UNISYS PENSION PLAN
SUMMARY PLAN DESCRIPTION BOOKLET

AS OF JANUARY 1997
About This Booklet

This booklet serves as the summary plan description (SPD) for the Unisys Pension Plan (the Plan) as it applies to non-bargaining employees.

A summary plan description is a printed reference that conveys the provisions of the Plan in terms you can understand, tells you how to request benefits available under the Plan, explains when your benefits end, and advises you of your rights under ERISA.

This booklet includes important information about retirement benefits available under the Unisys Pension Plan. It is only a summary and does not contain every detail addressed in the Plan document. If there is any inconsistency between the Plan document and this SPD, the Plan document (and not this SPD) controls.

Keep this booklet as an ongoing reference.

Note: If you participate in one of the following, you are a member of the Unisys Pension Plan, but your pension benefits are different and are described in a separate SPD booklet:

- Unisys Hourly Rate Employees’ Pension Plan (Local 1313)
- Unisys Hourly Rate Employees’ Pension Plan (Local 1440)
- Non-Contributory Bargaining Unit Pension Plan (Twin Cities and Blue Bell bargaining units)

This booklet reflects the terms and conditions of the Unisys Pension Plan as amended and restated through January 1, 1997.
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INTRODUCTION/BACKGROUND
INTRODUCTION

The Unisys Pension Plan is provided by the Company to help you achieve financial security when you retire from Unisys. It is designed to supplement your Unisys Savings Plan benefits, your Social Security benefits and your personal savings.

The Unisys Pension Plan has been developed from predecessor plans and has been amended a number of times. Before you read about the benefits available under the Plan, it may be helpful to have some background information on the evolution of the Plan.

PRIOR PENSION PLANS

The Unisys Pension Plan is an amendment and restatement of the Sperry Retirement Program — Part A.

Effective April 1, 1988, the following plans were amended, merged into and became part of the Unisys Pension Plan:

- Burroughs Employees' Retirement Income Plan (BERIP)
- the Memorex Employees' Pension Plan (the Memorex Plan)
- the System Development Corporation Basic Non-Contributory Pension Plan (the SDC Plan)

In this booklet, the plans which were amended to form the Unisys Pension Plan are referred to as prior pension plans. Burroughs, Memorex, SDC and Sperry are referred to as predecessor companies.
Minimum benefit provisions

If you were a participant in one of the prior pension plans, the least you receive from the Unisys Pension Plan is the benefit you earned under your prior pension plan as of March 31, 1988.

The forms of payment, early retirement reduction factors and adjustments for the various forms of payment under the prior pension plan’s provisions are included in this provision. If you were vested in a benefit under one of the prior pension plans, the survivor benefits attributable to the prior pension plans also are included in this provision.

In addition, if you were an active employee, age 50 or older and had ten or more years of vesting service as of March 31, 1988, a further minimum is provided. The objective of this provision is to:

- calculate your pension as if there were no change in your prior plan provisions through the earlier of December 31, 1991 or your date of termination
- compare your prior plan benefit through the earlier of December 31, 1991 or your date of termination to the benefit calculated under the Unisys Pension Plan formula

You automatically receive whichever benefit is greater. To accomplish this, the prior pension plan formulas were incorporated into the Unisys Pension Plan. The section of this booklet beginning on page 93 is devoted to explaining this special provision.
PLAN Mergers

The pension plans listed below have been merged into the Unisys Pension Plan. The benefits available under these merged plans are different from the benefits described in this booklet. Separate summary plan description booklets explain the rights, entitlements and provisions for these plans.

Plans merged effective February 28, 1991

- Unisys Hourly Rate Employees’ Pension Plan (UAW Local 1313)
- Unisys Hourly Rate Employees’ Pension Plan (UAW Local 1440)
- Ford Instrument Pension Plan
- Vickers Bargaining Unit Pension Plan
- Retirement Pension Plan for Bargaining Units in Danville, Illinois
- Flight Systems Pension Plan — Van Nuys

Plans merged effective June 28, 1996

- Great Neck Bargaining Unit Pension Plan
- Non-Contributory Bargaining Unit Pension Plan
**Final Average Pay to Career Average Pay Amendments**

Effective January 1, 1991, the Plan was amended, resulting in a change in the way benefits are calculated under the Plan:

- **From a final average pay approach** — the Plan formula uses the average of a recent period of earnings as if this average represents your pay over your entire career with the Company.

- **To a career average pay approach** — a piece of your benefit is determined each year based on the Plan formula and your pay during that year. The sum of your benefit increments for each year you participate in the Plan determines your final pension benefit. The net effect is that your total pension benefit reflects the Plan formula applied over your average pay throughout your Unisys career.

If you were actively employed by Unisys at the time the change in approach was made, and if you are credited with one hour of service under the Unisys Pension Plan as of December 31, 1990, a minimum benefit applies. That benefit is described beginning on page 40.
**HOW THIS BOOKLET IS ORGANIZED**

This booklet first describes the career average pay formula and how it works. An explanation of the final average pay formula follows.

The payment options and pre-survivor benefits are described following the formula discussions.

The next two sections describe how to apply for benefits and provide general additional Plan information.

A number of additional descriptions are provided in the Appendix. These cover international transfers and prior plan provisions.

If your original date of employment is on or after January 1, 1991, disregard the sections of this booklet which explain the final average pay formula and Appendix B to H. The provisions noted in these sections do not apply to you.

Before going further, a number of important terms and conditions are explained to help you understand the Unisys Pension Plan and the benefits available to you under the Plan.
DEFINITIONS
**INTRODUCTION**

This section provides definitions for terms as they apply in the career average pay and final average pay provisions of the Unisys Pension Plan.

The definitions may be different when compared to how the terms may apply in common usage, other benefit programs or prior plans.

These definitions help explain the benefits available under the Unisys Pension Plan, as well as how the benefits are determined.

**ACCruED BENEFIT**

This is the amount of the monthly benefit you have earned, as of a given date, payable as of your normal retirement date (as defined on page 14). The amount is based on:

- your pay (as defined beginning on page 11)
- your service (as defined beginning on page 16)
- the provisions of the Plan at the time you leave eligible employment status

**Actuarial Equivalent**

Two benefits are actuarially equivalent if they are of equal value, taking into account a specified interest rate and the expected period during which payments will be made.

For example, assume a benefit of $100 per month payable beginning at age 65 has a present value of $11,120. Further, assume a benefit of $85 per month, payable as long as both you and your spouse are alive, has a present value of $11,120. These two benefits are actuarially equivalent because the present value is $11,120 for both. (Refer to page 13 for a definition of present value.)

**ANNUITY**

An annuity is a fixed sum paid out at regular intervals, either over a lifetime or for a designated period.

**COMPANY, THE**

References to the Company throughout this booklet means Unisys or any participating subsidiary company. A participating subsidiary is any U.S. subsidiary of Unisys that has adopted the Plan for its employees.
DEFERRED VESTED PARTICIPANT

After you are vested in the Unisys Pension Plan, if your employment with the Company ends for any reason other than death, disability (as defined on the following page), or retirement, you are considered to be a deferred vested participant and you are eligible for a deferred vested pension benefit. Your benefit is based on the benefit formula in effect on your termination date (as defined beginning on page 29). You are not considered to be a Unisys retiree before or after pension payments begin (see page 14 for the definition of retiree).

Earliest date benefits become payable

The earliest you can begin to receive your vested benefit in a reduced amount is the first of the month concurrent with or following your 55th birthday.

If you start receiving pension payments before age 65, your benefit is reduced because it is expected that you will receive more payments than if your pension had started at your normal retirement date. (For example, assume you will live to be 83 years old. You will receive 120 more payments over your lifetime if you begin receiving benefits at age 55 than you would receive if you start receiving payments at age 65.)

Latest date benefits become payable

If you are not in an active employment status with Unisys, benefit payments must begin by your normal retirement date (see page 14 for the definition of normal retirement date). This is the date you are entitled to begin to receive your accrued benefit in an unreduced amount.

Applying for payments to begin

You must apply for your pension payments to begin.

If you are not in an active employment status with Unisys and you do not apply for your benefit payments to begin by your normal retirement date (see page 14 for the definition of normal retirement date), once you do apply for payments, your pension is paid retroactive to the earlier of your normal retirement date or the date following your termination that you are entitled to receive your full unreduced pension. No interest or added payments are made by virtue of a late application. So it is in your best interest to apply for payments to begin on the earliest date that unreduced benefits are payable. (For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.)

DEFINED BENEFIT PLAN

The Unisys Pension Plan is a defined benefit plan. This means that the benefits available are determined by a specific formula which is applied in the same manner for all eligible participants belonging to a defined group.
**DISABILITY**

For purposes of the Unisys Pension Plan, disability is defined in the same manner as it is defined for ongoing payments under the Unisys Long Term Disability Income Plan (LTD Plan). However, you need not be enrolled in the LTD Plan.

Up to five years of service may be accrued under the Unisys Pension Plan if LTD benefits would have ended before then as the result of your age at the time you became disabled. The five-year accrual does not apply if LTD benefits would have ended due to LTD Plan maximums other than those related to your age at the time you became disabled.

**ELIGIBILITY**

You are eligible to participate in the Unisys Pension Plan on the January 1 or July 1 following the date you meet all of the criteria noted below:

- you receive pay in an active employment status on or after April 1, 1988
- you have reached age 21
- you have one year of eligibility service with the Company
- you are a U.S. Unisys employee as determined by one of the following:
  - You are an employee of the U.S. Company or a participating subsidiary.
  - You are a U.S. citizen or U.S. resident alien on temporary international assignment outside the U.S. as an employee of the U.S. Company or a participating subsidiary.
  - Your employment is governed by a collective bargaining agreement which provides for participation in the Plan.

**Who is not eligible to participate**

You are not eligible to participate in the Plan if you don't meet the eligibility criteria listed above. Employment situations which make you ineligible include, but are not limited to:

- Your employment is governed by a collective bargaining or contractual agreement which does not provide for participation in the Plan.
- You are an employee of a subsidiary which has not adopted the Plan.
- You are not on a U.S. payroll (except Puerto Rico).
- You are a leased employee. (Refer to page 11 for the definition of leased employee.)
- You are accruing benefits as an active participant in another Company-sponsored defined benefit plan.
- As of April 1, 1988 you were in an inactive employment status due to an extended disability.
**LEASED EMPLOYEE**

You are a leased employee if you are employed by someone other than the Company or other than as an independent contractor to the Company and you have been providing services to Unisys which meet both of the following requirements:

- of a type historically performed by Unisys employees
- on a substantially full-time basis for a period of at least one continuous year under an agreement between your employer and Unisys

Independent contractors to the Company do not qualify as leased employees.

**PAY**

Under the terms of the Plan, pay includes:

- your base pay while a covered employee
- before-tax contributions made to any Company-sponsored benefit plan (for example, before-tax contributions under the Unisys Flexible Benefits Program and the Unisys Savings Plan)
- notice pay during the period following the announcement of a workforce reduction or layoff (but not income assistance payments)
- overtime, shift differential
- commissions paid under the terms of a written, ongoing sales commission plan approved as such by the Unisys Benefits Administrative Committee
- variable compensation (including, but not limited to, executive variable compensation — EVC — and Lump-Sum Recognition Awards) paid under the terms of a written, ongoing variable compensation plan approved as such by the Unisys Employee Benefits Administrative Committee
- accrued and unused vacation paid at the time of termination
- foreign service premium, hardship premium, war risk premium
- temporary promotional supplements

Payments made after your last day worked which are included in the categories listed above — for example, pay for unused or accrued vacation or for earned commissions — are considered under the Plan, regardless of the date when you receive the payments. These late payments are considered to have been made during your last month of employment.
Types of pay **not considered** include, but are not limited to the following:

- after-tax payments under the Unisys Flexible Benefits Program (for example, cash paid for opting out of health-care coverages and/or choosing a lower cost option for life insurance coverage, if any)
- allowances for specific or contingent expenses (including, but not limited to reimbursement for relocation, travel, or educational expenses)
- commission, incentive, or variable compensation programs which are not approved by the Unisys Employee Benefits Administrative Committee as eligible under the Unisys Pension Plan
- deferred bonuses and/or deferred salaries
- hiring bonus
- imputed income for benefits, such as for Company-Provided Life Insurance in excess of $50,000
- Income Assistance Plan payments or any severance arrangement
- overseas cost-of-living differentials or allowances
- pay which exceeds the following maximums established by the IRS and/or IRC section 401(a)(17):
  - 1989 ................................ ................................ ................................ $200,000
  - 1990 ................................ ................................ ................................ .. 209,200
  - 1991 ................................ ................................ ................................ .. 222,200
  - 1992 ................................ ................................ ................................ .. 228,860
  - 1993 ................................ ................................ ................................ .. 235,840
  - For 1994 through 1996 ................................ ................................ ........ 150,000
  - 1997 ................................ ................................ ................................ *160,000

* this figure is subject to change based on guidelines issued by the IRS

**Note:** Any pension accrual resulting from compensation in excess of these maximums cannot be provided from the Unisys Pension Plan. The Unisys Supplemental Executive Retirement Income Plan, a non-qualified plan, provides pension benefits on the “excess earnings.” Benefit payments from the non-qualified plan are made from the general assets of Unisys.

- per diems
- prizes or awards (including, but not limited to, Achievement Awards, Employee Suggestion Program payments, or cash equivalents of non-cash prizes and awards)
- retention bonus or similar payments
- special or extraordinary compensation of any kind
- stock awards under the Global Performance Equity Plan (G-PEP)
- tax gross-up allowances or payments
PLAN, THE

References to the Plan mean the Unisys Pension Plan as described in this summary plan description and the Unisys Pension Plan document.

PREDECESSOR COMPANIES

Burroughs, Memorex, SDC and Sperry are referred to as predecessor companies.

PRESENT VALUE OF ACCRUED BENEFIT

The present value of your accrued benefit is what your benefit is worth in today’s dollars, based on:

- the Plan’s retirement formula
- a set of assumptions regarding the length of time you are expected to receive benefits
- a fixed rate of interest

You can think of it as the amount of money you would have to set aside today to purchase an annuity that would guarantee, for your expected lifetime, a fixed monthly payment equal to the pension benefit you have earned.

You generally are not eligible to receive your pension benefit in a lump-sum payment equal to the present value of your accrued benefit. Exceptions exist, however, if:

- the present value of your accrued benefit is $3,500 or less on your date of termination — in this case, your benefit is paid in a cash lump-sum payment (refer to page 62)
- you were a participant in the SDC Basic Non-Contributory Pension Plan as of March 31, 1988 and were at least age 50 as of January 1, 1986 — in this case, a cash lump-sum payment is one of your payment options (refer to page 62)

QUALIFIED RETIREMENT PLAN

Benefit plans that offer you and the Company favorable tax treatment, are considered to be qualified plans, provided the plans meet the Internal Revenue Code requirements with respect to tax deductibility. Generally, the Company can claim an immediate income tax deduction for contributions made to the plan, and you defer payment of taxes on benefits until they are actually received.

The Unisys Pension Plan is a qualified retirement plan.

To maintain its qualified status, the Unisys Pension Plan must pass certain tests to ensure that the Plan does not discriminate in favor of highly compensated employees, as defined in the Internal Revenue Code.
RETIREE STATUS AND RETIREMENT DATES

What it means to be a “retiree

You are considered to be *retired and you are a retiree* if your termination date occurs on or after age 55, provided you have satisfied the vesting requirements of the Plan — whether you choose to begin receiving payments from the Plan immediately or wait until a later date.

You cannot begin receiving benefits from the Unisys Pension Plan as a retiree if you are actively employed by the Company.

However, you may receive a benefit from the Plan while you are still employed by the Company under the following circumstances. In these cases you are not considered to be a retiree:

- you reach age 70-1/2 on or after January 1, 1988
- you are the contingent annuitant or beneficiary of a deceased Plan participant
- you are the former spouse of a Plan participant entitled to benefits under the terms of a Qualified Domestic Relations Order (QDRO)

Types of retirement and retirement dates

There are three types of retirement under the Unisys Pension Plan: normal, early and late. Each type is based on age and, for early retirement, years of vesting service.

*Normal retirement*

Normal retirement age is age 65. Normal retirement date is the first day of the month on or following your 65th birthday.

*For example*, all eligible participants born December 2, 1931, January 1, 1932, or any date in between, have the same normal retirement date — January 1, 1997.

If you reach age 65 before your termination date and you have one year of service, you are eligible to retire and receive a benefit from the Unisys Pension Plan.

If you leave the Company on or after your normal retirement date, you must begin receiving benefits immediately. You cannot defer payments until a later date.
Early retirement

**Early retirement age** is any age between 55 and 65, provided you are vested in a retirement benefit. **Early retirement date** is the first day of any month on or after your last day worked, provided:

- you are vested in a retirement benefit
- you leave on or after your 55th birthday
- you leave before the first of the month concurrent with or preceding your 65th birthday

You can begin receiving your early retirement benefits immediately, or you can defer payments to the first of any month following your termination date. You must, however, begin to receive payments no later than your normal retirement date.

You must apply for your pension payments to begin.

If you are not in an active employment status with Unisys and you do not apply for your benefit payments to begin by your normal retirement date (see page 14 for a definition of normal retirement date), once you do apply for payments, your pension is paid retroactively, without interest, to the earlier of your normal retirement date or the date following your termination date that you are entitled to receive your full unreduced pension. So it is in your best interest to request that your benefit payments begin promptly. (For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.)

**Late retirement — continue working beyond age 65**

You may continue employment with Unisys beyond your normal retirement date and continue to accrue benefits. Your **late retirement date** can be the first day of any month following your termination.

However, the actuarial value of your pension payments is highest on your normal retirement date.

