ Benefits may be reduced to provide payment to an alternate payee under a Qualified Domestic Relations Order (see “Qualified Domestic Relations Orders”).
- ◆ If the Plan is amended or terminated, there could be an impact on benefits (see “Future of the Plan”).
- ◆ If you are rehired after you begin receiving benefits from the Plan, your benefits will be suspended (see “Suspension of Benefits on Re-employment”).
- ◆ If you are an unmarried participant and you die before your retirement payments begin, in most cases, no death benefits will be paid on your behalf (see “Minimum Death Benefit”).
- ◆ Participation in the Plan will end upon your resignation, death, termination of employment or transfer to a classification ineligible to participate in the Plan (see “Who Is Eligible”).

- ◆ If you withdrew your contributions to the Plan with interest after June 30, 1976, and terminated your employment between June 30, 1976, and February 28, 1981, your benefit will be reduced by the actuarial equivalent of such refund (see “Calculating Your Basic Benefit”).

There are some other conditions that could affect the amount of benefits to which you are entitled under the Plan, or your rights to benefits. If you have any questions about the Retirement Plan provisions and how they apply to you, please contact the PPL Pension and Savings Center toll-free at 1-800-827-3321 or Employee Benefits at the Employee Benefits mailbox at [benefits@pplweb.com](mailto:benefits@pplweb.com) or by calling 610-774-5022 (ETN 220-5022) or toll-free at 1-800-710-4985, Option #3.

## Not a Contract of Employment

No provision of the Plan is to be considered a contract of employment between you and the Company. The Company's rights with regard to disciplinary action, termination of the employment of any employee, or any other terms and conditions of employment are in no manner changed or affected by any provision of the Plan.

## Glossary

**Average monthly earnings:** Average rate of earnings is the sum of your “monthly rate of earnings” for each Plan Year, divided by 12. Your “monthly rate of earnings” means your basic earnings for each month based on your regular monthly, weekly or hourly rate as in effect at the beginning of each month (including any before-tax contributions you made to the Savings Plan or Profiles), excluding bonuses, overtime and any other special payments. However, if you are employed by a participating employer, your monthly rate of earnings also includes your annual variable compensation award and a pro rata portion of an annual variable pay award at a targeted level for final year of employment.

**Break in Service:** If you complete less than 501 **hours of service** in any employment year, you will incur a break in service. However, a break will not occur if you are absent by reason



of pregnancy, childbirth, adoption or care of your newborn or newly adopted child and such absence is not under an authorized leave of absence. For such absences, you will receive a maximum of 501 **hours of service** so that the break will be avoided. You will not receive credited service for this type of absence. For treatment under an authorized leave of absence for child care, see “**Hours of Service.**”

**Final average earnings:** Final average earnings means the average of your “monthly rate of earnings” for the 60 full months (five years), during your last 120 months (10 years) of credited service, in which your earnings are the highest. See the previous paragraph regarding annual rate of earnings for the definition of “monthly rate of earnings.”

If you do not have 60 full months of credited service, the Plan will divide your annual rate of earnings during your actual years of credited service by the number of months worked, and multiply by 12.

**Hours of Service:** Hours of service are hours for which you receive or are entitled to receive compensation from the Company. In addition, hours of service will be credited at the rate of eight hours a day for each normal workday (including holidays) during the following periods of unpaid absence:

- ◆ Military leave, provided that you return to your job within the period of time specified by law to guarantee your re-employment rights;
- ◆ Absence due to disability leave recognized under the Company’s Long Term Disability Plan;
- ◆ Any other authorized leave of absence, provided that you return to active employment immediately upon termination of your leave. (Credit for vesting and eligibility is automatic; credit for a higher benefit requires an employee contribution.)

See “Leaves of Absence” for more information.

**Social Security Covered Compensation:** Social Security Covered Compensation is the average of the Social Security taxable wage base for the 35 consecutive years before your

retirement date. The Social Security taxable wage base is the maximum amount on which employees and the Company pay taxes to provide old age Social Security benefits.

## Administrative Information

This section contains information on the administration and funding of the PPL Retirement Plan, as well as your rights as an employee under various circumstances. Although you won't need this information on a day-to-day basis, it is important for you to understand your rights and the procedures you need to follow in certain situations.

