

**Pension Plan –**  
***CBP Select***

El Paso Corporation

January 1, 2009

# Contents

---

<b>About This Summary Plan Description .....</b>	<b>1</b>
<b>Access Your Benefits via Mercer OneView or the El Paso Benefits Service Center .....</b>	<b>2</b>
<b>Mercer OneView Website .....</b>	<b>2</b>
<b>El Paso Benefits Service Center .....</b>	<b>2</b>
<b>User ID and Passcode .....</b>	<b>2</b>
<b>El Paso Corporation Pension Plan – <i>CBP Select</i> .....</b>	<b>3</b>
<b>Highlights.....</b>	<b>3</b>
<b>Eligibility.....</b>	<b>3</b>
<b>Participation .....</b>	<b>3</b>
<b>Cost of the Plan .....</b>	<b>3</b>
<b>Service .....</b>	<b>4</b>
Hours of Service .....	4
Vesting Service (Years of Service).....	4
Pay Credit Service.....	5
Credited Service.....	5
If You Have a Break-in-Service.....	6
<b>Calculating Your <i>CBP Select</i> Benefit .....</b>	<b>7</b>
<b>El Paso Cash Account Benefit.....</b>	<b>8</b>
Pay Credits .....	8
Definition of Earnings.....	9
Interest Credits .....	10
The Value of Your El Paso Cash Account Benefit: An Example.....	10
Opening Balance – transition benefit formulas.....	11
<b>Minimum Benefit (Five-Year El Paso Transition Benefit).....</b>	<b>12</b>
Minimum Benefit Eligibility.....	12
Minimum Benefit Formula .....	12
<b>Sonat Transition Benefit (Five-Year Sonat Transition Benefit).....</b>	<b>13</b>
Sonat Transition Benefit Eligibility .....	13
Sonat Transition Benefit Formula.....	13
<b>Coastal Transition Benefit (Five-Year Coastal Transition Benefit).....</b>	<b>14</b>
Coastal Transition Benefit Eligibility .....	14
Coastal Transition Benefit Formula.....	14
<b>Reductions for Commencement Prior to Age 65.....</b>	<b>15</b>
El Paso Cash Account – Early Retirement and Vested Termination Benefit Reduction.....	16
Minimum Benefit – Early Retirement Benefit Reduction .....	16
Minimum Benefit – Supplemental Early Retirement Benefit.....	16
Minimum Benefit – Vested Termination Benefit Reduction.....	17
Sonat Transition Benefit – Early Retirement Benefit Reduction.....	18
Sonat Transition Benefit – Vested Termination Benefit Reduction .....	18
Coastal Transition Benefit – Early Retirement Benefit Reduction.....	18

Coastal Transition Benefit – Vested Termination Benefit Reduction .....	18
<b>Your Deferred Retirement Benefit.....</b>	<b>19</b>
<b>Forms of Payment .....</b>	<b>19</b>
Standard Forms of Payment.....	19
Optional Forms of Payment.....	19
Automatic Cashout.....	21
Spouse Consent.....	21
<b>Grandfathered Benefits .....</b>	<b>21</b>
<b>Sonat Cash Account Benefit.....</b>	<b>21</b>
Pay Credits.....	21
Interest Credits.....	21
Sonat Cash Account Benefit Commencement .....	22
Sonat Cash Account Forms of Payment .....	22
Death Benefits.....	22
Vesting.....	22
<b>Receiving Your <i>CBP Select</i> Benefit .....</b>	<b>23</b>
<b>When You May Commence Your <i>CBP Select</i> Benefit.....</b>	<b>23</b>
<b>Requesting Your <i>CBP Select</i> Benefit.....</b>	<b>23</b>
<b>Paying Taxes on Your Benefit .....</b>	<b>24</b>
Withholding .....	24
Rollover.....	24
<b>Events Affecting Benefits .....</b>	<b>25</b>
If You Die Before You Receive a Benefit .....	25
If You Are Married .....	25
If You Are Single.....	26
If You Die After You Begin Receiving a Benefit.....	26
If You Take a Leave of Absence .....	26
If You Become Disabled.....	26
If You Are a Reemployed Veteran or Returning from Military Leave of Absence .....	26
If You Divorce .....	27
If You Are Rehired .....	27
Other Situations Affecting Benefits.....	28
<b>Administrative Information.....</b>	<b>29</b>
<b>Pension Committee .....</b>	<b>29</b>
<b>Plan Expenses .....</b>	<b>29</b>
<b>Contributions to the Plan .....</b>	<b>29</b>
<b>Limits on Benefits .....</b>	<b>29</b>
<b>Claims and Appeals .....</b>	<b>29</b>
<b>Employment Status.....</b>	<b>31</b>
<b>Amendment and Termination of the Plan .....</b>	<b>31</b>
<b>Plan Documents Control .....</b>	<b>31</b>
<b>General Information.....</b>	<b>32</b>
<b>Information About the Plan.....</b>	<b>32</b>
<b>Plan Year .....</b>	<b>32</b>
<b>Service of Process.....</b>	<b>32</b>
<b>Type of Plan.....</b>	<b>32</b>
<b>Sources of Plan Funding.....</b>	<b>33</b>

**Participating Employers..... 33**  
**Pension Benefit Guaranty Corporation ..... 33**  
**Qualified Status ..... 34**  
**If The Plan Is Top Heavy ..... 34**  
**Limitations on Assignments ..... 34**  
**Statement of ERISA Rights..... 34**  
**Plan Administration..... 36**

## About This Summary Plan Description

---

This Summary Plan Description (“SPD”) provides information on pension benefits under the El Paso Corporation Pension Plan (“*CBP Select*,” or the “Plan”). The Plan is commonly referred to in newsletters and other communications as *CBP Select*. *CBP Select* is a component of *Select Benefits* – the name generally used when referring to the overall benefits program for employees of El Paso Corporation (“El Paso” or the “Company”).

This SPD explains the benefits payable under the Plan for participants who are current active employees. If your employment terminated before the date of this SPD, your benefits may be different. Contact the El Paso Benefits Service Center for more information.

Effective December 31, 2008, assets and liabilities of the Coastal Mart, Inc. Pension Plan (“Mart Plan”) and the Coastal Coal Company, LLC Pension Plan (“Coal Plan”) were merged into the Plan. Former participants in the Mart Plan and the Coal Plan became participants in this Plan at the time of the merger, and will receive the benefits to which they were entitled under these plans from this Plan. This SPD is comprised of three documents: (i) the primary version set forth in these pages, (ii) a version for former Mart Plan participants, and (iii) a version for former Coal Plan participants. Former Mart Plan participants and former Coal Plan participants should contact the El Paso Benefit Service Center to receive the version of this SPD that describes the benefits to which they are entitled.

# Access Your Benefits via Mercer OneView or the El Paso Benefits Service Center

---

## Mercer OneView Website

Your primary resource for information about *CBP Select* is the Mercer OneView website at <https://www.MercerOneView.com/ElPaso>. Through this website, you can estimate your *CBP Select* pension benefits, view your latest balance, and initiate the benefit payment process. You can also access Mercer OneView through the *Everything HR* link on *elpasotoday*.

Mercer OneView is available 24 hours a day, seven days a week. You will need your Social Security number and passcode to log on to the site.

## El Paso Benefits Service Center

The El Paso Benefits Service Center can be reached at **1-866-301-2359**. Choose option 1 to access information about *CBP Select*. The automated phone system allows you to access your personalized benefits information and conduct benefits transactions (much like the Mercer OneView website). The automated phone system is available 24 hours a day, seven days a week.

If you need personal assistance, listen for the prompt to speak with an El Paso Benefits Service Center representative. Representatives are available from 8:30 a.m. to 5:00 p.m., Central time, Monday through Friday.

You can also contact the El Paso Benefits Service Center via U.S. mail at:

El Paso Benefits Service Center  
P.O. Box 971  
Deerfield, IL 60015

## User ID and Passcode

You will need both your Social Security number (your User ID) and Passcode (PIN) every time you log on to the Mercer OneView website.

The first time you log on to the site you will be asked to set up a personal security profile. Once this is completed the site will be able to give you a new passcode immediately if you lose or forget your passcode. To request a new passcode, log on to the Mercer OneView website or call **1-866-301-2359** and choose option 1. Representatives are available Monday through Friday, from 8:30 a.m. to 5:00 p.m., Central time.

Always keep your passcode confidential.

# El Paso Corporation Pension Plan – *CBP Select*

---

## Highlights

Your participation in *CBP Select* automatically begins on your hire date if you are an eligible employee, unless you are classified as a temporary employee (see the “Participation” section, below).

A hypothetical *CBP Select* account will be established for you when you begin participation in the Plan. Each calendar quarter, El Paso credits your account with a pay credit that is based on your age and service. Additionally, an interest credit is added to your account at the end of each calendar quarter. You vest in the value of your account balance after you have completed three calendar years of service with at least 1,000 hours of service each year.

When you terminate employment, and if you are a vested participant in the Plan, your *CBP Select* benefit can be paid to you as an annuity or as a lump sum.

## Eligibility

You are an eligible employee if you are an employee of a participating employer and are not:

- a non-resident alien;
- a foreign national employee who is working in the U.S. on a temporary assignment;
- a person paid by a third party leasing organization;
- an individual who is not treated as an employee for payroll tax purposes, even if subsequently determined to be or to have been a common law employee; or
- an employee who is covered under a collective bargaining agreement, where retirement benefits were the subject of good faith bargaining, but which does not provide for retirement benefits under this Plan.