- There is no actuarial increase of your normal retirement benefit to reflect benefit payments foregone because of your continued employment.
- You do not receive payments retroactive to your normal retirement date.

**Note:** If you reach age 70-1/2 on or after January 1, 1988, you must begin receiving a minimum benefit commencing April 1 of the year after you are age 70-1/2, even if you are still working for the Company. If pension payments must begin while you are working, your pension is adjusted annually for each additional year that you work to reflect additional benefits earned, offset by the actuarial value of benefits already received.
SERVICE

There are three types of service under the Unisys Pension Plan: *eligibility service, vesting service and credited service.*

In general, credited and vesting service are equal and are counted from your date of employment to your termination date.

Your credited service may be calculated differently than your vesting service, however, if:

- you have breaks in your employment
- you join the Company through an acquisition or outsourcing arrangement
- you have service under the SDC Plan or BERIP
- you have international service
- you have periods of employment governed by the Service Contract Act, the Davis Bacon Act (or other government contract governing your employment), or a collective bargaining agreement
- you have service with Unisys as a leased employee

The information on the following pages define the types of service.

For all definitions, service is considered in terms of whole months. For partial months — usually your first and last months of employment — subtract the day your employment began from your termination date. If the difference is 15 days or more, an additional month of service is counted.

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*For example,* assume Trish is hired July 14, 1996, has no breaks in employment and her termination date is September 30, 2006. Trish has ten years and three months of service.

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>-1996</td>
<td>-7</td>
<td>-14</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>16</td>
</tr>
</tbody>
</table>

10 years 2 months and 16 days is rounded to 10 years 3 months

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In all cases, the service definitions assume that you did not:

- **work for a company that Unisys acquired or established an outsourcing arrangement** — if you worked for a company that Unisys acquired or established an outsourcing arrangement, the terms of the acquisition agreement, the outsourcing contract, or subsequent Plan amendment specify how your service prior to the acquisition or outsourcing arrangement is treated under the Plan

- **work for a business unit that adopted the Plan after a period of non-participation** — if you worked for a business unit in the U.S. that did not participate in the Plan at the time you joined the group, but later adopted the Plan, the terms of the Plan amendment specify how your pre-adoption service is treated

- **have any breaks in your service** — if your employment with Unisys is not continuous, special provisions apply as explained beginning on page 20

- **have any international service with Unisys** — if you work for the Company outside the U.S., you are subject to special rules that specify how service is treated when a career with the Company involves assignments in more than one country — these provisions are explained in Appendix A, beginning on page 90

### Eligibility service

Before you participate in the Plan, a consecutive 12-month period of employment with Unisys is required. This period is considered eligibility service. The clock starts when you report to work on your date of hire.

Eligibility service counts as vesting service, but it may or may not count as credited service.

If you leave the Company before you are eligible to participate in the Plan, your initial period of service counts for eligibility service (and vesting service) if:

- you terminate employment before completing your consecutive 12-month period of eligibility service

  **AND**

- you later rejoin Unisys

  **AND**

- the period of time that you are gone is **less than** five years

*For example*, if Christine works for Unisys 6 months, leaves and returns after 4 months, the initial 6-month employment period counts toward eligibility service. She would have to work continuously for Unisys only 6 more months following her most recent date of hire to meet the eligibility service requirements.

### Vesting service

*Importance of vesting service*
Vesting service determines whether or not you are eligible to receive a benefit from the Plan. Vesting service also determines which early reduction factors apply if your termination date occurs after you are vested, provided you are between ages 55 and 65 at that time.

**The general rule for vesting service**

The general rule is that vesting service is counted from your date of employment with the Company to your termination date.

**Additional vesting service beyond the general rule**

In addition, to the extent not considered under the general rule, vesting service includes:

- service with a predecessor organization to the extent required by the Service Contract Act, the Davis Bacon Act or other government contract governing your employment
- up to five years, if you become disabled (as defined by the Plan) after age 60, if LTD benefits would have ended before then as the result of your age at the time you became disabled; the five-year period does not apply if you begin collecting pension benefits under the Plan or if LTD benefits would have ended due to LTD Plan maximums other than those related to your age at the time you became disabled
- time you work for Unisys as a leased employee (see the definition of leased employee on page 11) on or after January 1, 1984, if you become employed by Unisys (vesting service is not granted, however, if you participated in a money purchase pension plan maintained by the leasing organization, the plan provided immediate participation and vesting, and the employer contribution was at least 10 percent of compensation)
- time spent with a successor organization in the case of some divestitures or joint ventures; the provisions of the agreement made at the time of divestiture or formation of the joint venture determine how service is to be considered
- periods of time that you are in an active employment status with Unisys, even if your status changes from an eligible classification to a classification not eligible for participation in the Plan

You also may have received additional vesting service as of April 1, 1988 if, as of March 31, 1988, your prior plan vesting service was greater than the vesting service that would apply under the general rule.
Credited service

*Importance of credited service*

Credited service is one of the factors in the final average pay formula described beginning on page 41. Credited service also is a factor in determining your minimum benefit if you were in active service as of December 31, 1990. Credited service is not a factor in the career average pay formula for benefits earned on and after January 1, 1991.

*The general rule for credited service*

The general rule is that credited service is counted from your date of employment with Unisys to your termination date. There are, however, some additions and exclusions.

*Additional credited service beyond the general rule*

In addition, to the extent not considered under the general rule, credited service includes:
- credited service as of April 1, 1988 if, as of March 31, 1988, your prior plan credited service was greater than the credited service that would apply under the general rule
- service determined under the provisions for breaks in service, transfers between eligible and non-eligible classifications, approved leaves of absence, and workforce reductions or layoffs as noted on the following pages
- up to five years, if you become disabled (as defined by the Plan) after age 60 if LTD benefits would have ended before then as the result of your age at the time you became disabled; the five-year period does not apply if you begin collecting pension benefits under the Plan or if LTD benefits would have ended due to LTD Plan maximums other than those related to your age at the time you became disabled

*What is not included in credited service*

Credited service does not include the following periods of employment:
- with System Development Corporation prior to October 1, 1969
- with Memorex Corporation prior to January 1, 1970
- with Unisys CAD/CAM Inc., prior to January 1, 1984
- with Convergent prior to April 1, 1990
- with a predecessor organization if you join Unisys through an acquisition or outsourcing arrangement — the terms of the acquisition agreement, the outsourcing contract, or a subsequent Plan amendment specify how your service prior to the acquisition date or outsourcing arrangement is treated under the Plan
- specifically excluded from credited service elsewhere in this booklet
- noted in the chart on page 28
**Breaks in service & reemployment**

If your employment with Unisys is not continuous, a number of tests are applied to determine if your prior service qualifies for consideration under the Plan in addition to your service from your most recent date of hire.

**Break in service, what it means**

A **break in service** occurs if your employment with the Company is terminated. A **one-year break in service** occurs for each 12-month period measured from the day your service ends.

*For example,* if Joe resigns April 30, 1997, he will have a one-year break in service as of April 30, 1998. Joe will have a five-year break as of April 30, 2002.

**Reemployment within one year — the one-year-break rule**

If you terminate employment with Unisys while you are a participant in the Plan and you are reemployed before you have a one-year break in service, the time you worked for the Company and the period between your date of termination and reemployment are treated as vesting service. The time between your date of termination and reemployment is not counted.

If your initial period of service resulted in eligibility for the Plan

And your break in service < a one-year break

Then your initial period of vesting and credited service and the time you were or vesting service; the time you were gone does not count for credited service for your
d of employment

as credited service.

*For example,* if Tim resigns April 30, 1997 after meeting the age and eligibility requirements of the Plan, and is reemployed before April 30, 1998, the period of time Tim is gone is counted as vesting, but not credited service. His period of prior employment counts for vesting and credited service.
Reemployment after being vested — the vesting rule

If you are vested in your retirement benefit at the time you leave the Company and are subsequently reemployed, then your prior vesting and credited service used to determine your vested benefit are included as vesting and credited service under the Unisys Pension Plan.

For example, let’s assume Lauri was a participant in the Plan, had 5 years of service and was vested at termination. Also assume that Lauri is reemployed 8 years later. Since Lauri was vested at termination, all prior service earned under the Plan is restored upon Lauri’s return and is added to her future service measured from her date of reemployment.

Note: If your break in service is less than a one-year break, then the time you were gone also counts as vesting service, but not credited service.
**Reemployment within five years – the five-year-break rule**

If you are not vested in a Company-provided pension benefit at the time you leave the Company, but the period of time between your termination date and reemployment date is less than five years, then your prior vesting and credited service are included under the Unisys Pension Plan. This is called the **five-year-break rule**.

<table>
<thead>
<tr>
<th>If</th>
<th>your initial period of service = any amount of time</th>
</tr>
</thead>
<tbody>
<tr>
<td>And</td>
<td>your break in service is less than five years</td>
</tr>
<tr>
<td>Then</td>
<td>your initial period of vesting and credited service count as vesting and credited service for your current period of employment</td>
</tr>
</tbody>
</table>

*Example 1:* Assume Chris had 2 years of service at termination. Chris is reemployed 4 years later. Since Chris’ break in service (4 years) did not exceed 5 years, his 2 years of prior service are added to future vesting and credited service measured from the date of reemployment.

*Example 2:* Assume Kate had 4 years of service at termination. Kate is reemployed 6 years later. Since Kate’s break in service (6 years) exceeds 5 years, her 4 years of prior service is forfeited and does not count for vesting or credited service.

**Note:** If your break in service is less than a one-year break, then the time you were gone also counts as vesting service, but not credited service.
Reemployment after a break shorter than period of employment, but greater than five years — rule of parity

If you are not vested in a pension benefit at the time you leave the Company, but the period of time you were employed by Unisys before you left is greater than the period of time between your termination date and reemployment date, then your prior vesting and credited service are included under the Unisys Pension Plan.

For example, assume Verna was a participant in the Plan and left the Company after 8 years of service. (When she left, the vesting requirement was 10 years of service.) Also assume that Verna is reemployed 6 years later. Although Verna was not vested in a pension benefit when she left the Company, since she was gone a shorter period of time than she was with the Company (6 years of absence versus 8 years of service), all 8 years of service is restored upon Verna’s return and is added to her future vesting and credited service measured from her date of reemployment.
**Reemployment after you retire under the Plan**

If you are reemployed after you retire under the Unisys Pension Plan, you resume participation immediately. However, special provisions apply.  

**If you received a lump-sum distribution:** If you are reemployed by the Company after receiving a lump-sum distribution, your pre-break credited service is not restored under any circumstances. Your pre-break vesting service is restored and your subsequent benefit from the Plan is based on accruals earned after reemployment.  

**If you received monthly pension benefits:** If you are reemployed by the Company after you retire and after you have started receiving monthly pension payments:

- if your reemployment occurs before your normal retirement date, your pension payments stop
- if your reemployment occurs after your normal retirement date, your pension payments stop if you work 40 or more hours in a calendar month

If your pension payments stop after reemployment, they are suspended each month that you work. They resume in accordance with your application for retirement income after your employment again ceases.

Upon your subsequent retirement, your pension benefit is recalculated based on your current age, pay, and all restored service, if applicable. You receive the greater of:

- the monthly benefit calculated using all service, including any restored prior service and service earned during your reemployment, reduced by the actuarial value of any prior payments received, based on the Plan’s actuarial assumptions
- the monthly benefit amount prior to your reemployment plus a monthly benefit calculated using only the service you earn during your period of reemployment
Transfer from a non-eligible classification

A participant of the Unisys Pension Plan cannot be enrolled in, nor be eligible for, benefits under any other Company pension plan or arrangement for pension benefits for the same period benefits are accruing under this Plan.

If your active employment status changes from a non-eligible classification to an eligible employment classification: (for example, you change from bargaining employment with Unisys covered by a different pension formula to Unisys employment covered by the formula described in this booklet) your eligibility and vesting service under the Plan includes service under another Company-sponsored pension plan, subject to any applicable acquisition agreements, outsourcing contracts, or break-in-service rules.

If you are an international transfer entitled to receive a pension benefit from a non-U.S. Company-sponsored pension plan: the amount of that benefit, calculated as of your normal retirement date, offsets the normal retirement benefit you earn under the Unisys Pension Plan for the same period of service. For purposes of the offset, the benefits from the applicable plans are calculated as of your normal retirement date, even if you begin collecting your pension before your normal retirement date. Early retirement factors are not considered in calculating the offset.

If you were not earning a benefit from another Company-sponsored pension plan prior to your transfer from another country into the U.S., you become a participant of the Unisys Pension Plan upon satisfying the Plan's eligibility requirements. All of your service while employed by the Company is counted for purposes of determining eligibility and vesting only.

For more information, refer to Appendix A, beginning on page 90.

Transfer to a non-eligible classification

If your active employment status changes from an eligible classification to a classification not eligible for participation (for example, you change from non-bargaining Unisys employment covered by the formula described in this booklet to bargaining employment with Unisys covered by a different pension formula), vesting service continues to accumulate while you continue to work for the Company; your credited service for the formula described in this booklet stops accumulating when you leave your eligible employment classification.
Approved leaves of absence

Vesting and credited service include:

- up to 12 months from your last day worked for a period of absence which includes an approved unpaid leave of absence — for purposes of the Plan, your termination date is at the end of this 12-month period

- the entire period of time you could continue to qualify for benefits under the Company's short-term and long-term disability plans, whether or not you are enrolled in the LTD Plan, provided your short-term disability benefits end on or after April 1, 1988

- up to five years, if you become disabled (as defined by the Plan) after age 60, if LTD benefits would have ended before then as the result of your age at the time you became disabled; the five-year period does not apply if you begin collecting pension benefits under the Plan or if LTD benefits would have ended due to LTD Plan maximums other than those related to your age at the time you became disabled

- the entire period of time your reemployment rights are protected by law if you are on an approved military leave of absence, provided you return to work within the time frames specified by federal law in effect at the time — if you do not return from an approved military leave of absence within the time frames specified by federal law in effect at the time, the maximum period of time included as service is 12 months from your last day worked

Vesting and credited service stop accumulating, however, on the earliest of:

- the date you voluntarily terminate employment

- the effective date you request retirement benefit payments begin

- the date you die
**Workforce reduction or layoff**

If your employment ends due to a workforce reduction or layoff, the 12-month period following the effective date of the workforce reduction or layoff counts as vesting and as credited service. However, should the workforce reduction or layoff occur during an approved leave of absence or immediately upon return to work following an approved leave of absence, vesting and credited service stop accumulating at the end of the 12-month period following your last day worked.

Vesting and credited service also stop accumulating on the earliest of:

- the date you voluntarily terminate employment
- the effective date you request retirement benefit payments begin
- the date you die

**Newborn care**

If you are absent from work for one of the following reasons for up to 24 months — provided the absence begins on or after January 1, 1985 — you are not considered to have a break in service:

- your pregnancy
- the birth of your child
- the placement of a child in your home in connection with an adoption
- the caring of your child immediately following birth or adoption

The full 24-month period does not count, however, for vesting and credited service. Vesting and credited service stop accumulating at the end of a 12-month period following your last day worked if you are on a non-disability leave of absence for any portion of this time.

Vesting and credited service also stop accumulating on the earliest of:

- the date you voluntarily terminate employment
- the effective date you request retirement benefit payments begin
- the date you die
When eligibility, vesting and credited services are different

The following chart summarizes the most common differences between eligibility, credited and vesting service. Other differences, as noted elsewhere in this booklet, may apply. In all cases, service consideration also is subject to the break-in-service rules noted on the previous pages.

<table>
<thead>
<tr>
<th>Period of time</th>
<th>Eligibility service &amp; vesting service</th>
<th>Credited service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time between a break-in-service of less than one year</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Employment covered by the Service Contract Act, the Davis Bacon Act or other government contract — treatment of service with predecessor organization depends on contract</td>
<td>generally counts under most contracts</td>
<td>generally does not count under most contracts</td>
</tr>
<tr>
<td>Acquisitions, divestitures, outsourcing arrangements and non-participating business units</td>
<td>counts under most agreements, contracts or amendments</td>
<td>does not count under most agreements, contracts or amendments</td>
</tr>
<tr>
<td>· treatment of service with predecessor or successor organizations depend on the applicable acquisition agreement, divestiture agreement or subsequent Plan amendment</td>
<td>counts under most agreements, contracts or amendments</td>
<td>does not count under most agreements, contracts or amendments</td>
</tr>
<tr>
<td>· treatment of service with non-participating business units depends on Plan amendment</td>
<td>counts under most agreements, contracts or amendments</td>
<td>does not count under most agreements, contracts or amendments</td>
</tr>
<tr>
<td>International transfers — service with Unisys in non-U.S. country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>· if you did not participate in a pension arrangement sponsored by Unisys in the non-U.S. country</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>· if you did participate in a pension arrangement sponsored by Unisys in the non-U.S. country</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Transfers involving bargaining units with different pension formulas — bargaining unit service</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Reemployment after receipt of a lump-sum pension benefit from Unisys — service after reemployment</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Leased employee (see definition on page 11) — time worked for Unisys as a leased employee on and after 01/01/84, if later employed by Unisys in a regular employment status</td>
<td>yes, if not participating in a money purchase pension plan which meets certain requirements</td>
<td>no</td>
</tr>
</tbody>
</table>
SOCIAL SECURITY BENEFITS

Your Primary Social Security benefit (also called PIA — Primary Insurance Amount) is the amount of your Social Security benefit, payable to you based on your employment and earnings history with all employers as provided under the Social Security formula in effect when you begin collecting Social Security benefits.

Additional benefits may be available if you have dependents. In that case, you receive a Family Social Security benefit.

The Unisys Pension Plan takes into consideration only your estimated primary Social Security benefit if you elect the Social Security adjustment option. (See information beginning on page 59.)