The benefits described in this Summary Plan Description that are not payroll practices are covered by the Employment Retirement Security Act of 1974 (ERISA). They are referred to as employee pension benefit plans.

**ERISA** refers to the Employee Retirement Income Security Act of 1974, as amended and restated. Among other things, ERISA regulates the information that must be included in benefit plan descriptions such as this one.

<b>Plan Name</b>	The PPL Retirement Plan
<b>Plan Administrator</b>	<p>The Employee Benefit Plan Board of PPL Corporation, which is appointed by the Board of Directors of PPL Corporation. The address is:</p> <p>Employee Benefit Plan Board  PPL Services Corporation  c/o Senior Director-Employee Benefits  Two North Ninth Street  Allentown, Pennsylvania 18101-1179  610- 774-5022</p>

<b>Plan Sponsor</b>	PPL Services Corporation Two North Ninth Street Allentown, Pennsylvania 18101 610- 774-5022
<b>Employer name and address</b>	PPL Services Corporation Two North Ninth Street Allentown, Pennsylvania 18101 610- 774-5022
<b>Employer Identification Number (EIN)</b>	23-3041441
<b>Agent for service of legal process</b>	Office of General Counsel PPL Services Corporation Two North Ninth St. Allentown, PA 18101  Service of legal process may also be made upon the Plan Administrator.
<b>Plan year</b>	July 1 – June 30
<b>Plan number</b>	001
<b>Plan type</b>	Defined benefit plan

## Trustee

A Trust Fund has been established in order to hold the money set aside for the payment of pensions under this Plan. Contributions are paid into the Trust Fund by the Company. The Bank of New York Mellon, of Mellon Square, Pittsburgh, Pennsylvania 15230, is Master Trustee. Responsibility for the investment of the Fund's assets is shared by several independent money managers. The Bank of New York Mellon, as Master Trustee, is responsible for the overall administration and custodianship of all Trust Fund assets.

The pensions of certain employees are paid in part by four insurance companies. The following insurance companies are obligated under the terms of their contracts with the Company to provide certain pension benefits related to service with the Company before October 1, 1951 and for service under the former Penn Water, Hershey Electric and Scranton plans:

Metropolitan Life Insurance Company  
One Madison Avenue  
New York, NY 10010

Aetna Life Insurance Company  
151 Farmington Avenue  
Hartford, CT06120

Equitable Life Assurance Society of the United States  
1285 Avenue of the Americas  
New York, NY 10036

Prudential Life Insurance Company  
Hanover Road  
Florham Park, NJ 07932

The responsibilities of the Master Trustee, the insurance companies and the investment managers are outlined in the Trust Agreement and the insurance contracts. Benefit payments are made to eligible Plan participants at the direction of the Employee Benefit Plan Board from the Trust Fund and through the group insurance contracts. Administrative costs of the Retirement Plan are paid from the Trust Fund unless they are paid directly by the Company.

### **Named Fiduciary**

The Employee Benefit Plan Board, appointed by the Board of Directors of PPL Corporation, is the Named Fiduciary of the benefit plan described in this booklet. PPL Corporation may delegate authority to carry out such responsibilities as it deems proper, to the extent permitted by ERISA.

## **Source of Contributions**

Except for employee contributions during an authorized leave of absence, the Company pays the entire cost of benefits provided under the Plan as in effect on and after July 1, 1979. Contributions are made to the Plan Trustee for the exclusive benefit of Plan participants. The amount of the contribution required each year to support the Plan is determined by a professional mathematician called an actuary. The actuary, who is not an employee of the Company, must be enrolled by the Joint Board for the Enrollment of Actuaries, a government unit that was created under ERISA.

## **IRS Limitations on Benefits**

The Internal Revenue Service limits the total amount of benefits that can be provided to a participant under this Plan. In addition, there is a limit on the amount of compensation from the Company that may be taken into account to determine benefits under the plans. The compensation limit for 2012 is \$250,000.

You will be notified if your benefits must be adjusted to meet IRS limitations.

## **Assignment of Benefits**

Your interest in the Plan may not be anticipated, alienated, attached, transferred, assigned or pledged in any way except to comply with a “qualified domestic relations order.”