## Participation

Generally, you are automatically a participant in the Plan if you are an eligible employee of a participating employer. Special rules apply if you are classified as a “temporary” employee. If you are a temporary employee you may not become a participant until you have attained age 21 and have performed at least 1,000 hours of service for a participating employer during your first 12 months of employment or during any calendar year that ends after your first anniversary. A temporary employee becomes a participant on the next January 1<sup>st</sup> or July 1<sup>st</sup> after satisfying the age and service requirements.

## Cost of the Plan

El Paso pays the entire cost of *CBP Select*.

## Service

“Service” means the length of time you work for El Paso – or for an affiliated company as described in the Plan. Service is used to determine your eligibility to participate in the Plan (if you are classified as a temporary employee); your eligibility to receive a benefit from the Plan (vesting service); the amount of your quarterly pay credits to the Plan (pay credit service); and the amount of your benefit (if any) under the Minimum Benefit formula (El Paso credited service), the Sonat Transition Benefit formula (Sonat credited service), or the Coastal Transition Benefit formula (Coastal credited service). For the purpose of determining eligibility and vesting, your service may be determined by taking into account periods of service with an acquired or merged company as provided in the Plan.

If you have any questions about your service, call the El Paso Benefits Service Center. Final determination regarding service is determined by the Pension Committee under the El Paso Corporation Pension Plan (“Pension Committee”), which administers the Plan.

## Hours of Service

Hours of service are the hours for which you are paid by, or entitled to payment from, El Paso or an affiliated company, including periods of time when you are not actually performing services (*e.g.*, due to paid time off or illness). For each month in which you have at least one hour of service, you will be credited with 190 hours of service under the Plan. However, you will not be credited with more than 501 hours of service for any single continuous period during which you are not actually performing services.

## Vesting Service (Years of Service)

Vesting service, or years of service, means each calendar year (January 1<sup>st</sup> through December 31<sup>st</sup>) in which you are credited with at least 1,000 hours of service, including any time with El Paso, a participating employer, or an affiliated company. Vesting service is counted in complete years and is used to determine when you are vested in the value of your **CBP Select** account. You must have at least three years of vesting service to be vested in the value of your **CBP Select** account. If you are not vested when your employment terminates, you are not entitled to a benefit from the Plan.

Vesting service may also include service with certain acquired or merged companies as described in the Plan. Contact the Benefits Service Center if you would like more information regarding your service with a prior employer.

You will automatically be vested in your **CBP Select** benefit if:

- you reach age 65 and are still employed;
- you die while employed;
- you were a former participant in the Sonat Inc. Retirement Plan (“Sonat Plan”) and you terminated employment between October 25, 1999, and December 31, 1999, or received notice of involuntary termination during this period and you terminated on or before June 30, 2000;
- you were a former participant in the Pension Plan for Employees of The Coastal Corporation (“Coastal Plan”) and you terminated employment between January 29, 2001, and March 31, 2001, or received notice of involuntary termination during this period and you terminated on or before December 31, 2001; or
- the Plan is terminated.

In addition, the Plan's terms provide for 100% vesting for participants whose employment terminated in connection with certain corporate transactions.

### **Pay Credit Service**

Pay credit service is determined as follows:

- If you are a participant employed on or after January 1, 1997, your pay credit service includes one year for each calendar year in which you worked on at least one day as an eligible employee, beginning with the latest of your date of hire, or January 1, 1997, or the date your employer was acquired by El Paso.
- If you were a participant in the Plan on December 31, 1996, pay credit service is equal to the sum of your years of service on December 31, 1996, plus any service calculated in the first bullet above. If you did not earn a year of service in the year you were hired by a participating employer, a year of pay credit service will be given for that year regardless.
- If you were an employee of certain acquired or merged companies as specified in the Plan, pay credit service is equal to service prior to the date of acquisition or merger, as provided in the Plan, plus any pay credit service calculated in the first bullet above.

Contact the Benefits Service Center if you would like more information regarding your service with a prior employer.

### **Credited Service**

Credited service is used to determine the amount of your benefit under the Minimum Benefit formula, the Sonat Transition Benefit formula, and the Coastal Transition Benefit formula – if you are eligible to receive one of those benefits. Credited service is also used to determine your eligibility for early retirement under one of those benefit formulas.

El Paso credited service (for the Minimum Benefit formula) is measured in months, where one hour of service credited in a month is counted as a whole month. El Paso credited service is earned through December 31, 2001, or termination, whichever occurs first, for purposes of calculating your Minimum Benefit. However, eligibility for early retirement is based on credited service earned before and after December 31, 2001.

Sonat credited service (for the Sonat Transition Benefit formula) will equal credited service under the Sonat Plan on December 31, 1999, plus any El Paso credited service earned under this Plan through December 31, 2004, or termination, whichever occurs first, for purposes of calculating your Sonat Transition Benefit. However, eligibility for early retirement is based on credited service earned before and after December 31, 2004.

Coastal credited service (for the Coastal Transition Benefit formula) will equal credited service under the Coastal Plan on March 31, 2001, plus any El Paso credited service earned under this Plan through March 31, 2006, or termination, whichever occurs first, for purposes of calculating your Coastal Transition Benefit. However, eligibility for early retirement is based on credited service earned before and after March 31, 2006.

If you were disabled on December 31, 1996, and receiving benefits under the El Paso-sponsored Long-Term Disability Plan, credited service will not accrue after December 31, 1996.

If you were disabled on December 31, 1999, and receiving benefits under the Sonat-sponsored Long-Term Disability Plan, credited service will not accrue after December 31, 1999.

If you were disabled on March 31, 2001, and receiving benefits under the Coastal-sponsored Long-Term Disability Plan, credited service will not accrue after December 31, 2001.

**If You Have a Break-in-Service**

A one-year break-in-service occurs if you have less than 501 hours of service in a calendar year. If you return to work following a break-in-service, your prior years of service will be restored as follows:

- If you were vested at the time your break-in-service occurred, your prior years of service will be restored automatically.
- If you were not vested, but you return to work before you have five consecutive one-year breaks-in-service, your prior years of service will be restored.

In all other situations, your prior service will not be restored following a break-in-service, and you will forfeit the value of your *CBP Select* benefit.

For breaks-in-service, hours of unpaid leave are also used in calculating hours of service. Also, if you are on maternity or paternity leave and it extends past December 31, your hours may be carried over and counted in the next year to avoid a break-in-service if they were not included in the first year to avoid a break-in-service.

For a former Sonat Plan participant who was not an employee on December 31, 1999, the number of one-year breaks-in-service shall equal the sum of complete years of breaks-in-service on December 31, 1999, plus any breaks-in-service that occur after that date. Any partial year of break-in-service under the former Sonat Plan that occurred prior to January 1, 2000, shall be disregarded.

For a former Coastal Plan participant who was not an employee on March 31, 2001, the number of one-year breaks-in-service shall equal the sum of complete years of breaks-in-service on March 31, 2001, plus any breaks-in-service that occur after that date. Any partial year of break-in-service under the Coastal Plan that occurred prior to April 1, 2001, shall be disregarded.

For more information about your benefits upon rehire, see the “*If You Are Rehired*” section.

## Calculating Your *CBP Select* Benefit

---

You may qualify for a benefit under one of the following benefit formulas provided for under the Plan:

- **El Paso Cash Account Benefit.** All participants in the Plan with an hour of service on or after January 1, 1997, earn benefits under the El Paso Cash Account Benefit formula.
- **Minimum Benefit.** The Minimum Benefit is a five-year transition benefit for certain participants in the Plan. With certain exceptions, only participants who were eligible employees on January 1, 1997, and
  - (a) were fully vested in their Plan benefits; or
  - (b) were eligible employees and participants in the Plan as of December 31, 1996; were eligible to earn benefits under the Minimum Benefit formula until December 31, 2001.
- **Sonat Transition Benefit.** The Sonat Transition Benefit is a five-year transition benefit for certain former participants in the Sonat Plan. With certain exceptions, an individual who was both an eligible employee and a participant in the Sonat Plan as of October 25, 1999, and who became an eligible employee and a participant in this Plan on January 1, 2000, was eligible to earn benefits under the Sonat Transition Benefit until December 31, 2004.
- **Coastal Transition Benefit.** The Coastal Transition Benefit is a five-year transition benefit for certain former participants in the Coastal Plan. With certain exceptions, an individual who was both an eligible employee and a participant in the Coastal Plan as of March 31, 2001, and who became an eligible employee and a participant in this Plan on April 1, 2001, was eligible to earn benefits under the Coastal Transition Benefit until March 31, 2006.

**Important Note:** *If you are eligible for a transition benefit formula, you will receive the greater of the Cash Account Benefit or the transition benefit when you decide to commence benefits.*

In addition, if you are a former participant in the Sonat Plan, you may receive a **Sonat Cash Account Benefit**.

In summary, if you are eligible for a benefit under the Plan, the benefit you receive from **CBP Select** when you retire or terminate will be:

1. the greater of the El Paso Cash Account Benefit or, if eligible, one of the following transition benefits:

- the Minimum Benefit; or
- the Sonat Transition Benefit; or
- the Coastal Transition Benefit;

expressed as a single-life annuity as of the date your benefits commence;

*plus*

2. the Sonat Cash Account Benefit (if any).