SOCIAL SECURITY WAGE BASE

The Social Security Wage Base is the maximum amount of your pay subject to Social Security wage taxes (FICA).

TERMINATION DATE

Termination date as defined in the Plan may differ from the definition typically used for this event in other benefit plans or in general application.

The significance of your termination date is that it is the date when you stop accruing credited service under the Unisys Pension Plan.

For purposes of the Plan, your termination date means the earliest date any of the following occur, but is never before your last day worked:

_ You voluntarily terminate employment or are terminated involuntarily for reasons other than a workforce reduction or layoff.

_ You have been on an approved unpaid leave of absence for 12 months other than for a disability extending beyond 26 weeks.

_ If you are disabled (as defined by the Plan) beyond 26 weeks, the date you no longer meet the requirements to continue receiving benefit payments under the Unisys Long-Term Disability Plan. If you become disabled after age 60 and LTD benefits end as the result of your age at the time you became disabled and before you have been disabled for five years, the fifth anniversary of disability is your termination date.

_ The effective date you request retirement benefit payments begin.

_ The date you die.

_ Except as described below and on the following page, 12 months after the effective date of a workforce reduction or layoff (unless one of the following dates occurs before the end of the 12-month period: the date you voluntarily terminate employment, the effective date you request retirement benefit payments begin, or the date you die).

_ 12 months after your last day worked if you are affected by a workforce reduction or layoff immediately following the end of an approved leave of absence (unless one of the following dates occurs before 12 months after your last day worked: the date you voluntarily terminate employment, the effective date you request retirement...
benefit payments begin, or the date you die).

- 12 months after your last day worked if you are on an approved unpaid leave of absence immediately following the end of an approved disability leave of absence (unless one of the following date occurs before 12 months after your last day worked: the date you voluntarily terminate employment, the effective date you request retirement benefit payments begin, or the date you die).

- Retroactive to 12 months after your last day worked if you do not return to work from an approved military leave of absence within the time frames noted in federal law in effect at that time.

**Vesting**

Vesting means that you have an irrevocable right to a benefit. Under the Unisys Pension Plan, there are no provisions for partial vesting; you are either fully vested in a benefit or you are not vested at all.

If you worked an hour or more for Unisys on or after January 1, 1989, you are fully vested at the earlier of:

- the attainment of age 65 while actively employed
- the completion of five years of vesting service (see definition beginning on page 18), regardless of your age

If you did not work an hour or more for Unisys on or after January 1, 1989, you are fully vested at the earlier of:

- the attainment of age 65 while actively employed and participating in the Plan
- the completion of ten years of vesting service, regardless of your age
CAREER AVERAGE PAY FORMULA
INTRODUCTION

Your pension benefit from the Plan is based on:

_ the pension formula in effect as of your termination date
_ your pay
_ how long you have worked for the Company
_ the Social Security Taxable Wage Base
_ your age at retirement or when benefit payments begin
_ the way your benefit is paid (payment option)

This section of the booklet explains the career average pay formula which became effective for service on and after January 1, 1991.

Refer to the information beginning on page 41 to see how your benefit is determined if you worked for Unisys on or before December 31, 1990.

If you did not work for Unisys on or after January 1, 1991, disregard this section.

THE FORMULA

For service on or after January 1, 1991, your normal retirement benefit is increased each year by an annual benefit increment. The increment is based on the formula shown below:

\[
1\% \times \text{your pay} \\
\text{up to } \frac{1}{2} \text{ average Social Security Wage Base}
\]

\[\text{plus}\]

\[
1.35\% \times \text{your pay} \\
\text{over } \frac{1}{2} \text{ average Social Security Wage Base}
\]

Each year, the formula is applied to your pay for that year. See the information beginning page 11 for what components are included in pay.
**Average Social Security Wage Base**

The average Social Security Wage Base under the career average pay formula is an average of the Social Security Wage Base for a five-calendar-year period. It is calculated each January 1 based on the Social Security Wage Base in effect for the five preceding calendar years. The average applies for the entire calendar year. The same figure is used for all Plan participants.

*For example*, in 1997, the average Social Security Wage Base in effect is $59,520.

This average was calculated by adding the Social Security Wage Base for 1992, 1993, 1994, 1995, and 1996 — then dividing the sum by five.

<table>
<thead>
<tr>
<th>Year</th>
<th>Social Security Wage Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>$ 55,500</td>
</tr>
<tr>
<td>1993</td>
<td>$ 57,600</td>
</tr>
<tr>
<td>1994</td>
<td>$ 60,600</td>
</tr>
<tr>
<td>1995</td>
<td>$ 61,200</td>
</tr>
<tr>
<td>1996</td>
<td>$ 62,700</td>
</tr>
</tbody>
</table>

Total for 5 years: **$297,600**

Average for 5 years:

Total divided by 5: **$297,600 / 5** is **$59,520**

The averages used for 1991 to 1998 are shown below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Calendar years used in calculation</th>
<th>Average Social Security Wage Base</th>
<th>½ Average Social Security Wage Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1986-90</td>
<td>$46,020</td>
<td>$23,010</td>
</tr>
<tr>
<td>1992</td>
<td>1987-91</td>
<td>48,300</td>
<td>24,150</td>
</tr>
<tr>
<td>1993</td>
<td>1988-92</td>
<td>50,640</td>
<td>25,320</td>
</tr>
<tr>
<td>1994</td>
<td>1989-93</td>
<td>53,160</td>
<td>26,580</td>
</tr>
<tr>
<td>1995</td>
<td>1990-94</td>
<td>55,680</td>
<td>27,840</td>
</tr>
<tr>
<td>1996</td>
<td>1991-95</td>
<td>57,660</td>
<td>28,830</td>
</tr>
<tr>
<td>1997</td>
<td>1992-96</td>
<td>59,520</td>
<td>29,760</td>
</tr>
<tr>
<td>1998</td>
<td>1993-97</td>
<td>61,500</td>
<td>30,750</td>
</tr>
</tbody>
</table>
Appendix I, located in the back of this booklet, may be used as a worksheet. The worksheet provides information on the average Social Security Wage Base through 1998 and the framework to calculate the average going forward as defined under the Unisys Pension Plan career average pay formula.

**NORMAL RETIREMENT: AN EXAMPLE**

The following example shows how Helen’s normal retirement benefit is calculated. To keep the example simple, the following assumptions apply:

<table>
<thead>
<tr>
<th>Assumptions about Helen:</th>
</tr>
</thead>
<tbody>
<tr>
<td>date of birth:</td>
</tr>
<tr>
<td>65th birthday:</td>
</tr>
<tr>
<td>date of hire:</td>
</tr>
<tr>
<td>last day worked:</td>
</tr>
<tr>
<td>normal retirement date:</td>
</tr>
<tr>
<td>marital status:</td>
</tr>
<tr>
<td>pay eligible for the Plan:</td>
</tr>
</tbody>
</table>

Because Helen is retiring the first of the month following her 65th birthday, she is eligible for an unreduced normal retirement benefit. During each of her seven years of employment, a benefit increment was earned under the Unisys Pension Plan. Her pension benefit is the total of these annual increments.

Each year, a three-step process is followed to determine the increment earned for the year:

- Step 1: multiply 1 percent by the eligible pay for the year up to one-half the average Social Security Wage Base
- Step 2: multiply 1.35 percent by the eligible pay for the year which exceeds one-half the average Social Security Wage Base
- Step 3: add the results of steps 1 and 2 together to arrive at the total increment earned for the year
Helen’s annual normal retirement benefit under the Plan after seven years of service is $3,319.80.

**Note:** the same figure applies in step 1 each year for all individuals earning more than one-half the average Social Security Wage Base for the year.
EARLY RETIREMENT BENEFITS — PAYMENTS BEGIN BEFORE YOUR NORMAL RETIREMENT DATE

If you start receiving pension payments before age 65, your monthly benefit may be reduced because it is expected that you will receive more payments than if your pension starts at your normal retirement date. (*For example,* assume you will live to be 83 years old. You will receive 120 more payments over your lifetime if you begin receiving benefits at age 55 than you would receive if you start receiving payments at age 65.)

The reduction is based on your age when payments begin, as well as your age and vesting service at termination.

You must apply for your pension payments to begin.

If you are not in an active employment status with Unisys and you do not apply for your benefit payments to begin by your normal retirement date (see page 14 for a definition of normal retirement date), once you do apply for payments, your pension is paid retroactive to the earlier of your normal retirement date or the date following your termination date that you are entitled to receive your full unreduced pension. No interest or added payments are made by virtue of the late application. So it is in your best interest to apply for payments to begin on the earliest date that unreduced benefits are payable. (*For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.*)

**If you retire with 20 or more years of vesting service**

No reduction applies if you meet all of the following requirements:

- your termination date is at or after age 55
- you have at least 20 years of vesting service
- you request retirement benefit payments begin at or after age 62

If you meet the first two requirements noted above, but request retirement benefit payments begin before age 62, your pension is reduced by one-half percent (0.5%, or .005) for each month (six percent for each year) payments begin before age 62.

Refer to the table on the following page for examples of the early retirement factors.

**If you retire with less than 20 years of vesting service**

If your termination date is at or after age 55 and you have less than 20 years of vesting service, your pension is reduced by one-half percent (0.5%, or .005) for each month (six percent for each year) payments begin before age 65.

Refer to the table on the following page for examples of the early retirement factors.
**Early retirement factors**

<table>
<thead>
<tr>
<th>If you're this age when benefits begin</th>
<th>you have 20 or more years of vesting service</th>
<th>you have less than 20 years of vesting service</th>
<th>you receive this percentage of your pension if you are less than age 55 at termination</th>
</tr>
</thead>
<tbody>
<tr>
<td>65 or older</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>64</td>
<td>100%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>63</td>
<td>100%</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>62</td>
<td>100%</td>
<td>82%</td>
<td>82%</td>
</tr>
<tr>
<td>61</td>
<td>94%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>60</td>
<td>88%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>59</td>
<td>82%</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>58</td>
<td>76%</td>
<td>58%</td>
<td>58%</td>
</tr>
<tr>
<td>57</td>
<td>70%</td>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>56</td>
<td>64%</td>
<td>46%</td>
<td>46%</td>
</tr>
<tr>
<td>55</td>
<td>58%</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

*In our example,* if Helen had just turned 64 in December, she would receive 94% of the $3,319.80 normal retirement benefit calculated on page 35, or $3,120.61.

**If you are a deferred vested participant**

If your termination date is before age 55, but after you are vested in the Plan, at age 65 you are entitled to receive unreduced normal retirement benefits based on the Plan formula in effect as of your termination date.

You may elect to begin receiving your deferred vested benefit in a reduced amount beginning any time after your termination date, but not before the first of the month concurrent with or following your 55th birthday. The factors for an early retirement with less than 20 years of service apply — **even if you had 20 or more years of vesting service on your termination date** — as shown in the right column of the above table. The factors for early retirement for 20 or more years of service apply only if your termination date is after you reach age 55 and you have 20 or more years of service at that time.
LATE RETIREMENT

The actuarial value of your pension payment is greatest on your normal retirement date.

If you continue to work for Unisys in an eligible employment status beyond age 65, you continue to accrue benefits. However:

- there is no actuarial increase of your normal retirement benefit to reflect benefit payments foregone because of your continued employment
- you do not receive payments retroactive to your normal retirement date

If you reach age 70-1/2 on or after January 1, 1988, you must begin receiving a minimum benefit commencing April 1 of the year after are 70-1/2, even if you are still working for the Company. If pension payments must begin while you are working, your pension is adjusted annually for each additional year that you work to reflect additional benefits earned, offset by the actuarial value of benefits already received.

IF YOU BECOME DISABLED

If you are an active employee and become disabled as defined in the Unisys Long-Term Disability (LTD) Plan (even if you are not participating in the LTD Plan), you continue to earn pension benefits, provided your short-term disability benefits ended on or after April 1, 1988.

How long benefits continue to accrue

Vesting service, credited service, and benefits continue to accrue until the earliest of:

- the date your disability ends or no longer meets the definition of disability under the Unisys LTD Plan
- the effective date you request retirement benefit payments begin
- the first of the month concurrent with or following your 65th birthday — the fifth anniversary of the date your disability began, if you become disabled after age 60 and LTD benefits end as the result of your age at the time you became disabled; the five-year period does not apply if LTD benefits would have ended due to LTD Plan maximums other than those related to your age at the time you became disabled
- the date you die

Your pension benefit is determined according to the provisions of the Plan as of your termination date (see definition beginning on page 29).
How pay is determined for benefit accrual if you are disabled

While you continue to accrue benefits, a monthly earnings factor is used in the Unisys Pension Plan formula for the months during which you are not receiving payments from a Unisys payroll, even if you are not enrolled in the LTD Plan.

The monthly earnings factor is the base pay and supplemental pay as defined under the LTD Plan as of the date you could no longer work your normal work schedule due to your disability.

**Benefits Accrued Prior to January 1, 1991**

The career average pay formula does not apply retroactively and does not affect any benefits earned through December 31, 1990.

Benefits you earn annually under the career average pay formula for service on and after January 1, 1991 are added to any pension benefits you earned through December 31, 1990.

---

*For example,* let’s say that Clara worked for Unisys for 20 years prior to January 1, 1991 and earned an annual benefit of $9,729.40 during her employment. (This accrued benefit is calculated in the section of this booklet on the Final Average Pay formula — see information beginning on page 46.) Assuming she earned the same annual incremental benefits as Helen (shown beginning on page 35), Clara’s total normal retirement benefit would be:

| Benefit earned through 1990               | $   9,729.40 |
| Benefit increment earned in 1991          |      + 486.47 |
| Benefit increment earned in 1992          |      + 482.48 |
| Benefit increment earned in 1993          |      + 478.38 |
| Benefit increment earned in 1994          |      + 473.97 |
| Benefit increment earned in 1995          |      + 469.56 |
| Benefit increment earned in 1996          |      + 466.10 |
| Benefit increment earned in 1997          |      + 462.84 |

**Total annual normal retirement benefit:** $13,049.20

---

Refer to the sections beginning on page 41 for more information on how benefits earned prior to January 1, 1990 are determined.
MINIMUM BENEFIT

A minimum benefit provision applies if you are credited with one hour of service under the Unisys Pension Plan as of December 31, 1990.

Under this minimum benefit provision, your benefit is calculated using the final average pay approach for your service through December 31, 1992. The minimum benefit is compared to the result of the career average pay formula described earlier to ensure that your total pension benefit is not less than it would have been had the final average pay provisions of the Unisys Pension Plan (as in effect December 31, 1990) continued through the end of 1992.

The minimum benefit is frozen, based on calculations as of December 31, 1992.

Annual benefit increments calculated under the career average pay provisions are not added to the minimum benefit.

The calculation of the minimum benefit is described in the next section of this booklet, which covers the final average pay formula.
FINAL AVERAGE PAY FORMULA
INTRODUCTION

If you worked for Unisys any time between April 1, 1988 and December 31, 1990, a final average pay formula is used to determine your normal retirement benefit earned during that period of time.

The final average pay formula also is used to:

- calculate the amount to which career average pay increments are added for service on and after January 1, 1991
- calculate the minimum benefit to which you are entitled if you had one hour of service as of December 31, 1990

The following pages describe how the final average pay formula works.

Disregard this section if:

- Your termination date is on or before March 31, 1988.
- Your date of employment is on or after January 1, 1991.

THE FORMULA

The final average pay formula is shown below.

\[ 1\% \times \text{your final average pay} \]
\[ \text{up to } \frac{1}{2} \text{ final average Social Security Wage Base} \]
\[ \text{plus} \]
\[ 1.35\% \times \text{your final average pay} \]
\[ \text{over } \frac{1}{2} \text{ final average Social Security Wage Base} \]
\[ \text{times} \]
\[ \text{your credited service} \]

The components of this formula have the specific meanings noted on the following pages.
What final average pay means

Final average pay is:

\[
\text{the sum of} \\
\text{the highest 60 consecutive months of your pay} \\
\text{over the last 120 months of your credited service} \\
in an active employment status \\
\text{divided by} \\
5
\]

Because final average pay is based on your individual earnings record, the figure is unique to you.

Your final average pay is frozen and is based on the following:

- For pay on and after April 1, 1988, your actual monthly earnings were used to calculate your frozen final average pay.
- For months prior to April 1, 1988, monthly earnings were determined by dividing your total pay during the year by the months you received pay that year.
- For purposes of determining the annual benefit through December 31, 1990 (the figure to which all career average pay increments are added), the 120-month period ended on the earlier of your termination date or December 31, 1990.
- For purposes of determining the minimum benefit noted on page 40, the 120-month period ended on the earlier of your termination date or December 31, 1992.

If you had less than 60 months of credited service at the time your frozen final average pay figure was determined, your pay was divided by the number of months during which you were paid and then multiplied by 12 to arrive at an annual figure.

If you had periods of service which included non-consecutive months during which you received no pay, but you were accruing credited service (for example, due to an unpaid leave of absence or a workforce reduction), then the months during which you received pay were treated as if they were consecutive months for determining your 60-month average.
Final Average Social Security Wage Base

The final average Social Security Wage Base is the same for all individuals who leave the Company in the same month.

The final average pay formula uses one-half of the final average annual Social Security Wage Base. The final average Social Security Wage Base is frozen and is based on the following:

- For termination dates on or before December 31, 1990, the average Social Security Wage Base in effect during the 60-month period ending with the month of your termination date.

- For purposes of determining the annual benefit through December 31, 1990, to which all career average pay increments are added, the 60-month period ended December 31, 1990. In this case, the final average Social Security Wage Base is frozen at $46,020. The calculation of this figure is provided on the following page.