## **Qualified Domestic Relations Orders**

A “qualified domestic relations order” (or QDRO) is a legal judgment, decree or order which recognizes the rights of a person other than a Plan participant to payments from the Plan.

If you become legally separated or divorced, or if you are legally required to provide support, a portion of your benefit under the Plan may be assigned by a QDRO to a spouse, former spouse, child or other dependent to satisfy a legal obligation you may have to that person.

There are specific requirements a QDRO must meet to be qualified. There are also specific procedures to be followed regarding the amount and timing of payments to an Alternate Payee. You may obtain a copy of these procedures free of charge by contacting Fidelity Investments at 1-800-827-3321 or by going to <https://qdro.fidelity.com>.

PPL reserves the right to charge the fees associated with processing a QDRO back to the account of a Participant or an Alternate Payee. You or your attorney will be notified regarding any fees associated with processing your QDRO.

## Top-Heavy Rules

Federal law requires that certain minimum Plan provisions, which apply to vesting, benefit accrual and maximum compensation considered for benefit purposes, must automatically go into effect if the Plan is determined to be a “top-heavy” plan. A plan is top heavy if more than 60% of the benefit values under the plan are held for the benefit of “key employees” as defined by law.

The Plan is not currently top heavy and is not likely to become top heavy in the future. If it does become top heavy, you will be notified of any changes in Plan provisions that result.

## Pension Benefit Guaranty Corporation

Your benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan ends without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- ◆ normal and early retirement benefits,
- ◆ disability benefits if you become disabled before the Plan terminates and

- ◆ certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- ◆ benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
- ◆ some or all of the benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates;
- ◆ benefits that are not vested because you have not worked long enough for PPL;
- ◆ benefits for which you have not met all of the requirements at the time the Plan terminates;
- ◆ certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age and
- ◆ non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to:

#### PBGC

Technical Assistance Division  
1200 K Street, N.W., Suite 930  
Washington, D.C. 20005 – 4026

The PBGC can also be reached by calling (202) 326-4000 (not a toll-free number).

TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at <http://www.pbgc.gov>.

## Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act (ERISA) of 1974. ERISA provides that all Plan participants will be entitled to:

### Receive Information about Your Plan and Benefits

- ◆ You are entitled to examine without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements.
- ◆ You can obtain a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, which is available at the Public Disclosure Room of the Employee Benefits Security Administration.
- ◆ You can obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, copies of the latest annual report (Form 5500 Series) and an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- ◆ You are entitled to receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- ◆ You are entitled to obtain a statement telling you whether you have a right to receive a retirement benefit at normal retirement age (age 65) and, if so, what your retirement benefit would be at normal retirement age if you stop working under the Plan now. If you do not have a vested right to a pension, the statement will tell you how many more years you have to work to get a vested right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.



## **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so responsibly and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

## **Enforce Your Rights**

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you make a written request for a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## Assistance with Your Questions

If you have questions about your plan, you should contact the Plan Administrator. If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor (listed in your local telephone directory), or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. To obtain the addresses and telephone numbers of the District offices, you may access the Department of Labor Employee Benefits Security Administration Web site at <http://www.dol.gov/ebsa>.

## Future of the Plan

PPL Services Corporation expects to continue this Plan indefinitely, but reserves the right to amend or terminate it at any time by or pursuant to action by the Board of Directors of the Participating Employers, subject to approval by PPL Services Corporation. In addition, the Employee Benefit Plan Board of PPL Corporation may amend the Plan unless the amendment substantially increases the cost of the Plan to the Company or significantly alters the benefit design or eligibility requirements of the Plan.

The company may decide to amend or terminate the Plan because of changes in federal or state law governing retirement plans, the requirements of the Internal Revenue Service or Department of Labor, or for any other reason whatsoever. The company may transfer Plan assets and debts to another Plan, discontinue or limit any type of contribution under the Plan, or make any other changes to the Plan permitted by law. In the event the Company does amend or terminate the Plan, it may decide to set up a different plan providing similar or equivalent benefits, although the Company is not obligated to adopt another plan. No

amendment will decrease the benefits you had accrued under the Plan up until the date of the amendment.