## El Paso Cash Account Benefit

Your El Paso Cash Account Benefit from **CBP Select** is based on the value of a hypothetical “account” that is established in your name when you become a participant in the Plan. Your account increases in value over time by being credited with quarterly pay credits. Pay credits are based on your age, plus your years of pay credit service as of December 31<sup>st</sup> of the preceding year and your earnings. In addition, your account will receive quarterly interest credits. Your El Paso Cash Account Benefit payable as of any date, is a monthly benefit for your lifetime, which is determined by converting your El Paso Cash Account balance to an annuity as of that date, using actuarial factors. Your El Paso Cash Account Benefit will be adjusted actuarially based on the form of payment you elect.

### Pay Credits

El Paso will credit your El Paso Cash Account with a “pay credit” at the end of each calendar quarter (March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup>). These quarterly pay credits begin as soon as you begin participation in the Plan.

The rate of pay credit contributed to your El Paso Cash Account is determined quarterly based on your age and years of pay credit service as of December 31<sup>st</sup> of the prior year, as shown below:

If Your Age Plus Your Years of Pay Credit Service on December 31 of the Prior Year Equal:	Then, You Will Receive a Quarterly Pay Credit of:
Less than 35	4% of your earnings during the quarter
35 to 49	5% of your earnings during the quarter
50 to 64	6% of your earnings during the quarter
65 or more	7% of your earnings during the quarter

Pay credits to the Plan are tax-deferred, which means you will not owe taxes on your benefit until you take a distribution from the Plan.

## Definition of Earnings

For the purposes of the El Paso Cash Account Benefit, “earnings” is defined as total pay earned while an eligible employee, including:

- non-deferred salary or wages;
- sick and disability pay;
- pay for time off (whether time off is taken or paid out);
- overtime and holiday pay;
- shift differentials;
- before-tax contributions, after-tax contributions, Roth contributions and catch-up contributions to *RSP Select* and any *Flex Select* salary reduction amounts;
- before tax contributions to the Transportation Subsidy Account (pre-tax parking spending account);
- non-deferred annual performance bonuses;
- spot bonuses, CEO Discretionary Awards and ACE awards;
- cash awards under the El Paso Production and Non-Regulated Operations Incentive Award Plan (or any other successor plan); and
- payments in lieu of notice under the WARN Act.

“Earnings” does **not** include the following:

- income related to any type of equity-based compensation or attributable to any equity-based compensation plan;
- reimbursement for expenses or expense allowances (moving, relocation, housing, transportation and others);
- employer contributions to a qualified retirement plan other than this Plan, and employer and employee contributions to a nonqualified deferred compensation plan and any income attributable to benefits from those plans;
- employer contributions to this Plan;
- payments made in exchange for a release;
- transition pay, or any type of pay to encourage retention;
- any amount paid by an employer or separate funding vehicle for fringe benefits (including but not limited to, health and welfare benefits, long-term disability benefits, group life insurance benefits, educational assistance benefits, transportation benefits or fitness club benefits) or other perquisites;
- deferred compensation;
- bonus payments or awards, including bonuses under business-unit-specific bonus or incentive compensation plans, which are not specifically included in earnings;
- foreign service premiums, mobility premiums, assignment differentials and cost of living adjustments;
- commissions;
- imputed income (vehicle, group term life, housing and others);
- severance or termination payments;
- tax gross-up payments, tax advances, and tax equalization payments;
- gifts; and
- any other forms of remuneration not explicitly included in earnings.

Bonuses, for El Paso Cash Account Benefit purposes, are counted when paid.

The definition of earnings is modified for purposes of the transition benefit formulas. Contact the Benefits Service Center if you would like more information about what earnings are taken into account for these benefits.

Federal tax law limits the amount of a participant’s earnings that may be taken into account to calculate benefits under the Plan. The limit is periodically adjusted. You will be notified if your benefit is affected by this limit.

**Interest Credits**

In addition to the pay credits, your El Paso Cash Account balance is also credited with interest at the end of each calendar quarter, based on the balance at the beginning of the quarter. The annual interest rate is the Five-Year U.S. Treasury Constant Maturity Yield for the month of October immediately preceding the year in which the interest is credited; provided the interest rate shall never be lower than 4%.

Like pay credits, interest credits are tax-deferred, which means you do not owe taxes on the interest credited to your account until you take a distribution from the Plan.

**The Value of Your El Paso Cash Account Benefit: An Example**

The following example shows how your El Paso Cash Account Benefit can grow over time. Keep in mind that results will vary based on your individual situation, including your age and service and your earnings. The assumptions used may not reflect what actually happens in the future. Also, the projections shown below are not adjusted for inflation.

For the purposes of this example, assume:

- you are 50 years old as of January 1, 2009;
- you have worked for El Paso for 25 years (25 years of pay credit service); your pay is \$90,000 per year; you receive pay increases of 4% per year;
- you were a participant in the El Paso Natural Gas Company Pension Plan on December 31, 1996, and an eligible employee on January 1, 1997, and your opening *CBP Select* account balance was determined to be \$20,000;
- your account balance as of January 1, 2009 is \$100,000;
- the pay credit to your account is 7% based on your combined age and service;
- the annual interest credited to your account is 4% and remains constant, and
- you retire at age 62

Based on these assumptions, here is how your account might grow:

In This Time Period:	The Account Balance Could Grow To:
5 years	\$159,716.89
10 years	\$240,449.19
12 years	\$280,067.76

In this example, when you retire at age 62, you could have an account balance of \$280,067.76. This account balance could then be paid to you in the form of a single-life annuity equal to \$2,097.28 per

month. To help keep track of how your actual benefit is growing in *CBP Select*, you can log on to the Mercer OneView website at <https://www.MercerOneView.com/EIPaso>.

If you receive your El Paso Cash Account Benefit in an annuity form of payment other than a single life annuity, your monthly benefit will be reduced and adjusted actuarially depending on the form of benefit you elect.

#### **Opening Balance – transition benefit formulas**

If you met the Minimum Benefit eligibility requirements, you had an El Paso Cash Account opening balance established in *CBP Select* to reflect the lump sum value of your projected accrued benefit under the Minimum Benefit formula as of December 31, 1996. This opening balance was based on earnings as of August 31, 1996, projected to December 31, 1996 (excluding bonuses earned in 1996), and assuming that a participant's overtime per pay period from September through December 1996 was equal to his average overtime per pay period from January through August, 1996.

If you met the Sonat Transition Benefit eligibility requirements, you had an El Paso Cash Account opening balance established in *CBP Select* to reflect the lump sum value of your projected accrued benefit under the Sonat Plan final average pay formula as of December 31, 1999. This opening balance was based on projected 1999 pension eligible earnings using (1) year-to-date eligible earnings through August 31, 1999, plus (2) projected four months of eligible earnings (September through December 1999) based on your August 1999 eligible earnings (including overtime), plus (3) your 1999 Change of Control bonus paid on October, 1999.

If you met the Coastal Transition Benefit eligibility requirements and if you were a participant in the Coastal Plan on December 31, 2000, you had an El Paso Cash Account opening balance established in *CBP Select* equal to:

- the lump sum value of your projected accrued benefit under the Coastal Plan final average pay formula as of December 31, 2000;
- plus**
- a pay credit based on projected earnings for the period from January 1, 2001 to March 31, 2001 (your rate of base pay in effect as of September 2000 increased by 5%, in lieu of actual earnings), where the pay credit percentage is based on age and pay credit service as of December 31, 2000;
- plus**
- an interest credit based on the amount determined in the first bullet above.

If you became a participant in the Coastal Plan during the period from January 1, 2001, to March 31, 2001, you had an El Paso Cash Account opening balance established equal to a pay credit based on projected earnings for the period from January 1, 2001, to March 31, 2001 (as described above), where the pay credit percentage is based on age and pay credit service as of December 31, 2000. This amount was then used for the interest credit determination.

If you were a Coastal employee on January 28, 2001, and did not become a participant in the Coastal Plan by March 31, 2001, you had an initial El Paso Cash Account balance established equal to a pay credit based on actual earnings for the period from January 1, 2001, to March 31, 2001, where the pay credit percentage is based on your age and pay credit service as of December 31, 2000.

If you did not meet the Minimum Benefit, the Sonat Transition Benefit, or the Coastal Transition Benefit eligibility requirements, your opening El Paso Cash Account balance in *CBP Select* was \$0.

## **Minimum Benefit (Five-Year El Paso Transition Benefit)**

### **Minimum Benefit Eligibility**

If you are eligible to receive a Minimum Benefit from *CBP Select*, you continued to accrue benefits under the Minimum Benefit formula until December 31, 2001, or the date you terminated your employment, whichever occurred first. After December 31, 2001, your Minimum Benefit was frozen, and you earned benefits only under the El Paso Cash Account Benefit formula. When you terminate employment, you will be entitled to receive an annuity benefit (see “*Annuities*” in the “*Optional Forms of Payment*” section on page 19) based on the greater of the Minimum Benefit or the El Paso Cash Account Benefit, expressed as a single-life annuity. You may also be eligible for a lump sum benefit, see “*Lump sum*” in the “*Optional Forms of Payment*” section on page 20.

### **Minimum Benefit Formula**

If you are eligible to receive the Minimum Benefit, it will be calculated as a single-life annuity benefit payable at age 65 equal to [(a) + (b)] x (c), where:

- (a) = 1.1% × Final Average Monthly Earnings (FAME);
- (b) = 0.5% × [FAME – Social Security Integration Level]; and
- (c) = credited service prior to January 1, 2002 (up to a maximum of 30 years)

Your El Paso Minimum Benefit will be reduced for commencement prior to age 65 (if applicable) and adjusted actuarially if you select a form of benefit other than a single-life annuity.