- For purposes of determining the minimum benefit noted on page 40, the 60-month period ends the earlier of your termination date or December 31, 1992. The final average Social Security Wage Base through December 31, 1992 is frozen at $50,640. The calculation of this figure also is provided on the following page.
Calculation of the frozen final average Social Security Wage Base as of December 31, 1990:

<table>
<thead>
<tr>
<th>Year</th>
<th>Social Security Wage Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986 — 12 months</td>
<td>$ 42,000</td>
</tr>
<tr>
<td>1987 — 12 months</td>
<td>43,800</td>
</tr>
<tr>
<td>1988 — 12 months</td>
<td>45,000</td>
</tr>
<tr>
<td>1989 — 12 months</td>
<td>48,000</td>
</tr>
<tr>
<td>1990 — 12 months</td>
<td>51,300</td>
</tr>
<tr>
<td><strong>Total for 60 months</strong></td>
<td><strong>$230,100</strong></td>
</tr>
<tr>
<td>Annual average:</td>
<td></td>
</tr>
<tr>
<td>60-month total divided by 5</td>
<td>$230,100 is $46,020</td>
</tr>
<tr>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Calculation of the frozen final average Social Security Wage Base as of December 31, 1992:

<table>
<thead>
<tr>
<th>Year</th>
<th>Social Security Wage Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$ 45,000</td>
</tr>
<tr>
<td>1989</td>
<td>48,000</td>
</tr>
<tr>
<td>1990</td>
<td>51,300</td>
</tr>
<tr>
<td>1991</td>
<td>53,400</td>
</tr>
<tr>
<td>1992</td>
<td>55,500</td>
</tr>
<tr>
<td><strong>Total for 5 years</strong></td>
<td><strong>$253,200</strong></td>
</tr>
<tr>
<td>Annual average:</td>
<td></td>
</tr>
<tr>
<td>60-month total divided by 5</td>
<td>$253,200 is $50,640</td>
</tr>
<tr>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>
**Accrued Benefit through 12/31/90: An Example**

The following example shows how Clara’s accrued benefit through December 31, 1990 is calculated. To keep the example simple and to parallel Helen’s example under the career average pay formula, we’ll assume they are twins who retire on the same date. The only difference between them is their employment dates with the Company. Based on this, the following apply:

<table>
<thead>
<tr>
<th>Assumptions about Clara</th>
</tr>
</thead>
<tbody>
<tr>
<td>date of birth: December 15, 1932</td>
</tr>
<tr>
<td>65th birthday: December 15, 1997</td>
</tr>
<tr>
<td>date of hire: January 1, 1971</td>
</tr>
<tr>
<td>(20 years’ service as of December 31, 1990)</td>
</tr>
<tr>
<td>last day worked: December 31, 1997</td>
</tr>
<tr>
<td>normal retirement date: January 1, 1998</td>
</tr>
<tr>
<td>marital status: Single</td>
</tr>
<tr>
<td>pay eligible for the Plan: $42,000 per year, assuming no increases the entire period of employment</td>
</tr>
<tr>
<td>average Social Security Wage Base as of 12/31/90: $46,020</td>
</tr>
<tr>
<td>½ average Social Security Wage Base as of 12/31/90: $23,010</td>
</tr>
</tbody>
</table>

Because Clara had an hour of service as of December 31, 1990, her benefit calculation under the career average pay formula begins with the amount of her accrued benefit determined by the final average pay formula through December 31, 1990.
To determine Clara’s accrued benefit through December 31, 1990, follow a four-step process:

_ Step 1: _ multiply 1 percent by her final average pay as of December 31, 1990 up to $23,010 (one-half the final average Social Security Wage Base)

_ Step 2: _ multiply 1.35 percent by her final average pay as of December 31, 1990 which exceeds $23,010

_ Step 3: _ add the results of steps 1 and 2 together

_ Step 4: _ multiply the result of step 3 by 20 (years of credited service as of December 31, 1990)

The result looks like this for Clara:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Formula</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00% x $23,010</td>
<td>$230.10</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1.35% x $18,990</td>
<td>$256.37</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>total steps 1 &amp; 2</td>
<td>$486.47</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>multiply result of step 3 by 20</td>
<td>X 20</td>
<td>$9,729.40</td>
</tr>
</tbody>
</table>

This is the same approach used to calculate normal retirement benefits under the final average pay formula. By filling in the applicable final average pay, final average Social Security Wage Base, and service figures, you can determine your benefit earned through December 31, 1990, or through any date before that.
**Minimum Benefit: An Example**

The following example shows how Clara’s minimum benefit for service through December 31, 1992 is calculated. To keep the example simple, we’ll continue to use the same assumptions. This time, however, because the calculation takes into account pay and service through the end of 1992, we use the $50,640 final average Social Security Wage Base calculated earlier.

- **Step 1:** multiply 1 percent by her final average pay as of December 31, 1992 up to $25,320 (one-half the final average Social Security Wage Base)
- **Step 2:** multiply 1.35 percent by her final average pay as of December 31, 1992 which exceeds $25,320
- **Step 3:** add the results of steps 1 and 2 together
- **Step 4:** multiply the result of step 3 by 22 (years of credited service as of December 31, 1992)

The result will look like this for Clara:

| Step 1: | 1.00% x $25,320 = $253.20 |
| Step 2: | 1.35% x $16,680 = +225.18 |
| Step 3: | total steps 1 & 2 $478.38 |
| Step 4: | multiply result of step 3 by 22: X 22 Minimum benefit: $10,524.36 |

This minimum benefit is compared to the normal retirement benefit determined under the career average pay formula when Clara decides to retire after December 31, 1992. Whichever figure is larger is the basis for determining Clara’s final benefit amount. If she decides to retire before her normal retirement date, early retirement reduction factors are applied to the higher figure. If she chooses an optional form of retirement, any applicable benefit reductions also are applied to the larger number.

This is the same approach used to calculate any minimum benefit. By filling in the applicable final average pay, final average Social Security Wage Base, and service figures, you can determine your minimum benefit, if eligible.

**Early Retirement Factors**

The same factors apply for early retirement under the final average pay and the career average pay formulas. The factors are provided on page 37.
**COMPARISON OF THE CAREER AVERAGE PAY AND FINAL AVERAGE PAY FORMULAS**

The career average pay and final average pay approaches both consider four factors in the calculation of your pension benefit:

- the Plan formula
- the period of time you work for the Company
- your pay from Unisys
- the Social Security Wage Base

The formula looks similar under both approaches. However, the approaches produce different results due to differences in:

- the way pay is used in the formula ("annual" versus "final average" pay)
- the way the average Social Security wage base is calculated
- the use of credited service

These differences are outlined in the following chart and explained in more detail in the page after the chart.

### Comparison of terms under the career average pay and final average pay formulas

<table>
<thead>
<tr>
<th>Formula component</th>
<th>Career average pay formula</th>
<th>Final average pay formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>The way pay is used in the formula</td>
<td>Actual paid each year</td>
<td>Average of highest 60 consecutive months in last 120 months</td>
</tr>
<tr>
<td>Average Social Security Wage Base</td>
<td>Average over 5 preceding calendar years</td>
<td>Average over 60 months ending with termination date (or 60 months ended 12/31/90, if later, for benefit earned through 12/31/90; or 60 months ended 12/31/92, if later, for minimum benefit) determined at the time of termination (or 12/31/90, if later, for benefit earned through 12/31/90; or 12/31/92, if later, for minimum benefit) based on a monthly average</td>
</tr>
<tr>
<td>How the total benefit is determined</td>
<td>Final average pay benefit earned through 12/31/90 plus Career average pay formula applied each year for service and pay after 12/31/90 to determine annual benefit increment</td>
<td>Formula using years of credited service (0 for benefit earned through 12/31/90; 2 for minimum benefit)</td>
</tr>
</tbody>
</table>
Comparing the way pay is used in the formula

The components of pay considered under either of the formulas is the same. These are described on page 11.

The difference is the way pay is considered in the formula.

_ career average pay formula: the formula uses your pay each year to determine the incremental benefit you earn for the year — the result is that your pension benefit reflects the Plan formula applied over your average pay for your Unisys career after 1990

_ final average pay formula: the formula uses the average of your highest 60 consecutive months of pay out of the last 120 months of service eligible to be considered under the formula — the result is that your pension benefit reflects the Plan formula applied over your final average pay (which normally is higher than your pay averaged over your career)

Comparing the definition of average Social Security Wage Base

The calculation of the average Social Security Wage Base differs as follows:

_ career average pay formula: the average Social Security Wage Base is calculated each January 1 and applies for the whole year. The average is based on the Social Security Wage Base in effect for the five calendar years ending the previous December 31.

_ final average pay formula: the Social Security Wage Base in effect each calendar year is divided by 12 to establish a Social Security Wage Base figure for each month of that year. The final average Social Security Wage Base is calculated by adding the monthly Social Security Wage Base figures for a consecutive 60-month period. This period includes the month in which service is assumed to end — typically the same month employment terminates. The 60-month total is then divided by five to arrive at a final average annualized figure.

Comparing the treatment of service

Eligibility and vesting service respectively determine your eligibility to participate in the Plan and vesting under both approaches. Credited service however, has a different importance under the approaches as noted below:

_ career average pay formula: credited service is not used in the formula when calculating your annual benefit increments; service is important only to the extent that you have earnings during a period of employment. Your benefit under this formula is the sum of the annual benefit increments determined each year, and these increments are based on the formula and the pay you receive.

_ final average pay formula: credited service is a multiplier in the formula.
PAYMENT OPTIONS
INTRODUCTION

The normal form of payment differs, depending on whether or not you are married at the time your retirement benefit payments begin.

If you wish, you may waive the normal form of payment and choose an optional form. This election must be made in writing within 90 days prior to the effective date you request retirement benefit payments begin.

All payment methods are designed to provide benefits of equal value. However, because it is difficult to predict the future, no one can say which method will, in fact, provide the greatest total plan benefit for you. Thus, you should choose the form that best meets your financial needs.

NORMAL FORM OF PAYMENT

Unless you choose one of the optional forms of payment described in this section, your retirement benefits are paid under the normal form.

If you are not married

If you are not married on the effective date you request retirement benefit payments begin, your benefit is paid as a single life annuity. This payment method provides a constant monthly benefit payable to you until your death; all payments stop at your death.

A single life annuity provides a greater lifetime monthly benefit to you than any other method of payment. This is because the benefit is being paid out over only one lifetime — your own lifetime — and there are no continuing payments after your death, so no adjustments for survivor benefits are applied.

If you are married

If you are married when benefit payments begin, your benefit is paid as a 50 percent contingent annuity. You receive a reduced monthly benefit during your lifetime. After your death, 50 percent of your reduced monthly benefit continues to your spouse.

Your benefit is reduced permanently to reflect the 50 percent contingent annuity protection. The amount of reduction to your benefit depends on your age and your spouse’s age.

If your spouse dies before you, but after you have started to receive retirement benefit payments, you continue to receive the same reduced amount of benefits. After your death, all payments stop.
Optional Forms of Payment

The optional forms of payment give you flexibility for retirement planning. Several options allow you to guarantee a continued payment to your beneficiary, usually your spouse, in the event of your death.

The pension application form includes a section for submitting a required spousal consent if you are married and choose an optional form of payment or a contingent annuitant other than your spouse. This section of the form must be signed by your spouse and notarized by a Notary Public. The consent indicates your spouse’s understanding of the effect that your choice has on your spouse’s entitlement under the Plan. No spousal consent is required, however, if you choose one of the contingent annuitant options and your spouse is your contingent annuitant.

Unless you choose the single life annuity, your benefit is reduced permanently to reflect the option you elect.

Your payment option election is void if:

- you die before the effective date you request retirement benefit payments begin
- the election is dated more than 90 days prior to the effective date you request retirement benefit payments begin

You may change your payment option any time before the first payment is issued. Once the first payment is issued, you may not change your payment option or your contingent annuitant, if any.

The optional forms of payment are described below and on the following pages.

Single Life Annuity

Under this payment option, you receive a constant monthly benefit payable to you until your death; all payments stop at your death. (This is the normal form of payment for those who are not married.)

A single life annuity provides a greater lifetime monthly benefit to you than any other method of payment. This is because the benefit is being paid out over only one lifetime — your lifetime — and there are no continuing payments after your death, so no adjustments for survivor benefits are applied.
Contingent annuity options

Under these payment options, you receive a constant monthly income for your lifetime. After your death, payments continue to be made to your contingent annuitant for the balance of your contingent annuitant’s lifetime.

You decide how much of your pension — 50 percent, 66 2/3 percent, 75 percent or 100 percent — your contingent annuitant will receive after your death.

Your late, normal or early retirement benefit is permanently reduced to reflect the additional protection of payments guaranteed over two lifetimes — yours and that of your contingent annuitant. The amount of the reduction is based on:

- the percentage of your pension you elect to have continued after your death
- your age
- your contingent annuitant’s age

The chart and process on the following page explain how to determine the contingent annuitant factors that apply. Your accrued late, normal or early retirement benefit is multiplied by the factor to determine your reduced constant monthly retirement benefit amount while you are alive.

Who can be named as your contingent annuitant

You decide who to name as your contingent annuitant.

The pension application form includes a section for submitting a required spousal consent if you are married and the contingent annuitant you choose is not your spouse. This section of the form must be signed by your spouse and notarized by a Notary Public. The consent indicates your spouse’s agreement with the contingent annuitant you name and your spouse’s understanding of the effect that your choice of annuitant has on your spouse’s entitlement under the Plan — in other words, your spouse’s forfeiture of rights to any payments after your death.

You cannot name a contingent annuitant (other than a spouse) who is significantly younger than you — such as one of your children — if it would result in a contingent annuity factor of .50 or less. This is because federal law prohibits an election resulting in a benefit reduction of more than 50 percent.

You may not change your contingent annuitant once your first payment is issued, even if your contingent annuitant predeceases you or you no longer have the same relationship.
### Contingent annuity factors

| Your age as of your nearest birthday when payments begin | Contingent annuity option elected |
|---|---|---|---|---|
|   | 50% | 66% | 75% | 100% |
| 55 | .970 | .945 | .935 | .900 |
| 56 | .965 | .940 | .930 | .895 |
| 57 | .960 | .935 | .925 | .890 |
| 58 | .955 | .930 | .920 | .885 |
| 59 | .950 | .925 | .915 | .880 |
| 60 | .945 | .920 | .910 | .875 |
| 61 | .940 | .915 | .905 | .870 |
| 62 | .935 | .910 | .900 | .865 |
| 63 | .930 | .905 | .895 | .860 |
| 64 | .925 | .900 | .890 | .855 |
| 65 | .920 | .895 | .885 | .850 |
| 66 | .915 | .890 | .880 | .845 |
| 67 | .910 | .885 | .875 | .840 |
| 68 | .905 | .880 | .870 | .835 |
| 69 | .900 | .875 | .865 | .830 |
| 70 | .895 | .870 | .860 | .825 |
| 71 | .890 | .865 | .855 | .820 |
| maximum factor | .975 | .965 | .960 | .950 |

To determine your reduced lifetime retirement benefit:

**Step 1:** Locate your age as of your nearest birthday. Then, reading across the row, locate the factor in the column that corresponds to the option of your choice.

**Step 2:** Multiply .005 by the number of years difference between your age and your contingent annuitant’s age (as of your respective nearest birthdays).

**Step 3:**

- **If your contingent annuitant is older than you:**
  Add the result of step 2 to the factor identified in step 1. If this exceeds the maximum allowable factor, use the maximum shown for the option you elect.

- **If your contingent annuitant is younger than you:**
  Subtract the result of step 2 from the factor identified step 1.
For example, Ralph is retiring at age 60. His early retirement benefit is $15,000. Carol is Ralph’s wife. She is 58. The following calculations show how the contingent annuity factors work and the benefits payable for Ralph’s situation.

Step 1:  determine the contingent annuity factor from the chart based on Ralph’s age.

Step 2: determine the adjustment to take into account the difference between Ralph and Carol’s ages

<table>
<thead>
<tr>
<th>Contingent annuity option elected</th>
<th>50%</th>
<th>66.6%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor from the chart for age 60 minus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor from the chart for age 60</td>
<td>.945</td>
<td>.920</td>
<td>.910</td>
<td>.875</td>
</tr>
<tr>
<td>.005 x 2 (difference in age) equals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>.010</td>
<td>.010</td>
<td>.010</td>
<td>.010</td>
<td></td>
</tr>
<tr>
<td>Contingent annuity factor</td>
<td>.935</td>
<td>.910</td>
<td>.900</td>
<td>.865</td>
</tr>
</tbody>
</table>

Step 3: apply the adjusted contingent annuity factor to Ralph’s early retirement benefit

<table>
<thead>
<tr>
<th>Contingent annuity option elected</th>
<th>50%</th>
<th>66.6%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph’s lifetime early retirement benefit before adjustment for the contingent annuity option times</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Contingent annuity factor (difference in age) equals</td>
<td>x .935</td>
<td>x .910</td>
<td>x .900</td>
<td>x .865</td>
</tr>
<tr>
<td>Ralph’s annual lifetime benefit</td>
<td>$14,025</td>
<td>$13,650</td>
<td>$13,500</td>
<td>$12,975</td>
</tr>
<tr>
<td>Carol’s continuing lifetime benefit if Ralph predeceases her</td>
<td>$7,013</td>
<td>$9,100</td>
<td>$10,125</td>
<td>$12,975</td>
</tr>
</tbody>
</table>
Period certain and life annuity

Under this optional form of payment, you receive a constant monthly income for life. If you die before the end of the guaranteed period you elect, the same constant monthly payments you were receiving continue to your beneficiary for the remainder of the guaranteed period. You can choose to have payments guaranteed for five, ten, fifteen or twenty years.

