

GENERAL DYNAMICS
SERVICE CENTER

June 28, 2017

[REDACTED]

General Dynamics Service Center
1-888-GD-BENEFITS (1-888-432-3633)

International Access

Dial the out-of-country access number
followed by 617-563-3782

TDD Service for the Hearing Impaired
1-888-343-0860

General Dynamics Service Center Online Access
www.gdbenefits.com

Re: General Dynamics Corporation Retirement Plans, "the Plan"
File Reference Number: W407648-22MAY17

Dear [REDACTED]

This letter serves as final notification that Fidelity Investments has determined that you received an overpayment from the Plan.

During a recent review of the Qualified Domestic Relations Order Employee Retirement Plan payments you have been receiving, it was determined that your final benefit was overstated due to a calculation error. This error was in regards to ensuring that the benefit was paid over your lifetime. Therefore, your monthly benefit has been updated to reflect the correct benefit amount.

The Plan is a tax-qualified defined benefit retirement plan under the Internal Revenue Code. To maintain the Plan's tax-qualified status, the Plan Sponsor (General Dynamics) must ensure that all covered employees, retirees, alternate payees, and/or beneficiaries receive only the benefits to which they are entitled under the Plan. In the event of an overpayment, the Plan is required to recover the amount of the overpayment (\$23,360.46).

To return the overpayment to the plan, please send a certified check, money order, or personal check payable to FIIOC, FBO General Dynamics Corporation Retirement Plans, in the amount of \$23,360.46. Please complete the enclosed *Repayment Form*, if applicable, and put File Reference Number **W407648-22MAY17** on the check, with a note stating this is a return of a Plan overpayment. The check and Repayment Form should be returned to the General Dynamics Service Center in the enclosed envelope.

Please note that the overpayment amount is not eligible for favorable tax treatment accorded to distributions from qualified plans, and is *not* eligible for rollover to another employer-sponsored retirement plan or IRA.

If you return the overpayment via check in 2017, your Plan distribution tax record (IRS Form 1099-R) at year end will reflect the correct distribution amount for your 2017 payments only. If your repayment crosses tax years (including prior year overpayments returned in 2017) the amount repaid in a subsequent tax year will not be reflected in a corrected IRS Form 1099-R. Instead you may be eligible for

a credit or an itemized deduction on your taxes for the year in which you repay the Trust. Please see IRS Publication 525, *Taxable and Nontaxable Income*, for more information. In order to understand all of the options available to you, including the availability of a credit or an itemized deduction, we strongly encourage you to discuss all of the options available to you with your tax advisor.

Our records indicate that you have an ongoing annuity under the Plan. In addition to the option of returning the overpayment via check, the overpayment issue can be resolved by performing an actuarial offset to your annuity. In order to calculate this option, the present value of your overpayment would be converted based on the current rules governing the Plan. Your monthly benefit would be permanently adjusted to the revised amount for the rest of your lifetime, and the overpayment would be considered recovered in full regardless of how long you live. If this method of resolution is performed, your ongoing income will be reported at the lower amount for the rest of your lifetime, and the previous paragraph would not apply. Instead, you would file your future taxes based on the amount reported on your future tax forms. Please note that this will be the default recovery option if no repayment is received via check with 30 days. If you would like to receive an estimate of what the actuarial offset amount would be, please contact us for assistance.

If you have any additional questions, please call me directly at 1-866-956-3110, Ext. 5115, and I will be happy to help you. I am available weekdays between 7:30AM and 4:00PM, Eastern Time (U.S.). Please provide the above File Reference Number listed at the top of the first page when making an inquiry. Again, thank you for your understanding and assistance in quickly resolving this matter.

Sincerely,

Cathy Wilkins,
Case Manager

Enclosure

Si tiene dificultad en entender cualquier parte de esta información acerca de sus beneficios, puede ponerse en contacto con el General Dynamics Service Center llamando al 1-888-GD-BENEFITS (1-888-432-3633). Nuestros representantes están disponibles desde las 8:30 de la mañana hasta la media noche, horario de la Costa Este, de lunes a viernes (excepto durante algunos feriados de la Bolsa de Valores de Nueva York). Si usted llama de fuera de los Estados Unidos, marque el código para hacer llamadas fuera del país, seguido por 617-563-3782.