### *Final Average Monthly Earnings (FAME)*

Final Average Monthly Earnings for Minimum Benefit purposes is the highest average monthly earnings received during any 60-consecutive-month period within the last 120 months prior to the date benefits stop accruing, which is your termination date, or December 31, 2001, whichever occurred first. If you were employed less than 60 consecutive months prior to December 31, 2001, the earnings used will be based on the lesser of:

- the most recent 60 months of your employment; or
- the total period of your employment.

If you took an authorized leave of absence prior to December 31, 2001, you will be credited with monthly earnings equal to the earnings you received in the month prior to your leave of absence for the months while you were on leave (excluding non-deferred cash incentive bonuses paid or accrued and overtime).

### *Social Security Integration Level*

The Social Security Integration Level is equal to the Social Security Taxable Wage Base in the year of your termination or 2001, whichever is earlier, divided by 36. The level is determined on an annual basis. In 2001, the Social Security Integration Level was  $\$80,400 / 36 = \$2,233.33$ .

## Sonat Transition Benefit (Five-Year Sonat Transition Benefit)

### Sonat Transition Benefit Eligibility

If you are eligible to receive the Sonat Transition Benefit from *CBP Select* (Five-Year Sonat Transition Benefit), you continued to accrue benefits under the Sonat Transition Benefit formula until December 31, 2004, or the date you terminated your employment, whichever occurred first. After December 31, 2004, your Sonat Transition Benefit was frozen, and you earned benefits only under the El Paso Cash Account Benefit formula. When you terminate employment, you will receive an annuity benefit (see “*Annuities*” in the “*Optional Forms of Payment*” section on page 19) based on the greater of the Sonat Transition Benefit or the El Paso Cash Account Benefit, expressed as a single-life annuity. You may also be eligible for a lump sum benefit, see “*Lump sum*” in the “*Optional Forms of Payment*” section on page 20.

### Sonat Transition Benefit Formula

If you are eligible to receive the Sonat Transition Benefit, the formula used to calculate your single-life annuity benefit payable at age 65 is A+B+C, as follows:

#### A.

(i)  $2.4\% \times \text{Final Average Monthly Earnings (FAME)} \times \text{pre-1992 credited service (maximum of 25 years)}$ ;

**minus**

(ii) the lesser of: (a)  $2.0\% \times \text{Primary Social Security Benefit (PSSB)} \times \text{pre-1992 credited service (maximum of 25 years)}$ , or (b) 50% of the amount in (i);

**plus**

#### B.

if the participant has less than 25 years of pre-1992 credited service:

(i)  $2\% \times \text{FAME} \times \text{post-1991 credited service (maximum of 30 years)}$

**minus**

(ii) the lesser of: (a)  $1.667\% \times \text{PSSB} \times \text{post-1991 credited service (maximum of 30 years)}$ ; or  
(b) 50% of the amount in (i)

provided that A plus B shall not exceed 60% of FAME minus 50% of PSSB;

**plus**

#### C.

if A plus B (above) equals 60% of FAME minus 50% of PSSB:

(i)  $1\% \times \text{FAME}$

**times**

(ii) the lesser of the post-1991 credited service not included in B above, or 5 years of post-1991 credited service

Your Sonat Transition Benefit will be reduced for commencement prior to age 65 (if applicable) and adjusted actuarially if you select a form of benefit other than a single-life annuity.

### *Final Average Monthly Earnings (FAME)*

Final Average Monthly Earnings under the Sonat Transition Benefit formula means the highest average monthly earnings received by the participant during any 60-consecutive-month period within the last 120 months prior to the date of termination or December 31, 2004, whichever occurred first.

### *Primary Social Security Benefit (PSSB)*

Primary Social Security Benefit under the Sonat Transition Benefit formula means the estimated amount that would be payable at age 65, determined as of (i) December 31, 2004, or (ii) your termination date, whichever results in the lower amount, as a monthly old age benefit for the participant, exclusive of benefits for relatives or dependents, under the Social Security Act, whether or not payment of such amount is delayed, suspended, or forfeited because of failure to apply, other work, or for any other reason. Such amount is determined under the Social Security Act in effect as of December 31 coincident with or next preceding the applicable date, as of which such amount is determined.

The Primary Social Security Benefit will be calculated based on estimated wages for periods prior to your covered employment, projecting backwards the actual change in national average wages from year to year (as determined by the Social Security Administration). You have the right to have the Plan use your actual earnings history issued or certified by the Social Security Administration in calculating your benefit. If you submit your actual earnings history, your benefit will be the greater of the benefit calculated using your estimated wages, or the benefit calculated using your actual earnings history. You may request your actual Social Security earnings history by accessing the Social Security Administration Web site at <http://www.ssa.gov> or by calling your local Social Security office. Alternatively, the El Paso Benefits Service Center will accept a copy of your most recent annual Social Security statement.

## **Coastal Transition Benefit (Five-Year Coastal Transition Benefit)**

### **Coastal Transition Benefit Eligibility**

If you are eligible to receive the Coastal Transition Benefit from *CBP Select* (Five-Year Coastal Transition Benefit), you continued to accrue benefits under the Coastal Transition Benefit formula until March 31, 2006, or the date you terminated your employment, whichever occurred first. After March 31, 2006, your Coastal Transition Benefit was frozen, and you earned benefits only under your El Paso Cash Account Benefit. When you terminate employment, you will receive an annuity benefit (see “*Annuities*” in the “*Optional Forms of Payment*” section on page 19) based on the greater of the Coastal Transition Benefit or the El Paso Cash Account Benefit, expressed as a single-life annuity. You may also be eligible for a lump sum benefit, see “*Lump sum*” in the “*Optional Forms of Payment*” section on page 20.

### **Coastal Transition Benefit Formula**

If you are eligible to receive the Coastal Transition Benefit, the formula used to calculate your single-life annuity benefit payable at age 65 is either A or B, whichever produces the greater benefit, as follows:

**A.**

[ (i) – (ii) ] x (iii), where:

(i)  $2\% \times \text{Final Average Monthly Earnings (FAME)} \times \text{credited service projected to age 65}$   
(maximum of 30 years);

**minus**

(ii)  $1.5\% \times \text{Primary Social Security Amount} \times \text{credited service projected to age 65}$  (maximum  
of 33.333 years);

**times**

(ii) credited service at termination (or March 31, 2006, if earlier) divided by credited service  
projected to age 65

Credited service projected to age 65 is calculated without regard to the March 31, 2006 cut-off.

**or**

**B.**

\$4.00 x credited service as of March 31, 2001

*Final Average Monthly Earnings*

Final Average Monthly Earnings means the highest average monthly earnings received by the participant during any 60-consecutive-month period within the last 120 months prior to the date of termination or March 31, 2006, whichever occurred first.

*Primary Social Security Amount*

The Primary Social Security Amount means the estimated amount that would be payable at age 65, determined as of (i) March 31, 2006, or (ii) your termination date, whichever results in the lower amount, as a monthly old age benefit for the participant, exclusive of benefits for relatives or dependents, under the Social Security Act, whether or not payment of such amount is delayed, suspended, or forfeited because of failure to apply, other work, or for any other reason. Such amount is determined under the Social Security Act in effect as of December 31 coincident with or next preceding the applicable date, as of which such amount is determined.

The Primary Social Security Amount will be calculated based on estimated wages for periods prior to your covered employment, projecting backwards the actual change in national average wages from year to year (as determined by the Social Security Administration). You have the right to have the Plan use your actual earnings history issued or certified by the Social Security Administration in calculating your benefit. If you submit your actual earnings history, your benefit will be the benefit calculated using your actual earnings history. You may request your actual Social Security earnings history by accessing the Social Security Administration Web site at <http://www.ssa.gov> or by calling your local Social Security office. Alternatively, the El Paso Benefits Service Center will accept a copy of your most recent annual Social Security statement.

**Reductions for Commencement Prior to Age 65**

Each of the benefit formulas provides for a benefit that commences at age 65. If you are eligible and choose to commence your benefit before age 65, your benefit may be reduced, as explained below, because benefits are expected to be paid over a longer period of time.

If you terminate employment with at least 10 years of service after you are at least age 55, you may be eligible for retiree benefits under other benefit plans. Please refer to the FlexSelect summary plan description for more information about who is eligible for retiree benefits.

### **El Paso Cash Account – Early Retirement and Vested Termination Benefit Reduction**

If you receive the El Paso Cash Account Benefit and it commences prior to age 65 and is paid as an annuity, the benefit will be the actuarial equivalent of the El Paso Cash Account balance as of that date.

If you receive the El Paso Cash Account Benefit and it is paid prior to age 65 as a lump sum, the benefit will be the greater of (a) the El Paso Cash Account balance projected to age 65 using the current interest crediting rate, converted to an annuity using actuarial factors specified in the Plan, and then converted to a present value lump sum using the actuarial factors required by law; or (b) the El Paso Cash Account balance as of the date your benefit is paid.

### **Minimum Benefit – Early Retirement Benefit Reduction**

If you receive the Minimum Benefit and terminate at or after attaining age 55 with at least 10 years of credited service, your vested Minimum Benefit as of the date of termination shall be reduced. However, the Minimum Benefit is not reduced for early retirement if you are at least age 60 and have 30 or more years of credited service when benefits begin. Otherwise, the amount the benefit is reduced depends on your years of credited service and your age.