If you survive the guaranteed period, you continue to receive your reduced monthly pension for your life. No monthly benefits continue to your beneficiary after your death.

For example, if Ralph requests a period certain and life annuity with payments guaranteed for 5 years (60 payments) and Ralph dies after only 10 payments have been made, his beneficiary receives another 50 payments.

If Ralph continues to live after payments have been made for 5 years, benefits continue to him for the balance of his life, but no additional payments are made after his death.

Your benefit is permanently reduced to reflect the additional protection of payments guaranteed for a minimum length of time. The chart on the following page shows the factors applied to your late, normal or early retirement benefit for these options.

Who can be named as your beneficiary

You decide who to name as your beneficiary.

The pension application form includes a section for submitting a required spousal consent if you are married and choose a period certain and life annuity option. This section of the form must be signed by your spouse and notarized by a Notary Public, even if your spouse is named as the beneficiary. The consent indicates your spouse’s understanding of the effect that your choice has on your spouse’s entitlement under the Plan — in other words, your spouse’s forfeiture of rights to lifetime payments after your death.

You may change your beneficiary at any time until the expiration of the guaranteed period. A new beneficiary designation is valid immediately upon receipt by Unisys.

If your beneficiary predeceases you, and you do not name a new beneficiary, any payments due following your death are based on the Standard Beneficiary Designation noted on page 65.

If you predecease your beneficiary and your beneficiary dies before payments have been made for the guaranteed period, payments for the balance of the guaranteed period continue to the individual named by your beneficiary. If no one has been named by your beneficiary to receive payments, a lump-sum payment is made to your beneficiary’s estate.
### Period certain and life annuity factors

<table>
<thead>
<tr>
<th>Your age as of your nearest birthday when payments begin</th>
<th>Period certain and life annuity option elected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5 years (60 payments)</td>
</tr>
<tr>
<td>55</td>
<td>.995</td>
</tr>
<tr>
<td>56</td>
<td>.995</td>
</tr>
<tr>
<td>57</td>
<td>.995</td>
</tr>
<tr>
<td>58</td>
<td>.995</td>
</tr>
<tr>
<td>59</td>
<td>.995</td>
</tr>
<tr>
<td>60</td>
<td>.995</td>
</tr>
<tr>
<td>61</td>
<td>.995</td>
</tr>
<tr>
<td>62</td>
<td>.990</td>
</tr>
<tr>
<td>63</td>
<td>.985</td>
</tr>
<tr>
<td>64</td>
<td>.980</td>
</tr>
<tr>
<td>65</td>
<td>.975</td>
</tr>
<tr>
<td>66</td>
<td>.970</td>
</tr>
<tr>
<td>67</td>
<td>.965</td>
</tr>
<tr>
<td>68</td>
<td>.960</td>
</tr>
<tr>
<td>69</td>
<td>.955</td>
</tr>
<tr>
<td>70</td>
<td>.950</td>
</tr>
<tr>
<td>71</td>
<td>.945</td>
</tr>
</tbody>
</table>

Returning to the earlier example, if Ralph chooses a period certain and life annuity option, the following calculations would apply.

Step 1: determine factor from the chart for age 60
Step 2: apply the factor to the $15,000 early retirement benefit

### Period certain and life annuity option elected

<table>
<thead>
<tr>
<th>Payments for 5 years</th>
<th>Payments for 10 years</th>
<th>Payments for 15 years</th>
<th>Payments for 20 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph’s annual lifetime early retirement benefit times</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Factor from table equals</td>
<td>x .995</td>
<td>x .960</td>
<td>x .930</td>
</tr>
<tr>
<td>Ralph’s annual lifetime benefit</td>
<td>$14,925</td>
<td>$14,400</td>
<td>$13,950</td>
</tr>
<tr>
<td>Beneficiary’s annual benefit for balance of guaranteed period if Ralph dies before end of the guaranteed period</td>
<td>$14,925</td>
<td>$14,400</td>
<td>$13,950</td>
</tr>
</tbody>
</table>
Social Security adjustment option

This option is available if you start receiving retirement benefit payments before Social Security benefits begin. It is designed to help keep your income level throughout your retirement years. You receive larger payments from the Plan before your Social Security benefit starts and smaller payments, if any, afterwards. In this way, you have approximately the same retirement income each month.

Because of the way this option is calculated, it is possible that nothing would be payable from the Plan after age 62 or age 65. This would happen if your estimated Social Security benefit is greater than the pre-62 or pre-65 benefit payable from the Plan.

If you choose this option, you decide if you want the adjustment to be made based on starting Social Security benefits at age 62 or age 65.

There are two ways you can estimate your Social Security benefit beginning at your selected age:

1. Request an estimate from the Social Security Administration.
2. Estimate the Social Security benefit yourself using worksheets provided by the Social Security Administration.

Before you request benefits under this option, contact the Social Security Administration for a statement of your projected benefits.

To calculate your retirement benefit payments under this option, a factor is applied to the estimated Social Security benefit. The factor is based on the number of years before you expect to begin receiving your Social Security benefits. The chart and process on the following page explain how to calculate the adjustment factors that apply.

The result of this calculation is added to your lifetime early retirement benefit to determine your payments before age 62 or 65, as you elect.

Your post-62 or post-65 monthly payment from the Unisys Pension Plan is determined by subtracting your estimated Social Security benefit from your pre-62 or pre-65 monthly benefit.

If you choose this option, your payments are not recalculated if your actual Social Security benefit is different from the estimated amount used in determining your pension payments. Nor is the benefit recalculated if you do not actually begin to receive your Social Security benefit at your elected age of 62 or 65.

There are no pension benefits payable after your death under this option.

The pension application form includes a section for submitting a required spousal consent if you are married and select one of the Social Security adjustment payment options. This section of the form must be signed by your spouse and notarized by a Notary Public. The consent indicates your spouse’s understanding of the effect that your choice has on your spouse’s entitlement under the Plan — in other words, your spouse’s forfeiture of rights to lifetime payments after your death.
### Social Security adjustment option factors

<table>
<thead>
<tr>
<th>Years to early retirement date (age 62) for Social Security</th>
<th>Factor</th>
<th>Years to normal retirement date (age 65) for Social Security</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>.485</td>
<td>10</td>
<td>.350</td>
</tr>
<tr>
<td>6</td>
<td>.535</td>
<td>9</td>
<td>.385</td>
</tr>
<tr>
<td>5</td>
<td>.590</td>
<td>8</td>
<td>.425</td>
</tr>
<tr>
<td>4</td>
<td>.655</td>
<td>7</td>
<td>.470</td>
</tr>
<tr>
<td>3</td>
<td>.725</td>
<td>6</td>
<td>.520</td>
</tr>
<tr>
<td>2</td>
<td>.805</td>
<td>5</td>
<td>.575</td>
</tr>
<tr>
<td>1</td>
<td>.900</td>
<td>4</td>
<td>.640</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
<td>.715</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>.795</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>.890</td>
</tr>
</tbody>
</table>

These factors are interpolated for periods of time between full years.

For example, if Ralph is 5½ years from the earliest age he can begin receiving Social Security benefits (age 62 until 1999), the factor is .563 and is determined as follows:

- .590 factor for 5 years
- \( \frac{.535 - .590}{2} \) factor for 6 years
- .055 difference between factors
- \( \frac{.5}{2} \) of the difference
- .0275 additional increment for ½ year
- \( .535 + \frac{.5}{2} \) factor for 6 years
- .5625 factor for 5½ years, rounded up to .563

An example of how these factors work is shown on the next page.
Again returning to Ralph as an example, assume that his estimated monthly primary Social Security benefit is $900 and is payable beginning two years after his retirement at age 60. To calculate his benefit under the Social Security adjustment option, the following steps apply:

**Step 1:** determine the correct factor based on the period of time before he begins collecting early Social Security benefits (two years)

**Step 2:** multiply the estimated early Social Security benefit by the factor

**Step 3:** add the result of step 2 to Ralph’s lifetime early retirement benefit of $15,000 to determine the annual payment until he reaches age 62

| Estimated annual Primary Social Security benefit | $10,800 |
| (12 months x $900/month) |  |
| times |  |
| Social Security Adjustment option factor from the table on the prior page x .805 | $ 8,694 |
| plus |  |
| Lifetime annual early retirement benefit | +15,000 |
| equals |  |
| Ralph’s pre-Social Security annual benefit from the Plan | $23,694 |

**Step 4:** To determine Ralph’s benefit amount after age 62, subtract the estimated Social Security benefit from the annual benefit calculated above:

| Ralph’s pre-Social Security annual benefit | $23,694 |
| minus |  |
| Estimated annual Primary Social Security benefit (12 months x $900/month) | −10,800 |
| equals |  |
| Ralph’s post-Social Security annual benefit from the Plan — payments from Social Security are in addition to this amount | $12,894 |
SDC lump-sum distribution

If you were a participant in the SDC Basic Non-Contributory Pension Plan as of March 31, 1988 and were at least age 50 as of January 1, 1986, you may elect to receive your pension benefit in a lump-sum payment in lieu of annuity payments from the Plan. The amount is the actuarial equivalent of the normal form of payment.

Actuarial equivalence is based on interest rates and other factors that change on a periodic basis. Thus, the amount of your lump-sum payment depends on the actuarial equivalent factors in effect when you receive payment.

If you elect to receive a lump-sum distribution and you die before it is paid, the total lump-sum distribution is paid to your beneficiary.

Special withholding provisions apply to these lump-sum distributions. These provisions are summarized beginning on page 75.

The pension application form includes a section for submitting a required spousal consent if you are married and choose a lump-sum distribution. This section of the form must be signed by your spouse and notarized by a Notary Public. The consent indicates your spouse’s understanding of the effect that your choice has on your spouse’s entitlement under the Plan — in other words, your spouse’s forfeiture of rights to lifetime payments after your death.

Payments under contributory features of prior plans

Refer to the appropriate appendix in the back of this booklet for information on payment options, including cash distributions, which may be available for contributions made under contributory features included in the prior plans, if any.

SMALL BENEFIT PAYMENTS: LUMP-SUM DISTRIBUTION

If the present value of your vested pension is $3,500 or less when you terminate employment for any reason, the Plan administrator pays the value of your pension benefit in a cash lump-sum payment, without offering another payment option and without obtaining your consent or your spouse’s consent if you are married.

The calculation of the present value of your benefit is based on your age and applicable interest rates in effect at the time you terminate.

Special withholding provisions apply to lump-sum distributions. These provisions are summarized beginning on page 75.
OTHER
SURVIVOR BENEFITS
**INTRODUCTION**

In addition to the survivor protections available under the various payment options, survivor coverage may be available to your spouse or beneficiary if, at the time of your death, you are married and either of the following apply:

- you are still working for Unisys and you are vested in a benefit under the Plan
- you are vested in your pension but are no longer working for Unisys

**PRE-RETIREMENT SURVIVOR ANNUITY**

If you are married, your spouse automatically is provided with survivor coverage after you have five years of vesting service. If you die, coverage is provided for your spouse's lifetime under a pre-retirement survivor annuity.

**When pre-retirement annuity benefits become payable**

If you are under age 55 when you die, the earliest date your spouse can begin payments is the first day of the month concurrent with or following the date you would have reached age 55.

If you are 55 or older at your death, your spouse can begin payments on the first day of the month following your death.

If payment is deferred, your spouse must begin pension payments by your normal retirement date. If your spouse does not apply for benefits to begin by that date, once your spouse does apply for payments, the pension is paid retroactive to the earlier of your normal retirement date or the date you would have been entitled to receive your full unreduced pension. No interest or added payments are made by virtue of the late application. So it is in your spouse's best interest to apply for payments to begin on the earliest date that your unreduced pension would have been available had you lived. (For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.)

**How the benefit is determined**

The annuity payments to your spouse are one-half (50 percent) of the monthly amount you would have received under the 50 percent contingent annuity option (see information beginning on page 54).

The calculations assume what your age would have been at the time benefits begin. If benefits begin before your normal retirement date, then any applicable early retirement factors are applied to the benefit accrued through the date of your death. Then the factors for the 50 percent contingent annuity benefit are applied (see page 55). Your spouse receives as a constant monthly lifetime benefit, 50 percent of the calculated amount.

**When pre-retirement survivor annuity coverage ends**

Survivor coverage under the pre-retirement survivor annuity ends on the effective date you request retirement payments begin or on the date your marriage ends due to divorce or the death of your spouse.
DEATH BENEFIT

A $5,000 single-sum death benefit is payable if you were age 55 or older with ten or more years of vesting service on your termination date. The benefit is payable to your named beneficiary and is considered taxable income.

This amount is reduced by any amounts payable under a life insurance plan sponsored by Unisys.

This $5,000 death benefit is part of the Unisys Pension Plan, not a separate insurance plan, so there is no insurance certificate.

Standard Beneficiary Designation

Unisys uses a Standard Beneficiary Designation for the $5,000 death benefit for your convenience. The Standard Beneficiary Designation provides benefits as shown below:

<table>
<thead>
<tr>
<th>Standard Beneficiary Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any benefit payable at your death will be paid to your:</td>
</tr>
<tr>
<td>_ spouse, if living at your death;</td>
</tr>
<tr>
<td>_ if not living</td>
</tr>
<tr>
<td>_ surviving children equally, including legally adopted children;</td>
</tr>
<tr>
<td>_ if none survives</td>
</tr>
<tr>
<td>_ surviving parents equally;</td>
</tr>
<tr>
<td>_ if neither survives</td>
</tr>
<tr>
<td>_ surviving brothers and sisters equally;</td>
</tr>
<tr>
<td>_ if none survives</td>
</tr>
<tr>
<td>_ estate</td>
</tr>
</tbody>
</table>

The Standard Beneficiary Designation allows for an automatic update of your beneficiaries as your family composition changes. You don't need to remember to change your designation when you acquire or lose immediate family members.

You may, however, override the standard beneficiary designation and name anyone you wish, including any corporation except Unisys.

You may change your beneficiary designation at any time by submitting a new Beneficiary Designation form to your Benefits Consultant or Client Support Associate (Corporate Benefits Services at the address noted on page 68, if you are no longer working for the Company).

If no Beneficiary Designation form is on file, the Standard Beneficiary Designation is assumed.

If your beneficiary is a minor, benefits can be paid only to the minor's guardian as substantiated by documentation proving legal guardianship status.
OTHER SURVIVOR BENEFITS

PRIOR PLAN SURVIVOR BENEFITS

SDC Plan

If you were a participant in the SDC Plan prior to March 31, 1988 and you were at least age 50 as of January 1, 1986, your beneficiary may be entitled to receive a death benefit based on the value of your accrued benefit under the SDC Plan as of March 31, 1988. For a complete description of the SDC death benefits, refer to your April 1986 summary plan description of the SDC Plan.

Sperry Retirement Program — Part A non-spouse death benefit

If you were a participant in the Sperry Retirement Program — Part A prior to March 31, 1988, your beneficiary is entitled to a monthly benefit based on your accrued benefit under that plan's formula as of March 31, 1988, payable for five years if all of the following apply:

- You were an active employee on January 1, 1985.
- You had at least ten years of vesting service as of March 31, 1988 or you are age 65 before your termination date (age 60 if hired before January 1, 1979).
- You are not married when you die.
- You die before the effective date you request retirement benefit payments begin.

The payment to your beneficiary is the amount that would have been paid had you elected the five-year period certain and life annuity option, as described beginning on page 57.

An early retirement reduction applies if payments begin before the date on which you would have attained age 62.
APPLYING FOR YOUR BENEFITS
**INTRODUCTION**

Generally, pension payments do not start automatically. You must submit an application.

To ensure the timely processing of your pension benefits, it is recommended that you submit your application 90 days before the effective date you request retirement benefit payments begin. Federal law prohibits Unisys from honoring applications submitted earlier than 90 days prior to the effective date you request retirement benefit payments begin.

To obtain an application form:
- if you are retiring from active employment status — contact your Benefits Consultant or Client Support Associate
- if you are not working for Unisys immediately before the effective date you request retirement benefit payments begin — contact Corporate Benefits Services at the address noted below

Your payment option election is void if:
- you die before the effective date you request retirement benefit payments begin
- the election is dated more than 90 days prior to the effective date you request retirement benefit payments begin

You may change your payment option any time before the first payment is issued. Once the first payment is issued, you **may not change your payment option or your contingent annuitant, if any.**

If you are still an active employee as of April 1 of the calendar year following the year in which you reach age 70-1/2, a minimum payment of your pension must begin and will be done automatically.

**RETIREMENT INCOME ESTIMATES**

If you are currently are working for Unisys, request a personalized retirement income statement from your Benefits Consultant or Client Support Associate.

If you are no longer working for Unisys, contact:

Corporate Benefits Services
Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424
1-800-356-4982
When you request the estimate, provide the assumptions you want reflected with respect to:

- your assumed or actual last day of employment
- the effective date you would like retirement benefit payments to begin
- your spouse’s date of birth, if you are married
- your contingent annuitant’s date of birth, if other than your spouse, or if you are not married and would like to see the benefits under a contingent annuitant option
- periods of bargaining unit service, international service, or non-continuous service with Unisys

Your estimate projects your Unisys Pension Plan benefits under the various payment options and your estimated Social Security benefits. The estimate assumes:

- no change in the Pension Plan provisions
- your pay remains at the level used for the year in which the estimate is requested
- earnings from employers other than Unisys for purposes of projecting a Social Security benefit
- annual increase in the Social Security Wage Base based on current increases in the Social Security Wage Base

Because of these assumptions, estimates too far into the future do not provide an accurate approximation of your actual benefits. Take this into consideration before you make a request for a projection which is several years away. For an estimate of your Social Security benefits, contact the Social Security Administration.

