



## Frequently Asked Questions

### **1. Will the transfer of my benefit to Metropolitan Tower Life Insurance Company (Met Tower Life, a subsidiary of MetLife, Inc.) change the amount or form of my benefits under the Consolidated Retirement Plan of Johnson & Johnson (the Plan)?**

No, the transfer of your benefit to MetLife will not impact the amount of your benefit, the form of your benefit, or the timing of your monthly benefit payments under the Plan. Your monthly benefit payments will continue without interruption during and after the transition to MetLife.

### **2. What is a group annuity contract?**

A group annuity contract is a written agreement under which an insurance company (in this case, Metropolitan Tower Life Insurance Company), agrees to pay benefits directly to individuals covered by the contract. The contract purchased for the Plan requires MetLife to make monthly payments to certain retirees, including you and, if applicable, your spouse or beneficiary (if your payment option includes a survivor benefit). The contract requires that payments continue in the same amount and in the same form as you are currently receiving.

### **3. Why did Johnson & Johnson decide to have the Plan purchase a group annuity contract to provide benefits?**

Johnson & Johnson has historically taken steps to manage the size of its pension plans relative to the overall size of the company as part of a prudent approach to managing its business. As part of a strategy to manage pension costs and associated financial market risk, Johnson & Johnson decided to have the Plan purchase a group annuity contract for certain retirees and beneficiaries who are currently receiving benefits under the Plan. In pursuing this approach, Johnson & Johnson is also ensuring that impacted participants' benefits are fully funded, and that administration will be handled by a financially strong and secure insurance company with expertise in the long-term management of retirement benefits. The market for group annuity contracts has existed for years and has grown materially over the past decade.

In this process, the Plan fiduciaries were guided by principles outlined in Department of Labor regulations under the federal employee benefits law known as the Employee Retirement Income Security Act (ERISA). Plan fiduciaries also retained State Street Global Advisors to serve as the independent fiduciary to evaluate and select an annuity provider. The principal focus of the selection process was to protect your benefits for the long term.

### **4. How was MetLife selected to provide this group annuity contract?**

As noted above, the Plan retained State Street Global Advisors (SSGA) as the independent fiduciary to evaluate and select the insurance company best able to provide the safest available annuity for affected participants and beneficiaries. In this capacity, SSGA acted solely in the interest of Plan participants and beneficiaries and, in accordance with guidance from the U.S. Department of Labor, conducted an objective, thorough and analytical search to identify and select a high-quality insurer to pay benefits. After thoroughly reviewing a number of insurers and their proposals, contract terms, level of service, financial security, and experience with administering retirement benefits, SSGA selected Metropolitan Tower Life Insurance Company, established in 1982, a subsidiary of MetLife which was established in 1921.

## 5. Do I need to do anything?

In July, you will receive a welcome letter from MetLife. Please carefully review the information provided in the letter and notify MetLife immediately of any necessary changes. Your monthly benefit from MetLife will be based on the form of annuity you previously elected at retirement, your tax withholding election and applicable federal and state tax requirements. If you would like to change the method of payment (check versus direct deposit) or tax withholding, contact MetLife after you receive your welcome letter.

You will also need to keep MetLife informed of important changes, including changes to your mailing address or the death of your spouse or other beneficiary (if you selected a form of payment when your benefit started that provides survivor benefits). Please see the contact information in Question 19.

## 6. Did the Plan purchase annuities because it is in financial trouble?

No, neither Johnson & Johnson nor the Plan is in financial trouble. The Plan is well funded and capable of paying all pension benefits. However, Johnson & Johnson believes it is prudent at this time to transfer plan assets and the obligation to pay certain participants' benefits to an insurance company that is in the business of providing retirement benefits. This is consistent with Johnson & Johnson's overall approach to manage its pension risk and protect your benefits.

## 7. Is my benefit guaranteed and protected?

Your benefit under the contract is guaranteed by Metropolitan Tower Life Insurance Company. MetLife is responsible for funding and paying your benefit, and funds have been transferred to a separate account of MetLife to support payment of your benefit and other benefit obligations transferred from the Plan to MetLife. Your annuity benefit may also be fully or partially guaranteed by your state's guaranty association in accordance with applicable state law.

## 8. What happens if MetLife cannot pay my benefit?

Once the annuity contract is purchased, MetLife is responsible for paying your pension benefit, and neither Johnson & Johnson nor the Plan have any further obligation to pay pension benefits that were transferred to MetLife.

The insurance industry is highly regulated, and there are protections in place in the unlikely event a failure occurs. Should MetLife become unable to pay all or a portion of your annuity benefit, it may be fully or partially guaranteed by a "guaranty association" in accordance with applicable state law. The purpose of a guaranty association is to protect policyholders, up to specified limits, in the event the insurance company is unable to meet its obligations. All U.S. states, Puerto Rico, and the District of Columbia have "guaranty associations."

In general, you would be covered by the guaranty association for the state where you live at the time MetLife becomes unable (or otherwise fails) to pay all or a portion of your benefit. In certain circumstances, other factors, such as where the insurance company is licensed to do business, determine which guaranty association may be responsible.

Each guaranty association has dollar limits on the extent of coverage. In many states, guaranty associations have coverage limits for individual annuities with an overall benefit "cap" for an individual's life. However, state laws vary and may change over time, and different states may calculate the value of annuities differently.

This information about guaranty associations is only a summary. If you need additional information, refer to the PBGC contact information in Question 19.