GENERAL DYNAMICS
SERVICE CENTER

General Dynamics Service Center
1-888-GD-BENEFITS (1-888-432-3633)
8:30 a.m. to midnight Eastern time,
Monday through Friday (except for
New York Stock Exchange holidays)
General Dynamics Service Center Online
www.gdbenefits.com
International Access
Dial the out-of-country access number
followed by 617-563-3782
TDD Service for the Hearing Impaired
1-888-343-0860

January 24, 2018

Sophie Esquier
Pension Action Center
Gerontology Institute, Univ of Massachusetts Boston
100 Morrissey Blvd.
Boston MA 02125

JAN 29 2018

Re: W481533-14NOV17

Dear Sophie Esquier:

This letter is in response to the claim you submitted, on behalf of [REDACTED], dated November 14, 2017, in which you requested a review of the overpayment of [REDACTED] pension benefit under the General Dynamics Corporation Retirement Plans.

A comprehensive review of your claim has been completed. The Plan's rules, the facts of [REDACTED]'s overpayment, and the information provided in your claim were considered in this review. Based on the General Dynamics Salaried Retirement Plan - Corporate Legacy Employees provisions, and as further explained below, your claim must be denied.

Please refer to Section S8.5(j) of the Plan, which states:

"The Administrator shall have such duties and powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation the following:

(j) Upon discovery that a benefit under the Plan has been paid in error during some period or has been incorrectly determined for any reason including use of incorrect methods or incorrect data, to inform the payee (which, for purposes of this Section S8.5(j), means any current or former Member, Vested Member, Retired Member, Contingent Annuitant, Joint Annuitant, Beneficiary or any other individual who has received or who is eligible to receive benefits under the Plan) in writing of such error and of related corrective actions to be taken; then as soon as reasonable and practicable, to adjust the amount of any remaining benefit payments to the correctly determined amount, and to recover the aggregate of payments made in error during any period and any previous payments materially in excess of the correctly determined amount ..."

This information is also provided in the Summary Plan Description ("SPD") Please refer to page 29 of the General Dynamics Corporation Retirement Plan Summary Plan Description: General Dynamics Salaried Retirement Plan - Corporate Legacy Employees, which provides:

"In the event of an error in Plan recordkeeping or payment of benefits, the Plan Administrator shall take whatever corrective action it deems appropriate, in its sole discretion, to adjust benefits to amounts provided under the

Appeal Exhibit B (pg. 1 of 3)

3.GD-I-548F.101

terms of the Plan and to recover any amount paid in error and interest thereon through direct repayment or by reduction of future benefit payments.

In addition, please refer to page 4 of [REDACTED]'s Qualified Domestic Relations Order signed July 28, 2005.

"5. Pre-Retirement Surviving Spouse Death Benefits

"Alternate Payee shall be designated as surviving spouse of the Participant for purposes of establishing Alternate Payee's entitlement to receipt of a lifetime monthly death benefit if the Participant dies before commencement of benefits to Participant."

When [REDACTED] commenced her pension benefit on September 1, 2007 her benefit was calculated incorrectly as it did not include the lifetime actuarial adjustment factor, therefore, an overpayment occurred.

The benefit of \$360.37 paid monthly from September 1, 2007 to June 1, 2017 included a \$197.97 overpayment each month, for a total of \$23,360.46. This calculated amount of \$360.37 did not include the actuarial adjustment factor to ensure the benefit was paid over [REDACTED]'s lifetime.

On May 15, 2017, [REDACTED] was mailed notice of the change in her benefit and the overpayment amount. The correct monthly Salaried 1.3% payment during this period should have been \$162.40. This resulted in a total overpayment to Ms. [REDACTED] of \$23,360.46 (\$197.97*118 months) from the Plan. On May 24, 2017, [REDACTED] was mailed a notice in regards to the recovery of the overpayment.

On September 21, 2017, [REDACTED]'s attorney, Jeanne Medeiros was mailed a calculation of the correct benefit under the Plan, including calculation of the overpayment and the reduction to [REDACTED]'s monthly benefit to collect the overpayment.

On August 1, 2017, [REDACTED]'s monthly benefit was reduced to \$1.27 to reflect the actuarially equivalent lifetime monthly repayment of \$161.13.

We must administer the Plan in accordance with the terms of the Plan and, therefore, we must deny your claim.

Right to Appeal a Claim Denial

In accordance with the Employee Retirement Income Security Act (ERISA), you have the right to appeal this denial of your claim to the Plan Administrator. You can review your rights online by accessing the Summary Plan Description (SPD) available on the General Dynamics Benefits website: www.gdbenefits.com. You may submit an Appeal in writing along with any additional supporting documentation to:

General Dynamics Service Center
PO Box 770003
Cincinnati, OH 45277-1060

You must submit your appeal within 75 days after your receipt of this determination. You may not file an appeal for this matter at a later date.