All information on the estimate is prepared as carefully as possible based on Company records of your date of birth and your participation in the Plan. If you identify a possible error on your estimate, such as an incorrect date of birth or service, immediately contact your Benefits Consultant or Client Support Associate or Corporate Benefits Services.

In case of error, Unisys will correct the information and issue another estimate to you.

Benefits available from the Plan when payments begin are determined in accordance with the Unisys Pension Plan provisions in effect at that time, or at the time you left the Company, if earlier. Previous estimates are no basis for determining your benefits.
REQUESTING COMMENCEMENT OF PENSION PAYMENTS

You must apply for your pension payments to begin.

You are encouraged to submit your application as early as possible within 90 days of the effective date you request retirement benefit payments begin. Federal law prohibits Unisys from honoring applications submitted earlier than 90 days prior to the effective date you request retirement benefit payments begin.

Unisys makes every effort to process applications quickly and efficiently. However, additional information may be required in some cases, which could delay the process — for example, if you have international service or prior periods of service which are not currently reflected in Company records. You will be notified if you are required to submit additional information before payments can begin.

The application process differs, depending on whether you are eligible to begin receiving payments from the Plan immediately after your termination date or you are requesting the commencement of deferred vested benefit payments due to a period of employment which ended prior to reaching age 55. The following information reflects the application and payment process in each of these situations.

If you are eligible to receive payments immediately

If you plan to begin receiving payments immediately after your employment with Unisys ends, request a personalized retirement income estimate from your Benefits Consultant or Client Support Associate at least three months before your planned retirement date, so you can decide which payment option is best for you.

You must apply for benefits from the Plan on forms available through your Benefits Consultant or Client Support Associate. These forms should be completed and returned before your last day of work.

Your final benefit amount cannot be determined until all payments due to you from payroll have been made (other than any income assistance benefits that may be payable to you due to a workforce reduction). Your benefit application is not processed until payroll has distributed your final check.

Normally the first payment is issued four to six weeks after the effective date you request retirement benefit payments begin, provided your completed retirement papers have been submitted and payroll has distributed your final check. Thereafter, you can expect payments around the first of each month.

Your first payment includes retirement benefits retroactive to your retirement effective date.

If your first payment is not received by the end of the second month following your retirement date, call 1-800-356-4982 to investigate the status of your application.
If you are deferring benefit payments or you are under 55

You must apply for your pension payments to begin. Follow the process described below in either of the following cases:

- you are age 55 or older, but are deferring payment of your retirement benefits under the Plan
- your termination date is prior to age 55, but after you are fully vested

Apply for your pension payments as early as possible within 90 days of the effective date you request retirement benefit payments begin. Federal law prohibits Unisys from honoring applications submitted earlier than 90 days prior to the effective date you request retirement benefit payments begin.

When you apply, you will be provided with a form which requires the following information:

- your last day of employment
- the effective date you would like retirement benefit payments to begin
- your spouse’s date of birth, if you are married
- your contingent annuitant’s date of birth, if your contingent annuitant is someone other than your spouse, or if you are not married and would like to choose a contingent annuitant option
- any periods of bargaining unit service, international service, or non-continuous service with Unisys

You may request the necessary application by calling or writing to:

Corporate Benefits Services
Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424
1-800-356-4982

Upon receipt of your request, you will be sent the necessary forms. If your forms are not received by the end of the second month following your request, contact Unisys at the phone number or address noted above to investigate the status of your request.

Payments can begin no earlier than the first of the month concurrent with or following your 55th birthday and should begin no later than the first of the month concurrent with or following your 65th birthday, unless you are eligible for unreduced benefits at an earlier date.

If your application is received after your normal retirement date (see page 14 for a definition of normal retirement date), or after the date you could first receive unreduced benefits, once you do apply for payments, your pension is paid retroactive to the earlier of your normal retirement date or the date following your termination date that you are entitled to receive your full unreduced pension. No interest or added payments are made by virtue of a late application. So it is in your best interest to apply for payments to begin on the earliest date that unreduced benefits are payable. (For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.)

Normally you receive your first payment four to six weeks after your completed forms have been submitted, unless you asked that payments begin later. Thereafter, you can expect
payment around the first of each month.

Your first payment includes benefits retroactive to the effective date you requested retirement benefit payments begin.

**IMPORTANT NOTES REGARDING PAYMENT OF YOUR BENEFITS**

It is important to note that:

- Any optional form of payment you elect is not effective until the effective date you request retirement benefit payments begin.
- If you die before the effective date you request retirement benefit payments begin, your election for an optional form of payment is void, and the normal form of payment is assumed (see the information beginning on page 52).
- You may change your payment option and/or the effective date you want retirement benefit payments to begin at any time before the first payment is issued. If you change your payment option, spousal consent is required if you are married and your election is anything other than a contingent annuity option with your spouse named as the contingent annuitant.
- Unless you are still working for the Company, you must apply for your pension payments to begin by your normal retirement date.

If you are not in an active employment status with Unisys and do not apply for your benefits to begin by your normal retirement date (see page 14 for a definition of normal retirement date), once you do apply for payments, your pension is paid retroactive to the earlier of your normal retirement date or the date following your termination date that you are entitled to receive your full unreduced pension. No interest or added payments are made by virtue of a late application. So it is in your best interest to apply for payments to begin on the earliest date that unreduced benefits are payable. (For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.)

- Your application must be dated within 90 days of the effective date you request retirement benefit payments begin. If the period of time between the application date and the effective date you request retirement benefit payments begin is greater than 90 days, your application is returned to you.
NOTIFICATION OF THE DEATH OF A RETIREE OR SPOUSE

In the event of your death, or the death of a surviving spouse or beneficiary receiving benefits, Unisys must be notified as soon as possible.

The notice should include the following information:

_ the name and Social Security number of the individual receiving payments from the Plan
_ the name and Social Security number of the former Unisys employee, if it is a surviving spouse or beneficiary who is receiving benefits from the Plan
_ the date of death
_ a certified copy of the official death certificate

Notice should be provided to Corporate Benefits Services at:

Corporate Benefits Services
Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424
1-800-356-4982

Do not wait until a certified copy of the official death certificate is available to notify Corporate Benefits Services of the death. The death certificate can be submitted later.

If you already are in receipt of pension benefits, there are no additional forms for your spouse or beneficiary to complete. If you were not yet in receipt of pension benefits, your spouse or beneficiary will be given all forms and information needed to apply for any survivor benefits which may be payable.
WITHHOLDING FROM BENEFITS

Under current tax law, you are not required to pay federal income taxes on your pension benefits until you receive them. When you begin receiving payments, you will owe current federal taxes unless you are eligible and elect a direct rollover into another qualified plan or special rollover account (see page 75).

You also may owe a 10 percent excise tax if pension benefits are paid to you other than in the form of an annuity before age 59-1/2 and you terminate employment before the beginning of the year in which you reach age 55.

How you are taxed depends on the type of distribution you receive and your financial status when payment is made. Since federal, state and local tax laws change from time to time, you should consult your tax advisor about the consequences of any distribution.

Withholding from regular monthly payments

Taxes

You can authorize the following tax withholding from your regular monthly retirement benefit payments:

- federal income taxes
- state income taxes

If you fail to indicate a federal income tax withholding election, Unisys assumes withholding should apply at the rate for a married person with three exemptions.

If you waive federal income tax withholding, you may be responsible for payment of estimated income taxes. You may incur penalties under the estimated tax rules if your estimated income tax payments are insufficient.

If the federal income tax withholding you authorize and estimated tax payments you make do not cover your federal tax liability, you may incur penalties under the estimated tax rules.

Contributions for medical coverage

If you are eligible and enroll in the Unisys Post-Retirement and Extended Disability Medical Plan (PRM), or a benchmark plan or HMO offered as an alternative to the PRM Plan, required contributions are withheld from your regular monthly retirement benefit payments.

If your regular monthly payments are insufficient to cover your PRM contributions, you are billed instead.
Lump-sum distributions: special tax provisions

You may receive a lump-sum cash distribution if any of the following apply:

- you were a participant in the SDC Plan as of March 31, 1988 and were at least age 50 as of January 1, 1986
- the present value of your vested pension is $3,500 or less when you terminate employment
- you are a spousal beneficiary of the $5,000 death benefit

Special tax provisions apply to lump-sum cash distributions. These are described below and on the following page.

Note: The contributory features of the prior plans allowed after-tax contributions. If you request an available cash distribution of your prior contributions, only the taxable portion of your payment may qualify for the special tax provisions noted below and on the following page.

Rollovers

If you are eligible and receive a lump-sum cash distribution from the Plan, you have the option of authorizing the Plan Trustee to transfer your distribution directly to an individual retirement account or annuity (IRA) or to another qualified plan that will accept the transferred amount. (There are exceptions to this rule.)

To be eligible for this direct transfer, your payment must be:

- at least $200 if you elect to transfer the entire amount of the distribution
- at least $500 if you only want to transfer a portion of your distribution

If you are eligible for a lump-sum payment, you will be given additional information on the direct transfer option after you terminate employment and are ready to receive a distribution. If your surviving spouse is entitled to receive an eligible lump-sum distribution due to your death, including the $5,000 death benefit, if applicable, and your spouse is the beneficiary, your spouse also has the option of authorizing a direct rollover. A rollover may only be made to an IRA by your spouse. Your spouse may not roll the distribution over to another qualified plan.

If you (or your surviving spouse) do not elect a direct transfer for a lump-sum distribution, you are permitted to roll over the distribution, provided you do so within 60 days of the date you receive the distribution and the distribution is rolled over to an IRA (or another qualified plan that will accept the rollover, if the distribution is made to you; your surviving spouse does not have the option of rolling over the distribution into another qualified plan). However, if you (or your surviving spouse) elect the rollover option but do not authorize a direct transfer, withholding is applied at the rate noted on the following page.
20 percent withholding

If you (or your surviving spouse) do not elect a direct transfer for a lump-sum distribution, federal income tax is withheld. Federal law requires withholding of 20 percent of the taxable portion of the distribution.

If you (or your surviving spouse) do not elect a direct transfer for a lump-sum distribution, you are permitted to roll over the distribution, provided you do so within 60 days of the date you receive the distribution and the distribution is rolled over to an IRA (or another qualified plan that will accept the rollover, if the distribution is made to you; your surviving spouse does not have the option of rolling over the distribution into another qualified plan). However, if you (or your surviving spouse) elect the rollover option but do not authorize a direct transfer, withholding is applied at the 20 percent rate. **The only way to avoid federal income tax withholding at the time of distribution of a lump-sum payment is to elect the direct rollover option.**

You are responsible for payment of any taxes associated with the distribution. Withholding at 20 percent may be:
- sufficient to pay your tax liability on the distribution
- not sufficient to cover your tax liability on the distribution
- excessive and you may be entitled to a refund on your tax return filed for the year of the distribution

Special income averaging

Current tax laws include certain additional tax advantages for a lump-sum distribution. If you were a Plan member for some part of at least five calendar years before the year you receive a lump-sum distribution from the Plan, the distribution may qualify for special income averaging. This favorable tax treatment may reduce your tax bill.

Special income averaging may be used only once in your lifetime and only after you reach age 59-1/2.

If you were age 50 prior to January 1, 1986, you also may be eligible for another type of special income averaging as well as other special tax rules, even if you are not yet age 59-1/2.

Whether these tax alternative will help you depends on your personal tax situation. You should consult your tax advisor.
**Electronic Deposit**

For your convenience and safety, Unisys provides the option of electronic deposit to your personal checking or savings account of your monthly retirement benefit payment. When you request this service for the first time, you must complete the appropriate forms. Your first payment is mailed directly to you. If you have authorized an electronic deposit, subsequent payments are distributed based on the information submitted on the appropriate forms. This optional arrangement can be changed at any time. Forms must be completed if you are changing the financial institution or account number to receive your electronic deposits. To stop electronic deposits, provide a written notice to Corporate Benefits Services at the address noted on the following page.

**Overpayments or Adjustments**

All payments must be based on the terms of the Plan. If incorrect benefit payments are made, Unisys is required by law to recalculate your benefit amount, make any adjustments necessary to correct the error, and require repayment of any overpayments. If requested repayment is not made for prior payments exceeding the benefits due under the Plan, future payments under the Plan are reduced until the full excess payment is recovered.
**ADDRESS CHANGES**

After you leave the Company, notify Unisys of any address change by contacting Corporate Benefits Services at the following address:

Corporate Benefits Services  
Unisys Corporation  
Township Line and Union Meeting Roads  
P.O. Box 500  
Blue Bell, PA 19424  
1-800-356-4982

You must notify Corporate Benefits Services of the address to which your retirement benefit payments should be mailed. If any payments are returned because you are no longer residing at the address you furnished, no further payments are mailed until you provide Corporate Benefits Services with your current address.

Unisys also needs your current home mailing address in order to send your:

- annual W-2 and 1099 tax statements  
- annual enrollment materials if you are a participant in the Unisys Post-Retirement and Extended Disability Medical Plan (PRM)  
- other communications which may be forwarded from time to time to those in receipt of retirement benefit payments

To ensure that you receive these important forms, letters or notices, your home mailing address must be current, even if you are having your payments forwarded to a financial institution.

If you receive a check at home, the check stub has a notification section to make it easy to notify Unisys of a change in your address. Complete this section and return it to the address noted. This section of the check stub indicates your name and your Social Security number, which are essential to ensure the prompt and correct recording of your address change.

If your payments are electronically deposited, contact Corporate Benefits Services in writing at the address noted above. Be sure to clearly indicate your name and Social Security number.
ADDITIONAL PLAN INFORMATION
INTRODUCTION

The following pages contain important additional information regarding your benefits under the Unisys Pension Plan.

HOW BENEFITS AND SERVICE ARE FORFEITED

How you may forfeit service

You may forfeit all the years of service which you have earned when you have a break in service if both of the following apply:

- you are not vested when you terminate employment
- your break in service exceeds five years

Also, if you are eligible and receive a lump-sum payment of your Plan benefits, all years of credited service attributable to benefits paid are forfeited on the date you receive payment. This prevents payment of double benefits based on the same period of service if you are reemployed.

How you may forfeit benefits

You may forfeit part or all of the benefits funded by the Company under the Plan in any of the following circumstances:

- by forfeiting years of service
- if you leave the Company before completing five years of vesting service and before your 65th birthday and are not reemployed within five years
- if the Plan should be terminated without enough assets to provide all pension benefits and death benefits (see “Pension Benefit Guaranty Corporation,” page 88)
- if you continue to work after your normal retirement date — the actuarial value of your payments is highest on your normal retirement date
  - There is no actuarial increase of your normal retirement benefit to reflect benefit payments foregone because of your continued employment.
  - You do not receive any retroactive payments to your normal retirement date.

Refer to pages 15, and 38 for more information on continued employment after normal retirement age.

- if you are reemployed after your retirement and you work at least 40 hours per month — payment of the monthly retirement benefit is suspended each month that you work
- if your payments are unclaimed — Unisys makes reasonable efforts to locate participants or beneficiaries entitled to benefits for up to six years; thereafter, unclaimed benefits are forfeited until properly claimed.
**Maximum Benefits**

Federal law limits the maximum amount you can receive from the Plan. If you are a participant in more than one plan sponsored by Unisys which is subject to these federal guidelines, all benefits are aggregated for purposes of applying limitations, and in some instances the amount of benefit you can receive under all of the Plans may by limited. If this applies to you, you will be notified.

**Non-Assignment of Benefits**

Your value in the Plan may not be assigned, sold, transferred or pledged as collateral; nor may a creditor attach your value in the Plan as a means of collecting a debt owed by you. However, benefits may be attached to satisfy a Federal tax levy and state courts can rule that benefits be paid to someone other than yourself or your named beneficiary in accordance with a Qualified Domestic Relations Order (QDRO). A QDRO is a specific decree, judgment or order providing for a property settlement relating to child support, alimony payments or marital property rights. Your Benefits Consultant or Client Support Associate can provide you with the acceptable form used in filing QDROs.

**In the Event of Incapacity**

In the event that you or your beneficiary is unable to care for financial affairs, the trustee for the Plan may be directed to pay benefits to someone else for the benefit of that person.

**Official Plan Name and Plan Numbers**

Unisys Pension Plan, Plan number 005

**Plan Sponsor**

Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424
1-215-986-4011
EMPLOYER IDENTIFICATION NUMBER

The Unisys Pension Plan documents, summary plan description and financial reports are filed with the U.S. Department of Labor and the Internal Revenue Service under Employee Identification Number (EIN) 38-0387840.

PLAN YEAR

The plan year for purposes of accounting and all reports to the U.S. Department of Labor and other regulatory bodies ends on December 31 of each year.

All fiscal records are kept on a calendar-year basis, beginning on January 1 and ending on December 31.

TYPE OF PLAN AND PLAN RECORDS

This Plan is a defined benefit retirement plan.

Copies of the Plan document and the latest annual report are available for your inspection during normal working hours at:

Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424

PLAN ADMINISTRATOR

The Plan administrator is the named fiduciary of the Plan that has authority to control and manage the operation and administration of the Plan. All final decisions regarding the administration and interpretation of the Plan is retained by the Plan administrator or its designee. The Plan administrator has the discretionary authority to supply omissions, make factual determinations, and to decide any dispute that may arise regarding the rights of participants. All such decisions are binding and conclusive on all interested parties.

Unisys Corporation is the Plan administrator and the Unisys Employee Benefits Administrative Committee carries out the functions of the Plan administrator on behalf of Unisys Corporation.

The address and telephone number for Unisys Corporation are:

Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424
1-215-986-4011
**QUESTIONS AND APPEALS**

The initial determination of your benefit includes information regarding the proper person to whom any questions should be addressed.

**Questions**

Most questions and issues can be resolved informally over the phone.