## **9. Will I still be a participant in the Plan?**

No. Effective May 26, 2023, the obligation to pay benefits after July 1, 2023 was transferred to MetLife. Effective as of August 1, 2023, you are no longer a participant in the Plan.

## **10. Are any Plan participants not affected by this group annuity contract?**

The group annuity contract generally covers retirees (or their spouses or other beneficiaries) who had begun receiving benefit on or before January 1, 2023, and whose monthly gross qualified benefit payment under the Plan does not exceed \$1,000. Participants who had not yet retired and begun receiving benefits by January 1, 2023, or whose monthly qualified benefit amount under the Plan exceeds \$1,000, are not covered by the group annuity contract.

## **11. What impact will this have on my post-retirement medical coverage (if available to me)?**

Eligibility for and participation in any Johnson & Johnson benefit plan other than the Plan will not be affected by the transition to MetLife. If medical premiums are currently being deducted from your monthly benefit payment, those amounts will continue to be deducted after the transition to MetLife.

## **12. What information will I receive from MetLife?**

MetLife will mail a welcome letter in July to your home address currently on record announcing that the administrative transfer to MetLife has been completed. The welcome letter will include a fact sheet showing your name and date of birth, your contingent annuitant's name and date of birth (if applicable) and your monthly payment amount. The welcome letter will also include frequently asked questions and MetLife's contact information. Please note that all reasonable care has been taken to ensure that the information contained in your welcome letter will be accurate, based on the Plan records on file. However, you should still review the information in the welcome letter carefully and, if you discover any errors, contact the MetLife Call Center as soon as possible.

You will be provided access to the MetLife retirement website. Once the transition is complete, you will receive an official annuity certificate that will describe MetLife's obligation to pay your benefits. You can expect to receive the certificate in the first quarter of 2024. Please keep this certificate and all future correspondence from MetLife with your important records.

## **13. Will the gross amount of my monthly benefit change?**

No. Once the annuity purchase process is complete, MetLife will pay the same gross annuity benefits that you are receiving from the Plan. The only difference is that, starting in August 2023, the payer will be MetLife. You will continue to receive your payments from the Plan through July 2023. Your payment method will continue based on your current selection – either as a check or as a direct deposit to your bank account of choice.

## **14. Will there be any interruption in my payments during this change?**

No. Your monthly benefit checks (or direct deposits) will continue to come from the Plan during a transition period that is expected to end in July 2023. Johnson & Johnson will work with MetLife to transition the administration of your monthly benefit payments to MetLife beginning with your August 2023 monthly payment. Your monthly benefit payment will be made on or before the same day of the month by MetLife. No action is required by you.

## **15. Will my payment be sent to my bank like it is now?**

If you elected to receive your retirement payments as a direct deposit to your bank account, your direct deposits will continue without change during the transition period. To begin direct deposits or make a change in your direct deposit information once the annuity purchase is complete, you will need to contact MetLife.

**16. Who will provide my Form 1099-R for tax reporting?**

Each January, you receive a 1099-R summarizing the retirement payments and the taxes withheld for the calendar year just completed. For the 2023 tax year, you will receive a 1099-R from State Street Retiree Services for the payments made in the months of January through July, and a second 1099-R from MetLife for the payments made in August through December. Beginning with the 2024 tax year, MetLife will provide all future 1099-R forms.

**17. Who do I contact if I need to update my bank or tax withholding information or report a death?**

Please contact MetLife beginning July 14, 2023. See Question 19 for contact information.

**18. Can I make a change in my payment option as part of the annuity purchase? I would like to receive a different form of payment because my personal situation has changed since I retired.**

No, you are not permitted to change your payment option after payments have begun to be paid from the Plan. MetLife is required to continue to pay your benefit in the form of payment you elected when you retired.

**19. I still have questions about this process. Who can I contact?**

For any immediate questions, or if you would like a copy of the Plan's summary plan description, please contact the Johnson & Johnson Benefit Service Center Pension Annuity Helpline at 1-800-693-9538.

Starting July 14, 2023, MetLife will be available to assist with any questions you have about your annuity at:

Metropolitan Tower Life Insurance Company  
PO Box 14710  
Lexington, KY 40512-4710  
**1-800-638-5656** Monday through Friday from 8 a.m. to 9 p.m. Eastern Time

If you need information now or in the future, in the event that the insurance company is unable to meet its obligations, a list of addresses and telephone numbers of guaranty association offices is available through the PBGC's Customer Contact Center at P.O. Box 151750, Alexandria, VA 22315-1750 (telephone: 800-400-7242; TTY-TTD users may call the Federal relay service toll-free at 800-877-8339 and ask to be connected to 800-400-7242). You can also find information on the PBGC's website at [www.pbgc.gov](http://www.pbgc.gov) (at the "Workers & Retirees" page, click on "Benefits" on the left menu bar and look for "State Life and Health Insurance Guaranty Association Offices"). The list of guaranty associations is also available on the National Organization of Life & Health Insurance Guaranty Associations (NOLHGA) website at [www.nolhga.com](http://www.nolhga.com).

*Nothing in this document creates any rights or modifies any rights you may have under the Plan or the group annuity contract that the Plan purchases. Any rights you may have under the Plan are determined under the official plan documents, which include the plan sponsor's right to amend the Plan and the plan administrator's exclusive authority to interpret the Plan. Any rights you may have under the group annuity contract will be determined under the terms of the group annuity contract.*