- If you have **less than 30 years** of credited service, your Minimum Benefit is reduced 2% each year\* for the lesser of:

- each year that your benefits commence prior to age 65; or
- 30 years minus your years of credited service.

Note: If you are under age 60, your reduction will not be less than 2% per year\* that benefits commence before age 60. For example, if you commence benefits when you reach age 57, then your reduction will not be less than 6% (2% × 3 years under age 60).

For purposes of determining early retirement reduction factors, include credited service earned after December 31, 2001.

- If you have **30 or more years** of credited service and your benefit commences between ages 55 and 60, your Minimum Benefit is reduced 2% for each year\* that benefits commence prior to age 60.

*\*If not a full year, the reduction will be prorated for each month.*

Your Minimum Benefit will then be adjusted based on the form of payment you elect.

### **Minimum Benefit – Supplemental Early Retirement Benefit**

If you receive the Minimum Benefit, reduced for early retirement as outlined above, you will also receive a Supplemental Early Retirement Benefit if you retire before age 62. If you are eligible for the Minimum Benefit, but you receive the El Paso Cash Account Benefit because it is larger, and you retire before age 62, you may also receive a partial Supplemental Early Retirement Benefit,

depending on how much greater your El Paso Cash Account Benefit is compared to your Minimum Benefit.

This benefit is added to your benefit when you retire and is payable until age 62. It is calculated using the following formula:

**Supplemental Early Retirement Benefit Formula**

$1\% \times \text{Final Average Monthly Earnings (up to the Social Security Integration Level)}$ <b>times</b> credited service prior to January 1, 2002 (up to a maximum of 30 years)
---

If you are eligible for the Supplemental Early Retirement Benefit, you have 2 options:

**Option 1**

Your Supplemental Early Retirement Benefit, so calculated, will be reduced for early retirement in the same manner as the Minimum Benefit is reduced for early retirement. When you reach age 62, your Supplemental Early Retirement Benefit will no longer be payable and you will receive only your Minimum Benefit.

**or**

**Option 2**

You may instead elect to receive the Supplemental Early Retirement Benefit on a monthly basis, payable in the form of a single-life annuity commencing on your early retirement date and continuing as long as you live. This monthly benefit will be actuarially equivalent to the benefit described above, and will be adjusted to reflect any other form of payment you elect. Your monthly benefit amount will not be reduced when you reach age 62.

If you retire after age 62, you receive no Supplemental Early Retirement Benefit.

**Minimum Benefit – Vested Termination Benefit Reduction**

If you terminate before age 55, or before age 65 with less than 10 years of credited service, and are vested, your Minimum Benefit is reduced as follows:
---

- |   |
|---|
| <ul style="list-style-type: none"><li>• 1/180 for each of the first 60 months by which your benefit commencement date is prior to age 65; and</li><li>• 1/360 for each of the next 60 months by which your benefit commencement date is prior to age 65.</li><li>• If your benefit commences before age 55, additional reductions are determined actuarially.</li></ul> |
|---|

Your Minimum Benefit will then be adjusted based on the form of payment you elect.

If you have not commenced benefits prior to age 65, please request a Benefit Notice and Election Package from the El Paso Benefits Service Center. You can sign your benefit election forms any time during the 90-day period before the first of the month following your 65<sup>th</sup> birthday, to begin benefits as of your normal retirement date.

### **Sonat Transition Benefit – Early Retirement Benefit Reduction**

If you are a former Sonat Plan participant who terminates at or after attaining age 55 with at least 10 years of service, your vested Sonat Transition Benefit as of the date of termination shall be reduced by 4% per year by which the date the benefit commences precedes the first day of the month following your 62<sup>nd</sup> birthday, with pro rata reduction for fractional years. Your Sonat Transition Benefit will then be adjusted based on the form of payment you elect.

### **Sonat Transition Benefit – Vested Termination Benefit Reduction**

If you terminate before age 55 or before age 65 with less than 10 years of vesting service, and are fully vested, your Sonat Transition Benefit is reduced as follows:

- 1/180 for each of the first 60 months in which your benefit commencement date is prior to age 65; and
- 1/360 for each of the next 60 months in which your benefit commencement date is prior to age 65.
- If your benefit commences before age 55, additional reductions are determined actuarially.

Your Sonat Transition Benefit will then be adjusted based on the form of payment you elect.

If you have not commenced benefits prior to age 65, please request a Benefit Notice and Election Package from the El Paso Benefits Service Center. You can sign your benefit election forms any time during the 90-day period before the first of the month following your 65<sup>th</sup> birthday, to begin benefits as of your normal retirement date.

### **Coastal Transition Benefit – Early Retirement Benefit Reduction**

If you are a former Coastal Plan participant who terminates on or after attaining age 55 with at least 5 years of service, your vested Coastal Transition Benefit as of the date of termination shall be reduced by 4% per year by which your benefit commencement date precedes the first day of the month following your 62<sup>nd</sup> birthday, with pro rata reduction for fractional years. Your Coastal Transition Benefit will then be adjusted based on the form of payment you elect.

### **Coastal Transition Benefit – Vested Termination Benefit Reduction**

If you terminate before age 55, and are fully vested, your Coastal Transition Benefit is reduced to the greater of:

- the Coastal Transition Benefit as of the earlier of your termination date or March 31, 2006, reduced actuarially; or
- your accrued benefit in the Coastal Plan as of April 1, 1990, reduced by 4% per year by which your benefit commencement date precedes the first day of the month following your 62<sup>nd</sup> birthday, with pro rata reduction for fractional years.

Your Coastal Transition Benefit will then be adjusted based on the form of payment you elect.

If you have not commenced benefits prior to age 65, please request a Benefit Notice and Election Package from the El Paso Benefits Service Center. You can sign your benefit election forms any time during the 90-day period before the first of the month following your 65<sup>th</sup> birthday, to begin benefits as of your normal retirement date.

## Your Deferred Retirement Benefit

If you continue working after age 65, your retirement benefit will not begin until you terminate employment. In this case, your benefit will be calculated taking into account your account balance, and any interest credits and pay credits you earn beyond age 65, as well as credited service and earnings beyond age 65, if applicable. In no event will your benefit, expressed as a single-life annuity, be less than the benefit to which you would be entitled if you retired on your normal retirement date.

You may elect to begin receiving your benefit as of the first day of any month after you terminate employment after age 65, subject to the deadline for starting payments.

In any event, benefits for all participants (including those who terminate prior to age 65) must begin by the later of:

- April 1<sup>st</sup> of the year *following* the year you reach age 70½; or
- the first day of the month after you stop working.

## Forms of Payment

Unless you choose an optional form of payment for your **CBP Select** benefit, your benefits will be paid in the standard form of payment. The standard form is based on whether you are single or married when your Plan benefits begin. All forms of monthly benefits provide an annuity that continues payments for your lifetime. Your monthly benefit amount is adjusted to reflect any elections you make to continue payments to your beneficiary after your death.

### Standard Forms of Payment

**CBP Select** provides the following standard forms of payment when your benefits commence:

- **If you are single when you begin receiving your benefits**, the standard form of payment is the single-life annuity. With this type of payment, you receive equal monthly payments from the Plan for your lifetime. This form of payment provides the largest monthly benefit payment to you and payments stop when you die.
- **If you are married when payments begin**, the standard form of payment is the 50% joint & survivor annuity with your spouse as beneficiary. Under this form of payment, you receive a reduced benefit for your lifetime and, upon your death, half of your monthly benefit amount is continued to your spouse for his or her lifetime. Your monthly benefit is reduced to cover the cost of providing these benefits to your spouse after your death. The actual amount of this reduction will depend on your age and the age of your spouse at the time your benefit payments begin.

### Optional Forms of Payment

**CBP Select** offers you the following additional optional forms of payment:

#### *Annuities*

You may elect to receive a single-life annuity; a 25%, 50%, 75%, or 100% joint & survivor annuity; or a five-year or ten-year certain & life annuity.

If you elect a single-life annuity, you will receive equal monthly payments from the Plan for your lifetime. When you die after payments have begun, no further benefits are payable to any beneficiary. If you choose this option and are married when benefits commence, spouse consent will be required.

If you elect a joint & survivor annuity, your benefit will be reduced so your beneficiary will continue to receive a percentage of your monthly benefit in the event of your death. The percentage your beneficiary receives depends on the option you choose (*e.g.*, the 100% joint & survivor annuity option continues to pay 100% of your monthly benefit to your beneficiary; the 75% joint and survivor annuity option continues to pay 75% of your monthly benefit to your beneficiary, and so on). To cover the cost of providing a continued benefit to your beneficiary over his or her lifetime, the monthly benefit paid from the Plan is reduced, based on your age and your beneficiary's age when benefits begin. If you are married when benefits begin, spouse consent will be required if you name a beneficiary other than your spouse for any joint & survivor annuity option or if you choose the 25% joint & survivor annuity option with your spouse as the beneficiary. If you selected a joint & survivor annuity option and your beneficiary dies before you, you will continue to receive the same reduced benefit for your lifetime, and no benefits will be payable after your death.