- If you are an active Unisys employee and you have questions on how your benefit was determined, contact your Benefits Consultant or Client Support Associate.

- If you no longer work for the Company, call Corporate Benefits Services toll-free at 1-800-356-4982.

If you are unable to obtain a satisfactory response over the phone, you may forward your questions in writing to:

  Corporate Benefits Services  
  Unisys Corporation  
  Township Line and Union Meeting Roads  
  P.O. Box 500  
  Blue Bell, PA 19424

You should clearly state your question. You may request and receive copies of pertinent documents. You may submit issues and comments in writing.

In order to respond to your question, additional information may be required. This information will be requested in writing.

You will receive a response within 60 days following receipt of your request or the date all information requested from you is furnished, whichever date is later. The response will be written in a manner that you can understand and will specify the reason for the answer. If there are special circumstances requiring delay, your questions will be answered no later than 120 days after your request is received.
Appeal to the Unisys Employee Benefits Administrative Committee

If you disagree with a determination made by Corporate Benefits Services, or if you believe your benefit has been improperly denied or incorrectly processed and you have been unable to receive a satisfactory explanation, you may appeal the decision within 60 days after the date you receive your benefit determination by forwarding a written appeal to:

Unisys Employee Benefits Administrative Committee
Unisys Corporation
Township Line and Union Meeting Roads
P.O. Box 500
Blue Bell, PA 19424

Your appeal should state the reasons you feel your benefits have been improperly handled. You may request and receive copies of pertinent documents. You may submit issues and comments in writing.

During the course of the review of your appeal, additional information may be required. This information will be requested in writing.

You will be notified of a decision within 60 days following receipt of your appeal or the date all information requested from you is furnished, whichever date is later. Notification of the result of the appeal review will be written in a manner that you can understand and will specify the reasons for the decision. If there are special circumstances requiring delay, you will be notified of the final decision no later than 120 days after your appeal is received.

Contributions & Funding

All required contributions to the Plan are paid by the Company and are actuarially determined based on valuations completed by an independent actuary. No employee contributions are required or permitted.

Benefits are financed exclusively by Company contributions to the pension trust fund and by earnings generated by the assets of the fund. The fund also contains employee contributions made under the provisions of prior pension plans.

The assets of the Unisys Pension Plan are held in a trust and are used solely to pay benefits from the Plan and associated administrative costs. No part of the assets or income from the fund may be used for any purposes other than the payment of benefits under the Plan or the payments of expenses associated with the administration of the Plan.
INVESTMENT COMMITTEE

An investment committee for the Plan is appointed by the Board of Directors to serve as the named fiduciary of the Plan that carries out the Plan provisions relating to investments of the Plan assets. The Investment Committee has the responsibility to:

- direct the trustee and investment managers with respect to the investment of the Plan’s assets
- appoint and remove trustees and investment managers

TRUSTEE

The trustee of the Unisys Pension Plan is the bank and trust company appointed by the Investment Committee.

The trustee is governed by formal trust agreements and has the responsibility to manage and control the assets of the Unisys Pension Plan fund.

Effective July 1, 1996, the trustee is:

The Bank of New York
One Wall Street
New York, NY 10286

INDEMNIFICATION

Unisys indemnifies any employee or director of Unisys or any affiliated company to whom any fiduciary, administrative or other responsibility under the Plan is allocated or delegated, to the full extent permitted under the Unisys Certificate of Incorporation, bylaws or resolution of the Board of Directors. The foregoing right to indemnification is in addition to such other rights as such person may enjoy as a matter of law or by reason of insurance coverage of any kind.

AGENT FOR LEGAL PROCESS

Unisys hopes that any disagreement you have with the Plan can be resolved without resorting to legal process. If you wish to begin legal proceedings, however, service of legal process may be made upon Unisys Corporation, as the Plan Administrator, as noted on page 82.

GOVERNING LAW

Except to the extent superseded by the Employee Retirement Income Security Act of 1974 (ERISA), all questions pertaining to the validity, construction and operation of the Plan are determined in accordance with the laws of the Commonwealth of Pennsylvania.
YOUR RIGHTS UNDER ERISA

As a participant in this Plan, 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:

- examine without charge, at the Plan administrator's office and at other specified locations, such as work sites, during normal working hours, all documents, including trust agreements, collective bargaining agreements and copies of all documents (such as detailed annual reports filed with the U.S. Department of Labor and Internal Revenue Service)

- obtain copies of all documents and other information upon written request to your Benefits Consultant or Client Support Associate or Corporate Benefits Services; such documents will be furnished within 30 days at a cost of 10 cents per page

- 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

- receive a statement of the assets and liabilities of the Plan, or a statement of income and expense of the Plan, or both, along with any accompanying notes at no charge

- receive a written explanation of why any claim for a benefit is denied in whole or in part, and have such claim reviewed

- receive once a year, upon request and at no cost to you, a statement of your total accrued pension benefit

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans.

- The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently, in your interest and that of all participants and beneficiaries.

- No one, including Unisys, may terminate your employment for the purpose of preventing you from receiving the benefits to which you are entitled. And no one, including the Company, a union, or any other person, may discriminate against you in any other way for that purpose or in order to keep you from exercising your rights under ERISA.
If your benefit request is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your benefit request.

Under ERISA there are steps you can take to enforce the preceding rights. For instance, if you request materials 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 up to $100 a day until you receive the materials unless they were not sent or received because of reasons beyond the control of the administrator.

If you have a benefit request which is denied or ignored, in whole or in part, you may file suit in a state or 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 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 case is frivolous.

If you have questions about the Plan, contact your Benefits Consultant or Client Support Associate, if you are an active employee, or Corporate Benefits Services (toll-free at 1-800-356-4982), if you are no longer working for Unisys.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or:

Division of Technical Assistance and Inquiries
Pension and Welfare Benefits Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210.
PLAN TERMINATION/REVISION

Although the Company does not presently intend to do so, Unisys reserves the right to change, amend and revise the Plan. This includes modification of the pension formula, changes in the table-driven factors for early retirement or optional forms of payment, and any other term or condition of the Plan.

The Company’s decision to change the Plan may be due to changes in federal or state laws governing retirement benefit plans, the requirements of the Internal Revenue Code or ERISA, or any other reason. A Plan change may transfer Plan assets and liabilities to another plan or split a plan into two or more parts.

The Company also reserves the right to terminate the Plan for any reason. Should the Plan be terminated, all participants in an active employment status automatically will become 100 percent vested in the benefits earned under the terms of the Plan through the date the Plan is terminated. No additional benefits will be earned under the Plan after its termination date.

If the Plan is terminated, payments from the pension trust fund will be made in a manner prescribed by law. In this event, you will receive specific information on payment priorities. None of the assets in the fund will be returned to Unisys unless all benefits earned under the Plan have been fully funded.

If Unisys makes a change or ends the Plan, it may decide to establish a different plan providing similar or identical benefits.

PENSION BENEFIT GUARANTY CORPORATION

Benefits under the Unisys Pension Plan are insured by the Pension Benefit Guaranty Corporation (PBGC). Unisys pays an annual premium to the PBGC for each Plan participant to guarantee payment of certain benefits.

The PBGC is an agency of the federal government which guarantees most vested normal retirement benefits, early retirement benefits and certain survivor benefits. However the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

For more information on the PBGC insurance protection and its limitations, contact Corporate Benefits Services 68or the PBGC. Inquiries to the PBGC should be addressed to:

Coverage and Inquiries
Pension Benefit Guaranty Corporation (PBGC)
1200 K Street, N.W.
Washington, D.C. 20005-4026
1-202-326-4000
APPENDIX
Introduction

If, with the Company's approval, your employment status changes from an active employee of a non-U.S. subsidiary to an active U.S. employee, you are considered an “international transfer.”

In these cases, the Unisys Pension Plan contains special provisions regarding your service, pay, and benefits available from the Plan. These are described in the following pages and are based on the Plan’s intention to ensure that periods of service are considered only once under a Company-sponsored pension plan.

Who is eligible

You must meet all of the following eligibility requirements:

- Your transfer is made at the request of, and approved by Unisys.
- You are actively participating in a retirement plan funded or sponsored by Unisys in the non-U.S. country immediately prior to your transfer to the U.S.
- Your accrual in a non-U.S. retirement plan funded or sponsored by Unisys ends when you become eligible to participate in the U.S. Unisys Pension Plan.
- You are considered an employee of the U.S. Company versus an assignee to the U.S. Company.
- You are in an active employment status on a U.S. Unisys payroll on or after March 31, 1988.

Note: If your Unisys employment in a non-U.S. country ends — for example, due to a voluntary or involuntary termination, retirement, etc. — and you later become employed in the U.S., you are not considered an “international transfer.” For purposes of credited service and benefit accrual, you are treated as a new hire in the U.S. The Unisys Pension Plan provisions for U.S. employees apply to you effective the date your U.S. employment begins. However, for purposes of vesting and eligibility, your non-U.S. Company service is recognized, based on the Unisys Worldwide Integration Policy.
What non-U.S. retirement plans are considered

For purposes of Appendix A, a non-U.S. retirement plan includes any non-U.S. plan funded in whole or in part or sponsored by Unisys which is the primary form of retirement benefit provided for employees in a given foreign country. These include plans which also may require employee contributions. If such a plan is available and you do not participate in the plan, you do not qualify as an international transfer and your service in the prior country is not counted under the Unisys Pension Plan.

The types of plans considered include, but are not limited to:

- pension plans, including defined benefit plans or defined contribution plans
- indemnity plans
- termination or severance plans
- government-mandated social security programs or government-mandated savings/contributory programs, but only if these are the primary form of retirement benefit in the prior country

What non-U.S. retirement plans are not considered

The type of non-U.S. plans which are not considered include, but are not limited to:

- savings plans
- profit-sharing plans
- capital accumulation plans
- government-mandated social security programs which are not the primary form of retirement benefit in the prior country
- the Unisys Global Performance Equity Program (G-PEP)

Worldwide service

Credited service determines the pension benefit payable under the final average pay formula described beginning on page 41.

If you are eligible for the special international transfer provisions, eligibility, vesting and credited service includes non-U.S. periods of active employment during which you accrued a benefit in a non-U.S. retirement plan funded or sponsored by Unisys. This is referred to as worldwide service. Provisions for calculating worldwide service are contained in the Unisys Worldwide Integration Policy.

U.S. service is subject to the Unisys Pension Plan provisions described earlier in this booklet. Once you are no longer in an employment classification eligible to participate in the Unisys Pension Plan, credited service under the Unisys Pension Plan stops. Only eligibility and vesting service include the period of time you subsequently are employed continuously by Unisys or a Unisys subsidiary.

Pay

If some of your eligible earnings (see page 11) are paid from a non-U.S. Unisys entity, they are converted to U.S. dollars.
How your benefit is determined

Provisions are made so periods of service are considered only once under a Company-sponsored retirement plan.

To avoid the duplication of benefit accrual for the same period of employment, the benefits payable under the Plan described in this booklet are offset by the accrued normal retirement benefit under your prior non-U.S. retirement plan funded or sponsored by Unisys.

Your basic Unisys Pension Plan benefit is calculated using:

- your worldwide service through the date you no longer are eligible to participate in the Plan
- your eligible pay
- the Plan formula in effect when your U.S. eligibility ends

First, your normal retirement benefit (that is, your benefit payable beginning at age 65) is calculated under the Unisys Pension Plan using your worldwide service. Then this normal retirement benefit is offset by the normal retirement benefit accrued under your non-U.S. retirement plan benefit calculated as of your normal retirement date (that is, your benefit payable beginning at age 65) and converted to U.S. dollars.

You receive one benefit from your non-U.S. plan and one benefit from the Unisys Pension Plan.
APPENDIX B: PRIOR PLAN BENEFITS

If your date of employment is on or after April 1, 1988, disregard this appendix, as well as appendices C through H.

The Unisys Pension Plan career average pay and final average pay formulas generally provide retirement benefits which are higher for most individuals than the benefits available from the formulas under the prior pension plans. For the few instances where the Unisys formula does not produce a higher benefit, you receive no less than the amount you earned under your prior pension plan through March 31, 1988.

Eligibility for calculations under prior plan provisions

In addition to assurance that you receive no less than the amount you earned under your prior pension plan through March 31, 1988, special provisions have been incorporated into the Plan for those close to retirement as of March 31, 1988. You may be eligible to have your benefits calculated under your prior plan formula for service through December 31, 1991 if as of March 31, 1988 you met all of the following criteria:

_ you were an active employee
_ you were age 50 or older
_ you had ten or more years of vesting service
_ this calculation results in a higher benefit than the applicable career average pay and final average pay provisions

If you participated in a contributory feature of one of the prior pension plans, you may be eligible for additional benefits, regardless of your age or service as of March 31, 1988.

To accomplish these additional payments, the prior pension plan formulas are incorporated into the Unisys Pension Plan. These formulas are described in the following pages and appendices C through H. For more detail regarding the prior plan formulas and terms, refer to the prior plan documents and summary plan description booklets.
What benefits are compared

If you are eligible for the continued calculation of benefits under the non-contributory features of your prior plan, you receive the higher of:

- the prior plan benefit calculation for service and pay through December 31, 1991 — this calculation compares the benefit determined under the Unisys Pension Plan formula with the benefit determined as if your prior pension plan had been continued through December 31, 1991
- the minimum benefit calculation which applies for service and pay through December 31, 1992
- the cumulative total benefit under the career average pay formula, including benefits accrued through December 31, 1990

The following graph shows these relationships. At termination, the calculation on the bottom is compared to the frozen calculation above for those who met the noted criteria. The highest calculation determines your pension benefit.
APPENDIX C: BERIP — CONTRIBUTORY FEATURE

The Burroughs Employees’ Retirement Income Plan (BERIP) included a contributory feature through June 30, 1984. Even if you do not meet the eligibility criteria for the calculation of benefits under the non-contributory features of the plan (see page 93), if you made contributions to BERIP, you may be entitled to an additional benefit as noted below.

If you were actively employed on June 30, 1984

If you were a participant in the contributory portion of BERIP and you were in an active employment status on June 30, 1984, you had a choice between:

- receiving your contributions plus interest
- transferring your contributions plus interest to the Burroughs Employees Savings Thrift Plan (B.E.S.T.)

A Company-provided benefit related to the BERIP contributory feature may have remained once your contributions were distributed or transferred. The amount depends on your age and your total contributions. This is called a residual benefit.

Your residual benefit, if any, is added to any benefit you may be entitled to under the non-contributory feature of BERIP as described in Appendix D. If the benefit calculated under the Unisys Pension Plan formula is greater, or if you are not entitled to calculations under the non-contributory portion of BERIP, the residual benefit is not payable.

If you were not actively employed on June 30, 1984

Your contributions plus interest remain in the Plan if all of the following apply:

- you were a participant in the contributory feature of BERIP
- you were not actively employed on June 30, 1984
- you did not previously withdraw your contributions from the Plan

If you are reemployed by Unisys, a benefit attributable to your contributions is payable in addition to the Company-provided benefit when you retire. The additional annual benefit is an amount equal to 40 percent of your contributions.

Alternatively, with spousal consent, you may withdraw your contributions, plus interest when your employment with Unisys ends. Interest is the interest accrued under the terms of your prior plan through June 30, 1984 plus 5 percent per annum through the date of distribution.

Note: Contributions were made on an after-tax basis. Only the taxable portion of your payment may be eligible for the special tax treatments noted beginning on page 75. Review the tax consequences of your decision with your tax advisor.
APPENDIX D: BERIP — NON-CONTRIBUTORY FORMULA

If you qualify for this provision (see page 93), your benefit is calculated under the following two BERIP formulas based on your service and compensation through December 31, 1991 — the larger amount is your prior plan benefit through December 31, 1991. The result of this calculation — plus any residual benefit you may be eligible to receive — is compared to your benefit figured under the career average pay and final average pay provisions of the Unisys Pension Plan. You receive the greatest benefit.

Your benefit is first figured under the following formula.

\[ \begin{align*}
&= 2.5\% \times \text{average annual earnings up to the appropriate figure in Column A below} \\
&\quad \text{plus} \\
&\quad 1.5\% \times \text{average annual earnings between the appropriate figures in Columns A and B below} \\
&\quad \text{plus} \\
&\quad 1.25\% \times \text{average annual earnings over the appropriate figure in Column B below} \\
&\quad \times \text{years of credited service through 12/31/91 (maximum 30 years)} \\
&\quad \text{plus} \\
&\quad 0.8\% \times \text{average annual earnings} \\
&\quad \times \text{years of credited service through 12/31/91 (over 30 years)} \\
&\quad \text{minus} \\
&\quad \text{defined Social Security benefit (reduced proportionately for each year of service less than 30)}
\end{align*} \]

To determine the appropriate figures to use in the above formula, first locate the year of your termination in the following chart. Then use the figures listed in columns A and B for that year.

<table>
<thead>
<tr>
<th>Termination date occurred in:</th>
<th>Column A (\text{first breakpoint})</th>
<th>Column B (\text{second breakpoint})</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$13,200</td>
<td>$26,400</td>
</tr>
<tr>
<td>1989</td>
<td>$13,800</td>
<td>$27,600</td>
</tr>
<tr>
<td>1990</td>
<td>$14,200</td>
<td>$28,400</td>
</tr>
<tr>
<td>1991 and later</td>
<td>$14,800</td>
<td>$29,600</td>
</tr>
</tbody>
</table>
Your benefit also is calculated under the following formula and compared to the benefit produced by the formula on the prior page.

\[
\text{annual benefit rate (see table below)} \times \text{years of credited service through 12/31/91}
\]

The annual benefit rate is based on your average annual earnings, in accordance with this chart.