You have the right to receive, upon request and without charge, reasonable access to or copies of any relevant documents, records, or other information relied upon by the General Dynamics Service Center in making this determination. If you have any additional information or documentation to support your claim, you must submit it with your Appeal. To perfect your claim on Appeal, please provide evidence that Ms. Walter was eligible to receive the Salaried Retirement Plan without reduction from September 1, 2007 to June 1, 2017. If repaying the overpayment will cause Ms. Walter significant financial hardship, and you wish that to be considered by the Plan Administrator, please provide a description of the hardship in your Appeal.

If your appeal is denied, you have the right to initiate a civil action in federal court under ERISA. This option is available to you only after you have exhausted all of the administrative remedies available to you through General Dynamics' appeals process.

A printed copy of the Summary Plan Description (SPD) can be obtained by calling the General Dynamics Service Center at 1-888-432-3633. When received, please refer to the "Your ERISA Rights" section of the SPD for more information regarding your ERISA rights.

3.GD-I-548F.101

Appeal Exhibit B (pg. 2 of 3)

Please call me if you have any questions at 1-877-208-0936 extension 21687, Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 a.m. and 5:00 p.m. Eastern time.

Sincerely,

Robin King
General Dynamics Service Center

Si tiene dificultad en entender cualquier parte de esta información acerca de sus beneficios, puede ponerse en contacto con el General Dynamics Service Center llamando al 1-888-GD-BENEFITS (1-888-432-3633). Nuestros representantes están disponibles desde las 8:30 de la mañana hasta la media noche, horario de la Costa Este, de lunes a viernes (excepto durante algunos feriados de la Bolsa de Valores de Nueva York). Si usted llama de fuera de los Estados Unidos, marque el código para hacer llamadas fuera del país, seguido por 617-563-3782.

Cc: Sue Walter

Enclosures (4)

- General Dynamics Corporation Retirement Plan Summary Plan Description: General Dynamics Salaried Retirement Plan - Corporate Legacy Employees - Page 29
- Qualified Domestic Relations Order signed July 28, 2005- Page 4
- Letter dated May 15, 2017
- Letter dated September 21, 2017

Appeal Exhibit B (pg. 3 of 3)

3.GD-I-548F.101



Aetna Retirement Plan Notice of Correction

Statement Date: 08-03-2015

In January 2015 it was determined that your monthly pension annuity payments were overstated. The value of your Social Security Offset was incorrectly added to the monthly benefit twice. Since you received the incorrect annuity amount beginning with your benefit commencement date on 1/1/2002 through 2/1/2015, you were overpaid by \$25,598.14. On March 01, 2015 your monthly annuity payment was adjusted from \$806.63 to \$625.08 to prevent any further overpayments.

* As this overpayment of qualified pension funds represents money that belongs to the pension plan trust, the administrator of the plan is required to collect this overpayment. In order to repay the pension plan trust, we must request that you immediately send your personal check or money order for the above amount with your first and last name detailed on the memo line. The check or money order can be made payable to "Aetna, Inc" and mailed to:

Aetna Retirement Service Center
4 Overlook Point
Lincolnshire, IL 60069-3242

There are payment plans available if you are unable to reimburse the plan immediately in full. Actuarially reducing your monthly annuity payment is one such option. By permanently reducing your monthly annuity payment by \$145.44 the plan would not require any additional funds. If you were to elect this option, your monthly annuity payment would be adjusted from \$625.08 to \$479.64 effective September 01, 2015.

Another option available is to reduce your qualified monthly annuity payment by 50% until the overpayment is recovered. By reducing your monthly annuity payment by 50%, or \$312.54, for 6 years and 9 months and then by \$282.40 for 1 additional month, the plan would recover the full overpayment. Please contact us at 1-800-AETNA-HR (1-800-238-6247) to select one of these options.

For More Information

If you need additional information, access the Your Benefits Resources™ through Aetna Retiree Connection site at <http://www.ybr.com/aetna> or call 1-800-AETNA-HR (1-800-238-6247) to reach the Aetna Human Resource Contact Center. If calling from outside of the United States, please use +1-847-883-0734. Customer Service Associates are available between 8 a.m. and 8 p.m., Eastern Time, Monday through Friday.

254400034-A0981-000001