If you choose a five-year certain & life annuity or ten-year certain & life annuity, you receive a reduced benefit for your lifetime with guaranteed benefits for any remaining portion of the five-year or ten-year period paid to your beneficiary should you die before the certainty period expires. For example, if you elect a ten-year certain & life annuity and die eight years after benefits commence, your monthly payments will continue to be paid to your beneficiary for two years after your death. On the other hand, if you survive for at least ten years (the certainty period), no benefits will be paid after your death. If you are married, spouse consent is required if you elect either of these certain & life annuity options regardless of whether you name your spouse as beneficiary or not. If you selected a certain & life annuity option and your beneficiary dies before you, you will continue to receive the same reduced benefit for your lifetime.

Once annuity payments begin, you may not change your election.

### ***Lump sum***

You may also elect to receive your entire ***CBP Select*** benefit in a single lump sum payment. If you receive the El Paso Cash Account Benefit, your lump sum will be the greater of:

- (a) the El Paso Cash Account balance as of the date your benefit is paid; or
- (b) if your benefit commences prior to age 65, the El Paso Cash Account balance projected to age 65 using the current interest crediting rate (which is based on the Five Year U.S. Treasury yield for the October before the calendar year in which the payment is made), converted to an annuity using actuarial factors specified in the Plan, and then converted to a present value lump sum using the actuarial factors required by law.

If you receive the Minimum Benefit, Sonat Transition Benefit, or Coastal Transition Benefit, your lump sum will be the greater of the amounts described in (a) and (b) above, or your age 65 benefit converted to a present value lump sum using the actuarial factors required by law, provided that if you qualify for early retirement, your lump sum benefit will be your early retirement benefit converted to a present value lump sum using the actuarial factors required by law.

The annual interest rate that is a component of the actuarial factors required by law for converting an annuity benefit into a lump sum benefit is the rate for the October before the calendar year in which the payment is made. The interest rate is subject to change annually and may affect the value of the lump sum payment. For example, if you terminate in the year 2009 and your lump sum is paid out in the year 2010, the interest rate used to calculate your lump sum payment will be the applicable rate for October 2009. If you delay and elect to start your benefit in 2011, the interest rate will be the applicable rate for October 2010. The applicable interest rates under current federal law are a blend of the adjusted segmented rates determined by the Secretary of Treasury, based on average yields on investment grade corporate bonds (which are being phased in over five years) and the 30 Year U.S. Treasury Yield (which is being phased out over five years).

Federal law requires that if the Plan ever becomes seriously underfunded, lump sum benefits must be restricted. If the Plan ever becomes subject to this rule you will be notified.

If you are married, your spouse must consent to your election of the lump sum form of payment.

### **Automatic Cashout**

If the value of your benefit does not exceed \$1,000, you will automatically receive a lump sum benefit payment following termination of employment, without the consent of your spouse (if any). The Sonat Cash Account Benefit is included for purposes of applying this limit.

### **Spouse Consent**

The written consent of your spouse is required if you elect a single-life annuity, 25% joint & survivor annuity, a five-year or ten-year certain & life annuity, or a one-time lump sum payment. Spouse consent is also required if you choose a beneficiary other than your spouse for any option. Spouse consent is not required for an automatic cashout.

### **Grandfathered Benefits**

If you were a participant in a predecessor plan to *CBP Select* you may have certain minimum guaranteed benefits or protected benefits based on the terms of such predecessor plan. Please contact the El Paso Benefits Service Center for complete information on the grandfathered benefit provisions of *CBP Select* that may apply to you.

### **Sonat Cash Account Benefit**

If you had a Sonat Cash Account balance under the Sonat Plan on December 31, 1999, it is maintained as a separate account for you in *CBP Select*.

### **Pay Credits**

Effective January 1, 2000, no further pay credits were applied to your Sonat Cash Account balance.

### **Interest Credits**

Interest will be credited to your Sonat Cash Account each day at the rate that, when compounded over 365 days (or 366 days in a leap year), equals the average annual yield on 30-Year U.S. Treasury Constant Maturities for the October before the calendar year during which interest is credited.

Your Sonat Cash Account balance continues to be credited with interest following termination of employment, until you elect to commence your Sonat Cash Account Benefit.

**Sonat Cash Account Benefit Commencement**

You may elect to commence your Sonat Cash Account Benefit following termination of employment, or the first day of any later month, which is on or before the first day of the month after your 65<sup>th</sup> birthday. You may commence this benefit at a different time than other benefits payable under the Plan.

After commencement of the Sonat Cash Account Benefit, your Sonat Cash Account balance will be \$0.

**Sonat Cash Account Forms of Payment**

You may elect to have your Sonat Cash Account Benefit paid in the form of a single life annuity, a 50% joint & survivor annuity, or a lump sum.

If you are married, your spouse must consent to your election of the single-life annuity, a 50% joint & survivor annuity with a non-spouse beneficiary, or the lump sum form of payment. If you are married and your Sonat Cash Account Benefit commences in the form of a 50% joint & survivor annuity, but your marriage lasts less than one year, you may notify the El Paso Benefits Service Center and have your form of benefit converted to a single-life annuity. If you elect to receive your Sonat Cash Account Benefit in an annuity form of payment and you are later rehired, the annuity payments will continue during the period of reemployment.

**Death Benefits**

If you are married and you die before commencing your Sonat Cash Account Benefit, your spouse may elect to commence benefits in the form of a single-life annuity for your spouse's lifetime, or as a single lump sum.

If you are single and you die before commencing your Sonat Cash Account Benefit, it will be paid to your estate in the form of a single lump sum.

**Vesting**

You are always 100% vested in your Sonat Cash Account Benefit.

## Receiving Your *CBP Select* Benefit

---

### When You May Commence Your *CBP Select* Benefit

You may commence your *CBP Select* benefit on the first day of any month on or after the date you terminate your employment, and on or before the April 1<sup>st</sup> immediately following the year in which you attain age 70½. If your employment continues beyond the April 1<sup>st</sup> immediately following the year in which you attain age 70½, your benefits must commence immediately upon termination.

### Requesting Your *CBP Select* Benefit

You may request that benefits commence as of the first day of a particular month following termination of employment (the “Requested Date”) by requesting a Benefit Notice and Election Package (“Benefit Notice”) from the El Paso Benefits Service Center on or before the 15<sup>th</sup> day of the immediately preceding month. In addition, after your 65<sup>th</sup> birthday, you may request that benefits commence on the first of the month following your 65<sup>th</sup> birthday, or the first of the month following your termination of employment (if later), without making your request by the 15<sup>th</sup> day deadline. In order to avoid delay in receiving your first check you should submit your request as soon as possible, but no earlier than 90 days before your Requested Date.

When electing a Requested Date, please keep in mind that annuity checks are issued at the end of the month. This means if June 1<sup>st</sup> is your Requested Date, your benefit will be calculated as of June 1<sup>st</sup> and your first monthly check will be issued June 30<sup>th</sup>.

After you receive the Benefit Notice, you must complete the benefit election forms and return them to the El Paso Benefits Service Center within 90 days after the Benefit Notice is provided to you. If you do not return the forms during this 90-day period, you must begin the process again and submit a new request to commence benefits.

The Benefit Notice will clearly explain that you have a right to consider your payment options for at least 30 days. During this 30-day period, you may change or revoke your election at any time prior to the date of your first pension check or the end of the seven-day period that immediately follows the day on which the written explanation is provided, whichever is later. You may, however, elect to commence your benefit prior to the end of the 30-day period after you receive the Benefit Notice by signing the waiver included on the election form.

As noted above, by completing your election forms you may elect to commence benefits on your Requested Date. Depending on when your Benefit Notice is mailed to you, your Benefit Notice may include an option to commence benefits as of a date later than your Requested Date. Your options will be explained in your Benefit Notice. In no event will your first benefit check be issued during the seven-day period that follows the date your Benefits Notice is provided to you. Also, any election made by you or consent made by your spouse more than 90 days before the pension starting date you elect is not valid.

If your Requested Date is before the date your Benefit Notice is mailed to you and you are married at the time benefits actually commence, your spouse must consent to beginning benefits as of your Requested Date instead of a later date. Again, the spouse consent requirements will be explained in the Benefit Notice.

If your first pension check is issued more than one month after the pension starting date as of which you elect to commence payments, you will receive a make-up payment for the delay. In some cases, (depending on the length of the delay and when your Benefit Notice was provided to you) you may also receive interest on the make-up payment.

## **Paying Taxes on Your Benefit**

When benefits are paid to you from the Plan, they are considered taxable income in the year you receive them. If you receive a lump sum payment, terminated your employment prior to attaining age 55, and you are under age 59½ when you receive your payment, you may also have to pay an extra 10% tax, over and above regular income tax, on the amount of the payment.

### **Withholding**

Federal tax law imposes specific tax-withholding requirements on the benefit paid to you. Any amounts withheld from your benefit are considered an advance payment on income taxes you may owe as a result of a Plan payment to you. The withholding requirements differ, depending on the payment option you choose.

- If you elect an annuity, you will have taxes withheld by the Plan from your payments, unless you waive withholding. The amount the Plan withholds is a standard amount, unless you specifically request otherwise in writing.
- If you elect the lump sum form of payment, the Plan is required to withhold 20% of your payment for federal income tax purposes.

State tax withholding may also apply, depending on your state of residence.

### **Rollover**

If you choose the single lump sum form of distribution you may avoid the automatic 20% withholding of federal income tax and the extra 10% tax that may apply if you are under age 59½, by electing a direct rollover to another employer's eligible retirement plan (that accepts such payments) or to an Individual Retirement Account ("IRA"). You may make a partial rollover, and receive the rest of the distribution yourself, provided the amount rolled over is at least \$500. You may also be eligible to elect a direct rollover to a Roth IRA depending on your own tax situation. Please consult your own tax advisor to determine if you may be eligible.

A non-spouse beneficiary may direct a rollover to an IRA, but may not elect to roll over funds to another employer's eligible retirement plan.

If you elect a direct rollover, the Plan will make the check payable to the name of the IRA Trustee or the eligible plan name that you provide. If you do not make a direct rollover and receive your distribution check in your own name, you still have 60 days to make a rollover on your own. However, you will be responsible for making up the 20% withholding if you want to roll over the full amount of your taxable withdrawal or distribution.

Please note that a rollover to a Roth IRA is not a tax-free rollover. If you roll over your benefit to a Roth IRA, no taxes will be withheld on the amount of your rollover, but the amount of your rollover will be reported as taxable income to you in the year of distribution. You should consult your own tax advisor before you decide to roll over your benefit to a Roth IRA.

You will receive more detailed information with respect to withholding and your rollover options (if any) when you receive your Benefit Notice. Keep in mind that tax laws change from time to time. It is to your advantage to consult with a tax advisor before making a final decision concerning the way your *CBP Select* benefit is paid to you.

## Events Affecting Benefits

### **If You Die Before You Receive a Benefit**

If you die before you receive your benefit from the Plan, your *CBP Select* benefit will be paid to your spouse or designated beneficiary. Your benefit from the Plan will be paid as described below:

#### *If You Are Married*

If you are married at the time of your death, your spouse will receive his or her choice of a monthly annuity or lump sum payment as follows. You may not designate a beneficiary who is not your spouse for death benefits payable in the event you die before retirement.

#### *Monthly Annuities*

If your surviving spouse chooses a monthly annuity, he or she will receive a monthly amount payable for the rest of his or her life equal to the **greater of**:

- the survivor's portion of a 50% joint & survivor annuity payable as if you:
  - terminated on the date of your death;
  - survived to the date your spouse elects to begin benefits; and
  - elected to commence benefit payments in the form of a 50% joint & survivor annuity on the date your spouse elects to begin benefits;

**or**

- the single-life annuity amount that is actuarially equivalent (based on your spouse's age) to your El Paso Cash Account balance as of the date death benefits commence.

Your surviving spouse may elect to begin benefits immediately or at any time on or before the first of the month following the month in which you would have attained age 65. However, if your surviving spouse elects to delay the payment of benefits and subsequently dies before the payment of benefits begins, no death benefit will be payable to a subsequent beneficiary or to your estate.

#### *Lump sum*

If your surviving spouse chooses a lump sum payment, the payment will be equal to the **greater of** the actuarially equivalent present value of the spouse's portion of the 50% joint & survivor annuity **or** your El Paso Cash Account balance.

### ***If You Are Single***

If you are single at the time of your death, your beneficiary will receive a single lump sum benefit payment equal to your El Paso Cash Account balance as soon as administratively feasible after your death. If you have no designated beneficiary the benefit will be paid to your estate.

### **If You Die After You Begin Receiving a Benefit**

Your beneficiary may receive benefits based on the form of payment you elected.

### **If You Take a Leave of Absence**

If you are on an approved leave of absence (for reasons other than disability or uniformed military service), pay credit service continues to accrue, but only provided that you return to work at the end of the approved leave of absence (unless the terms of your approved leave of absence specifically provide that no return to work is required). If your approved leave of absence is without pay, you will not earn hours of service for eligibility or vesting purposes. If your approved leave of absence is paid, you will earn no more than 501 hours of service for any one continuous approved leave of absence.

### **If You Become Disabled**

If you become disabled before you receive benefits from the Plan, your El Paso Cash Account balance will continue to grow with interest credits. However, no pay credits will be posted to your account if you are receiving long-term disability benefits.

If you are vested, you may take a distribution from the Plan when you terminate, which will be the earlier of the date you receive a Social Security Disability Award or one year after you qualify for long-term disability benefits. If you take a distribution from ***CBP Select***, your distribution may affect your long-term disability benefits.

After December 31, 1996, you will not receive additional credited service under the Minimum Benefit formula while you are on a long-term disability leave of absence.

After December 31, 1999, you will not receive additional credited service under the Sonat Transition Benefit formula while you are on a long-term disability leave of absence.

After December 31, 2001, you will not receive additional credited service under the Coastal Transition Benefit formula while you are on a long-term disability leave of absence.

### **If You Are a Reemployed Veteran or Returning from Military Leave of Absence**

Under the Uniformed Services Employment and Reemployment Rights Act of 1994, federal law gives you certain rights if you voluntarily or involuntarily leave the Company to serve in certain U.S. uniformed services. To qualify for these rights, you must:

- give the Company advance written or verbal notice of your upcoming leave for military service;
- report back to work within certain periods, depending on the length of your military service; and
- not lose these rights due to separation or dismissal from uniformed services under certain circumstances.

If you satisfy these requirements, your time away for military service will be treated as though you had been continually employed. Therefore, your military service will not cause you to incur a break in service, and it will be counted for vesting and benefit accruals. Generally, a maximum of *five years* of military service will receive this treatment, unless the service is extended because of a national emergency.

Please contact the El Paso Benefits Service Center for complete information on your obligations and benefits before you begin uniformed military service.

### **If You Divorce**

Your ***CBP Select*** benefit belongs solely to you (or your beneficiary, if you die). In general, it cannot be assigned to anyone else. However, if you are divorced, certain court orders could require that part of your benefit be paid to someone else, such as your former spouse. This is known as a Qualified Domestic Relations Order (“QDRO”). You will be notified if the Plan receives a QDRO that could affect your benefit. You may receive a copy of the Plan’s QDRO procedures, without charge, by contacting the El Paso Benefits Service Center.

### **If You Are Rehired**

Your individual circumstances at your initial termination and at your rehire, including but not limited to (a) the date of your initial termination, (b) the length of the break-in-service between your initial termination and subsequent rehire, (c) whether or not you took a distribution based on your initial termination, (d) the date of your subsequent rehire, and (e) the participating employers involved, will determine how your ***CBP Select*** benefit is calculated upon your final termination.

If you were vested at your initial termination date, and you commenced receiving an annuity or you received a lump sum based on your first termination, upon your subsequent rehire you immediately begin to accrue an El Paso Cash Account Benefit starting with a \$0 opening balance. All your service (including your initial period of service) will be aggregated to calculate your pay credit service following rehire. At final termination you will be eligible to commence your El Paso Cash Account Benefit accrued during your period of rehire. Also, your annuity benefits that commenced following your first termination will continue during your rehire period.

If you were entitled to commence a benefit based on your first termination, but failed to do so and are rehired, you must wait until your subsequent termination to commence benefits.

If you were not vested at your initial termination date and had five consecutive one-year breaks-in-service between your initial termination date and your subsequent rehire, you are not entitled to any benefit based on your initial period of employment. The calculation of your benefit on final termination will not include any service and earnings prior to your initial termination. Note that different rules may apply if your initial termination was before 1985.

If you were not vested at your initial termination date and are rehired before you have had five consecutive one-year breaks-in-service, then you are not eligible to commence a benefit based on your first termination, but your vesting service continues upon rehire and all service (including your initial period of service) will be aggregated to determine if you are vested at your final termination. If you are vested at your final termination you are entitled to a benefit taking into account service and earnings during both periods of employment.

If you were eligible for the Minimum Benefit, the Coastal Transition Benefit, or the Sonat Transition Benefit at your initial termination of employment, have commenced your benefit, and are subsequently rehired, you immediately begin to accrue an El Paso Cash Account Benefit starting with a \$0 opening balance. If you are receiving an annuity based on your initial termination, your payments will continue, but no further Minimum Benefit, Coastal Transition Benefit, or Sonat Transition Benefit will accrue. However, if at your final termination, you are eligible for more favorable early retirement reduction factors than the factors that were used to calculate your benefit based on your initial termination, then your benefit based on your service and earnings at your initial termination will be recalculated using the more favorable early retirement reduction factors, and you will receive the recalculated benefit, less the actuarial equivalent of the benefits already being paid to you. You will have the right to make a new election of a form of payment for the additional benefit, and the benefit will be adjusted for the form of payment you elect. All your service (including your initial period of service) will be aggregated to calculate your pay credit service following rehire. At final termination you will be eligible to commence your El Paso Cash Account Benefit accrued during your period of rehire.

There are many different possible rehire scenarios, considering the number of predecessor plans and the number of employers that have participated in the Plan or its predecessor plans over the years. Contact the El Paso Benefits Service Center to find out how benefits will be calculated in your particular situation.

#### **Other Situations Affecting Benefits**

- If you retire or terminate and do not apply for benefits, payments will be delayed until you apply for them. However, you must commence receiving your benefit by the April 1<sup>st</sup> next following the year in which you attain age 70½. It is your responsibility to keep the Pension Committee informed of any change in your address and contact the Plan to request benefit commencement.
- Your benefits may be paid to a family member on your behalf or to a court-appointed representative if you become unable to care for your affairs.

## **Administrative Information**

---

The Pension Committee has the sole authority to administer the Plan. The Pension Committee also has authority to appoint and remove the Trustee and any Investment Manager.

The Trustee has the sole responsibility for the administration of the Trust and the management of the assets held under the Trust. No fiduciary guarantees the Trust fund in any manner against investment loss or depreciation in asset value.

### **Pension Committee**

Responsibility for the general administration of the Plan and for carrying out the provisions of the Plan has been placed with the Pension Committee, which is a committee of three or more members, each of whom is an employee of El Paso Corporation and each of whom has been appointed by the Chief Executive Officer of El Paso Corporation. The Plan provides that the Pension Committee has all powers necessary for the administration of the Plan and is the “Plan Administrator.” The Pension Committee may designate any person, partnership or corporation to carry out any of its responsibilities under the Plan. The Pension Committee has delegated day-to-day ministerial administration of the Plan under an administrative services contract.

### **Plan Expenses**

All Plan expenses are paid either by the Trust or by the Company.

### **Contributions to the Plan**

Any Company contributions to the Plan made on behalf of a participant, due to mistake of fact, may be withdrawn.

### **Limits on Benefits**

The Plan limits the amount of benefits payable to certain highly compensated participants. These limits are set by federal tax law and are intended to make certain that highly compensated employees do not receive substantially more benefits than non-highly compensated employees. You will be notified if you are affected by these limits.

### **Claims and Appeals**

The Pension Committee has the authority to interpret Plan provisions and render claim decisions based on the interpretation. Plan provisions include the benefits payable to any participant or beneficiary and the right of any participant or beneficiary under the Plan.

Any person who believes that he or she is entitled to any benefit or right provided under the Plan has the right to file a written claim with a Claims Administrator. A Claims Administrator is someone on the Company's human resource staff authorized by the Pension Committee to decide claims.

- (a) Submission of Claim. A claim for benefit payment is considered filed when a written request is submitted to the Claims Administrator. The Claims Administrator shall respond to a claim in writing or electronically. An authorized representative may act on behalf of a participant or beneficiary ("Claimant") who claims benefits.
- (b) Notice of Denial. Any time a claim for benefits is wholly or partially denied, the Claimant will be given written or electronic notice of such action within 90 days after the claim is filed, unless special circumstances require an extension of time for processing. If there is an extension, the Claimant will be notified of the extension and the reason for the extension within the initial 90-day period. The extension shall not exceed 180 days after the claim is filed.

The denial notice will indicate i) the reason for denial, ii) the specific provisions of the Plan on which the denial is based, iii) an explanation of the claims appeal procedure including the time limits applicable to the procedure and a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) and iv) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary.

- (c) Right to Request Review. Any Claimant who has had a claim for benefits denied by the Claims Administrator, who disputes the benefit determination, or is otherwise adversely affected by action of the Claims Administrator, shall have the right to request review by the Pension Committee. The Pension Committee shall provide a full and fair review that takes into account all comments, documents, records, and other information submitted relating to the claim, without regard to whether the information was previously submitted or considered in the initial benefit determination. Such request must be in writing, and must be made within 60 days after the Claimant is advised of the Claims Administrator's action. If written request for review is not made within such 60-day period, the Claimant shall forfeit his or her right to review. The Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits. The Claimant may submit written comments, documents, records and other information relating to the claim.
- (d) Review of Claim. The Pension Committee shall then review the claim. The Pension Committee may hold a hearing if it is deemed necessary and shall issue a written decision reaffirming, modifying or setting aside the initial determination by the Claims Administrator within a reasonable time and not later than 60 days after receipt of the written request for review, or 120 days if special circumstances, such as a hearing, require an extension. If an extension is required, the Claimant shall be notified in writing or electronically within the initial 60-day period of the extension, the special circumstances requiring the extension, and the date by which the Plan expects to render a determination. The Pension Committee may authorize one or more members of the Pension Committee to act on behalf of the full committee to review and decide claims.

A copy of the decision will be furnished to the Claimant. The decision will set forth the specific reasons for the decision and specific Plan provisions on which it is based, a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim, and a statement of the

Claimant's right to bring a civil action under ERISA Section 502(a). The decision will be final and binding upon the Claimant and all other persons involved.

## **Employment Status**

The Plan is not a contract of employment nor consideration for your employment. The Plan is not a guarantee of continued employment with the Company or any participating employer.

## **Amendment and Termination of the Plan**

El Paso Corporation, the sponsor of the Plan, currently intends to continue the Plan indefinitely, but retains the right to change, suspend, or terminate the Plan, in whole or in part, at any time and for any reason.

No amendment will decrease the accrued benefit of any participant, and shall be subject to any advance notice or other requirement of ERISA.

In the event the Plan is completely terminated, all further accruals will cease, the Trustee will allocate Plan assets to affected participants, and benefits will be distributed by purchase of nontransferable annuity contracts or lump sum payments.

## **Plan Documents Control**

This summary is known as a Summary Plan Description ("SPD"). All of the Plan documents are available from the El Paso Benefits Service Center. The SPD is an overview only, and the statements in the SPD are intended to be read as a whole. You should not rely on statements or explanations taken out of context. Subsequent changes to the Plan and the SPD may be communicated in written materials such as newsletters, postings, and flyers.

*In the event of any inconsistency between any communication regarding the Plan and the Plan documents, the Plan documents shall control in all cases. In the event of any inconsistency between this SPD and any of the other Plan documents, such other Plan documents shall control in all cases.*

*The Pension Committee has the sole and exclusive authority to interpret the Plan documents, except to the extent it has delegated that authority.*

## General Information

---

### Information About the Plan

<b>Name of Plan</b>	El Paso Corporation Pension Plan
<b>Plan Number</b>	001
<b>Sponsor of Plan</b>	El Paso Corporation 1001 Louisiana Street Houston, TX 77002
<b>Sponsor's IRS Employer Identification Number</b>	76-0568816
<b>Plan Administrator</b>	Pension Committee c/o El Paso Corporation 1001 Louisiana Street Houston, TX 77002 (713) 420-7299
<b>Type of Administration</b>	Pension Committee
<b>Trustee</b>	State Street Bank & Trust Company 444 South Flower Street, 45th Floor Los Angeles, CA 90071

### Plan Year

For accounting purposes, the Plan Year is the calendar year.

### Service of Process

The agent for service of legal process is:

Corporate Secretary  
c/o Chairman of the Pension Committee  
El Paso Corporation  
1001 Louisiana Street  
Houston, TX 77002

Legal process may also be served on any member of the Pension Committee or the Plan Trustee.

### Type of Plan

*CBP Select* is a defined benefit pension plan. With respect to the El Paso Cash Account Benefit and the Sonat Cash Account Benefit, it is the type of defined benefit pension plan known as a "cash balance plan."

## Sources of Plan Funding

The Plan is funded by contributions made by participating employers. The contributions are held in the El Paso Corporation Master Retirement Trust.

## Participating Employers

Listed below are the participating employers under the Plan, in addition to El Paso Corporation, as of January 1, 2009. A complete current list of participating employers may be obtained by participants and beneficiaries upon written request to the Plan Administrator.

Name of Employer
CIG Pipeline Services Company, LLC
El Paso Energy Service Company
El Paso Exploration & Production Management, Inc.
El Paso Merchant Energy North America
El Paso Merchant Energy – Petroleum Company
El Paso Natural Gas Company
Sandbar Petroleum Company
SNG Pipeline Services Company, LLC
Tennessee Gas Pipeline Company

## Pension Benefit Guaranty Corporation

Your pension benefits under *CBP Select* are insured by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. If the Plan terminates (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:

1. normal and early retirement benefits;
2. disability benefits if you become disabled before the Plan terminates; and
3. certain benefits for your survivors.

The PBGC guarantee generally does not cover:

1. benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
2. some or all of 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;
3. benefits that are not vested because you have not worked long enough for the company;
4. benefits for which you have not met all of the requirements at the time the Plan terminates;
5. 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
6. 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 how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

## **Qualified Status**

The Plan is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code and will be administered in a manner consistent with this intention. The Pension Committee shall interpret the provisions of the Plan and this SPD accordingly.

## **If The Plan Is Top Heavy**

Under the rules governing employee benefit plans, in the unlikely event that the total value of the accounts or the present value of the accrued benefits of certain key employees, exceeds 60% of the total value of the accounts or the present value of the accrued benefits of all participants payable from *CBP Select*, the Plan is considered "top heavy." If the Plan becomes top heavy, alternate provisions take effect, and additional details about these special provisions will be provided to you.

## **Limitations on Assignments**

Benefits under the Plan may not be assigned, sold, transferred, or encumbered, in whole or in part, either directly or by operation of law or otherwise, and any attempt to do so shall be void. The interest of a participant in benefits under the Plan shall not be subject to debts or liabilities of any kind and shall not be subject to attachment, garnishment, or other legal process, except as the Plan provides in the event of a Qualified Domestic Relations Order ("QDRO"), or otherwise permitted by law.

## **Statement of ERISA Rights**

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

### ***Receive Information About your Plan and Benefits***

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan; including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan including insurance contracts and collective bargaining agreements, and copies of the

latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may charge a reasonable amount for these copies.

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.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve 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 Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or another person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### ***Enforce Your Rights***

If your claim for a pension 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 request 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 which 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 or a medical child support 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 any questions about the Plan, you should contact the Plan Administrator. If you have any 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 telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C.

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.

## **Plan Administration**

As Plan Administrator, the Pension Committee, reserves the absolute authority and discretion to interpret and administer the Plan, including resolving any discrepancies, supplying any omissions, and correcting any defects. The Pension Committee also reserves the absolute authority and discretion to make all determinations under the Plan, such as decisions concerning eligibility and benefits, including factual determinations. Subject only to the Plan's claims review procedure, all decisions affecting the Plan that are made by the Pension Committee will be final and binding.