<table>
<thead>
<tr>
<th>If your annual average earnings equal</th>
<th>Annual benefit rate equals:</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to $13,500</td>
<td>$126</td>
</tr>
<tr>
<td>$13,500 to $15,000</td>
<td>$132</td>
</tr>
<tr>
<td>$15,000 to $16,500</td>
<td>$135</td>
</tr>
<tr>
<td>$16,500 to $18,000</td>
<td>$138</td>
</tr>
<tr>
<td>$18,000 and over</td>
<td>$141</td>
</tr>
</tbody>
</table>

**Important terms**

The terms used in the BERIP formulas have the specific meanings noted below. **These meanings may differ from the meanings of similar terms under the career average pay and final average pay provisions of the Unisys Pension Plan.**

**Average annual earnings**

Average annual earnings mean the average of your earnings for the five highest consecutive calendar years in the last ten years you worked for the Company through December 31, 1991. (Note: The definition of earnings for BERIP excludes overtime and most types of variable compensation other than commissions.)

**Defined Social Security benefit**

Defined Social Security benefit is the estimated monthly amount — prorated for less than 30 years of credited service — you are entitled to receive at age 65 under the Social Security Act as of December 31, 1991 and the Social Security provisions in effect on that date, assuming you had no future earnings. A number of assumptions are made regarding earnings prior to joining the Company.
BERIP early retirement benefits

Your early retirement benefit — payable at age 55 if you have at least ten years of vesting service — is determined under the BERIP formulas with the early retirement provisions described below. This amount is compared to the benefit you could receive under the Unisys Pension Plan. You receive the greater benefit.

Early retirement supplement

If you retire after age 60 but before age 62 and have 30 years of credited service, the BERIP formula includes an early retirement supplement of $440 per month (subject to certain limitations) which may also be payable if you were at least age 55 as of July 1, 1984. The supplement is payable to the earlier of: age 62, eligibility for receipt of Social Security benefits, or your death. In the event of your death, the early retirement supplement ends. No early retirement supplement is payable to a contingent annuitant or beneficiary.

Unreduced early retirement benefits

Under the BERIP formula, no early retirement reduction applies if you leave the Company:
- at or after age 62 and you were at least 55 as of June 30, 1984
- at or after age 62 with at least 20 years of vesting service
- at or after age 60 with at least 30 years of vesting service

Reduced early retirement benefits

If you have 20 or more years of vesting service, your benefit under the BERIP formula is reduced by one-half percent (0.5%, or .005) for each month (six percent for each year) benefits start before age 62.
If you have less than 20 years of vesting service, your benefit under the BERIP formula is reduced by one-half percent (0.5%, or .005) for each month (six percent for each year) benefits start before age 65.

Deferred payment

You may retire early and defer payment until you would be entitled to receive your full unreduced pension (age 60 if you have 30 years of vesting service, age 62 if you have 20 years of vesting service, or age 65, if you have less than 20 years of vesting service). You must apply for your pension payments to begin.
If you are not in an active employment status with Unisys and you do not apply for your benefit payments to begin by your normal retirement date, once you do apply for payments, your pension is paid retroactive to the earlier of your normal retirement date or the date following your termination date that you are entitled to receive your full unreduced pension. No interest or added payments are made by virtue of the late application. So it is in your best interest to apply for payments to begin on the earliest date that unreduced benefits are payable. (For payments beginning prior to January 1, 1994, payments were made retroactive only to the normal retirement date.)
APPENDIX E: MEMOREX EMPLOYEES’ PENSION PLAN

If you qualify for this provision (see page 93), your benefit is calculated under the following Memorex Plan formula based on your service and compensation through December 31, 1991. The result of this calculation is compared to your benefit figured under the career average pay and final average pay provisions of the Unisys Pension Plan. You receive the greatest benefit.

\[ 1.5\% \times \text{average yearly earnings} \]
\[ \text{minus} \]
\[ 1.5\% \times \text{primary Social Security} \]
\[ \times \]
\[ \text{years of credited service} \]
\[ \text{(maximum 30 years)} \]

Important terms

The terms used in the Memorex Plan formula have the specific meanings noted below. These meanings may differ from the meanings of similar terms under the career average pay and final average pay provisions of the Unisys Pension Plan.

**Average yearly earnings**

Average yearly earnings is the average of your earnings for the five highest consecutive calendar years you worked for the Company through December 31, 1991. (Note: The definition of earnings for the Memorex Plan differs from the definition of pay for the Unisys Pension Plan.)

**Primary Social Security**

Primary Social Security is the estimated annual amount you are entitled to receive at age 65 under the Social Security Act as of December 31, 1991 and the Social Security provisions in effect on that date, assuming no future earnings after termination. Before you start your pension payments, you may request your actual Social Security earnings history from the Social Security Administration and have those earnings (through December 31, 1991) used to recalculate the Primary Social Security benefit used in the formula.

**Early retirement benefits**

Your early retirement benefit — payable at age 55, if you have at least 10 years of vesting service — is determined under the Memorex formula shown above and is reduced by:

- 5/9 percent for each of the first 60 months benefits begin before age 65
- additional 5/18 percent for each month that benefits begin before age 60
APPENDIX F: SPERRY RETIREMENT PROGRAM — PART A
REMINGTON RAND AND VICKERS
CONTRIBUTORY FEATURES

Sperry Corporation offered retirement plans which included contributory features through January 1, 1968 for Remington Rand and Vickers. Contributions plus interest were retained in the plan when employee contributions were discontinued. Benefits payable under the contributory features were made up of two pieces:

- one financed by employee contributions
- one financed by the Company

Annuity payments

Even if you do not meet the criteria for the calculation of benefits under the non-contributory features of Part A (see page 93), if you were a participant in one of these contributory plans, the portion of your benefit derived from your contributions is paid in addition to your pension from the career average pay and final average pay provisions of the Unisys Pension Plan. The additional annual benefit is an amount equal to 10 percent of your contributions, including interest credited under your prior plan through December 31, 1975, plus interest at 5 percent per annum credited from January 1, 1976 through the date on which you would attain age 65.

Note: The Company-provided portion of your contributory plan is incorporated into, not paid in addition to, your benefits under the career average pay and final average pay provisions of the Unisys Pension Plan.

Withdraw contributions

Alternatively, instead of receiving the annuity described above, with spousal consent, you may withdraw your contributions, plus interest, in a single cash payment when your employment with Unisys ends.

Interest is the interest accrued under your prior plan through December 31, 1975 plus:

- 3-1/2 percent per annum for Vickers GAC 50 contributions through the date of distribution
- 2-1/2 percent per annum for Remington Univac contributions through the date of distribution

Note: Contributions were made on an after-tax basis. Only the taxable portion of your payment may be eligible for the special tax treatments noted beginning on page 75. Review the tax consequences of your decision with your tax advisor.
If you qualify for this provision (see page 93), at retirement, your benefit is calculated under the Part A formula noted below, based on service and compensation through December 31, 1991. This amount is compared to the benefit you could receive under career average pay and final average pay provisions of the Unisys Pension Plan. You receive the greatest benefit.

<table>
<thead>
<tr>
<th>for service before</th>
<th>accrued benefit as of 12/31/67</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/01/68:</td>
<td></td>
</tr>
</tbody>
</table>

| for each year of   | .75% x compensation            |
| service from 1/01/68 to 12/31/72: | up to Social Security Wage Base |
| plus                | 1.5% x compensation            |
| over Social Security Wage Base |                                |

| for each year of   | 1% x compensation              |
| service from 1/01/73 to 12/31/91: | up to Social Security Wage Base |
| plus                | 1.75% x compensation            |
| over Social Security Wage Base |                                |

**Update provisions**

The Sperry Retirement Program — Part A was updated from time to time to take into account more recent pay levels and total service. As a result of those updates, you may be entitled to an additional amount.

If your employment ended after December 31, 1987, your benefit under the Sperry Retirement Program — Part A formula for service through December 31, 1987 is at least the amount calculated under the update formula noted on the next page. The difference between the benefit calculated under the formula provided above and the update formula noted on the following page is the additional amount resulting from the update.

For service from January 1, 1988 to December 31, 1991, your annual accruals under the above formula are added to the benefit determined under the update formula. This total is compared to your benefit determined solely from the above formula. Whichever produces the higher benefit applies.
APPENDIX G: SPERRY RETIREMENT PROGRAM — PART A NON-CONTRIBUTORY FORMULA

Update formula for service through December 31, 1987

1% x average annual compensation up to $41,800
plus
1.25% x average annual compensation over $41,800
times
years of credited service to 12/31/87
plus
a benefit based on employee contributions plus interest
(refer to the information on the previous page)

Important terms

The terms used in the Sperry Retirement Program — Part A have the specific meanings noted below. These meanings may differ from the meanings of similar terms under the career average pay and final average pay provisions of the Unisys Pension Plan.

Compensation

Compensation used in the Sperry Part A non-contributory formula is your total salary, including any before-tax contributions you made to any Company-sponsored plan, income assistance and paid bonuses. Deferred bonuses are excluded. (Note: The definition of earnings for Part A differs from the definition of pay for the Unisys Pension Plan.)

Average annual compensation

Average annual compensation used in the update provision described on the prior page is the average of your eligible compensation for 1985, 1986 and 1987.

Social Security Wage Base

The Social Security Wage Base is the maximum amount of your pay subject to Social Security taxes in effect during each calendar year for which a benefit was calculated under the Sperry Retirement Program — Part A formula.
Part A early retirement benefits

Your early retirement benefit — payable at age 55, if you have at least 10 years of vesting service — is determined under the formula shown on page 101 and the provisions shown below. This amount is compared to the benefit you could receive under the career average pay and final average pay provisions of the Unisys Pension Plan. You receive the greatest benefit.

Unreduced early payment

No early payment reduction applies under the Part A non-contributory formula if you retire at or after age 62 on or after January 1985.

Reduced early payment

Under the Part A non-contributory formula, your pension is reduced by one-third percent for each month (four percent per year) that benefits begin before age 62 (before age 65 for payments beginning before January 1, 1985).

Deferred payment

You may retire early and defer payment until you would be entitled to receive your full unreduced pension (age 62 for payments beginning on or after January 1, 1985, or age 65 for payments beginning before January 1, 1985).

You must apply for your pension payments to begin.

If you are not in an active employment status with Unisys and you do not apply for your benefit payments to begin by your normal retirement date, once you do apply for payments, your pension is paid retroactive to the earlier of your normal retirement date or the date following your termination date that you are entitled to receive your full unreduced pension. No interest or added payments are made by virtue of the late application. So it is in your best interest to apply for payments to begin on the earliest date that unreduced benefits are payable. (For payments prior to January 1, 1994, payments were made retroactively only to the normal retirement date.)
APPENDIX H: SYSTEM DEVELOPMENT CORPORATION (SDC) BASIC NON-CONTRIBUTORY PENSION PLAN

If you qualify for this provision (see page 93), your benefit is calculated under the following SDC Plan formula based on your service and compensation through December 31, 1991. The result of this calculation (variable benefit plus fixed benefit) is compared to your benefit figured under the career average pay and final average pay provisions of the Unisys Pension Plan. You receive the greatest benefit.

Variable benefit

0.75% x compensation each plan year for service after 10/01/69 and before 7/01/74

plus

1% x compensation each plan year for service on or after 7/01/74 and before 7/01/79

Fixed benefit

0.75% x compensation in excess of Social Security Wage Base each plan year for service after 10/01/69 and before 7/01/74

plus

1% x compensation in excess of Social Security Wage Base each plan year for service on or after 7/01/74 and before 7/01/79

plus

1.5% x compensation each plan year of service on or after 7/01/79

The benefit calculated under the variable part of the formula is maintained as annuity units. The number of units for each participant was frozen as of June 30, 1979. At retirement, your pension based on this piece of the formula equals the number of annuity units times the current dollar value of each unit.

Minimum benefit

If your employment ends on or after November 30, 1979, a benefit also is calculated under the following formula. Your benefit is equal to the amount calculated under the minimum benefit formula or the amount calculated under the variable and fixed formulas noted above, whichever is greater.
30% x average annual compensation  
(reduced proportionately for each year of service less than 30)  
plus  
15% x average annual compensation  
in excess of Social Security Wage Base  
in effect at your termination date (but not after 1991)  
times  
the ratio of your actual years of credited service  
to projected years of credited service at age 65  
(30, if greater)  

Important terms  
The terms used in the SDC Plan formulas have the specific meanings noted below. These meanings differ from the meanings of similar terms under the career average pay and final average pay provisions of the Unisys Pension Plan.  

Compensation  
Compensation is your total salary, including any before-tax contributions you made to any Company-sponsored plan, bonuses, incentives and overtime.  
(Note: The definition of earnings for the SDC Plan differs from the definition of pay for the Unisys Pension Plan.)  

Average annual compensation  
Average annual compensation is the average of the highest five consecutive calendar years of compensation through December 31, 1991.  

SDC early retirement benefits  
Your early retirement benefit under the SDC formula — payable at age 55 if you have at least 10 years of vesting service — is determined under the formulas shown on the prior page reduced by:  
_ 5/9 percent for each of the first 60 months benefits begin before age 65  
_ additional 5/18 percent for each month that benefits begin before age 60  

SDC lump-sum distribution option  
You also may qualify for a lump-sum distribution of your benefits at retirement. Refer to page 62 for more information on the lump-sum distribution payment option and to the information beginning on page 75 for tax implications of this payment option.
APPENDIX I: CAREER AVERAGE PAY FORMULA WORKSHEET

This worksheet is provided to assist you in calculating your normal retirement benefit under the career average formula.

First, determine one-half the average Social Security Wage Base using this chart.

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
<th>Column C</th>
<th>Column D</th>
<th>Column E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used for benefit accrual in . . .</td>
<td>Social Security Wage Bases for</td>
<td>Maximum Social Security Wage Base</td>
<td>Divide total of column C by 5</td>
<td>Divide column D by 2</td>
</tr>
<tr>
<td>1997</td>
<td>1992</td>
<td>$55,500</td>
<td>$59,520</td>
<td>$29,760</td>
</tr>
<tr>
<td></td>
<td>1993</td>
<td>$57,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1994</td>
<td>$60,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>$61,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>$62,700</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>1996</td>
<td>$62,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$297,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>1993</td>
<td>$57,600</td>
<td>$61,500</td>
<td>$30,750</td>
</tr>
<tr>
<td></td>
<td>1994</td>
<td>$60,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>$61,200</td>
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<td>1996</td>
<td>$62,700</td>
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<td></td>
<td>1997</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$307,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>1994</td>
<td>$60,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>$61,200</td>
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<td></td>
<td>1996</td>
<td>$62,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1997</td>
<td>$65,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1998</td>
<td>$____ (Fill in)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
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<td></td>
</tr>
<tr>
<td>2000</td>
<td>1995</td>
<td>$61,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>$62,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1997</td>
<td>$65,400</td>
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</tr>
<tr>
<td></td>
<td>1998</td>
<td>$____ (Fill in)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>1999</td>
<td>$____ (Fill in)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Then, follow the steps on the next page to calculate the annual increments using your eligible earnings each year.
To determine the benefit increment you earn each year, follow this three-step process:

- **Step 1**: multiply 1 percent by your eligible pay for the year up to one-half the average Social Security Wage Base
- **Step 2**: multiply 1.35 percent by your eligible pay for the year which exceeds one-half the average Social Security Wage Base
- **Step 3**: add the results of steps 1 and 2 together to arrive at the total benefit increment earned for the year

<table>
<thead>
<tr>
<th>Year</th>
<th>Increment</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>1992</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
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<tr>
<td>1993</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>1994</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>1995</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
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<td>1996</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>1997</td>
<td>Increment</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
</tbody>
</table>

Step 1: 1.00% x eligible pay for 1991 up to $23,010

Step 2: 1.35% x eligible pay for 1991 over $23,010

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1992 up to $24,150

Step 2: 1.35% x eligible pay for 1992 over $24,150

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1993 up to $25,320

Step 2: 1.35% x eligible pay for 1993 over $25,320

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1994 up to $26,580

Step 2: 1.35% x eligible pay for 1994 over $26,850

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1995 up to $27,840

Step 2: 1.35% x eligible pay for 1995 over $27,840

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1996 up to $28,830

Step 2: 1.35% x eligible pay for 1996 over $28,830

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1997 up to $29,760

Step 2: 1.35% x eligible pay for 1997 over $29,760

Step 3: total steps 1 & 2

Step 1: 1.00% x eligible pay for 1998 up to $30,750

Step 2: 1.35% x eligible pay for 1998 over $30,750

Step 3: total steps 1 & 2
**APPENDIX I: CAREER AVERAGE PAY WORKSHEET**

### 1998 INCREMENT

<table>
<thead>
<tr>
<th>Step 2</th>
<th>1.35% x eligible pay for 1998 over $30,750</th>
<th>+</th>
<th>$ ______</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 3</td>
<td>total steps 1 &amp; 2</td>
<td></td>
<td>$ ______</td>
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### 1999 INCREMENT

<table>
<thead>
<tr>
<th>Step 1</th>
<th>1.00% x eligible pay for 1999 up to $ ______</th>
<th>$ ______</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2</td>
<td>1.35% x eligible pay for 1999 over $ ______</td>
<td>+ ______</td>
</tr>
<tr>
<td>Step 3</td>
<td>total steps 1 &amp; 2</td>
<td>$ ______</td>
</tr>
</tbody>
</table>

**Total benefit increments from 1991 to ___ $**

**Finally**, use the charts presented earlier in this booklet to calculate any early retirement reduction or any reduction for any payment other than a single life annuity.

You can use this chart to keep track of your eligible pay.

<table>
<thead>
<tr>
<th>Calendar year</th>
<th>Eligible pay for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td></td>
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<td></td>
</tr>
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</tr>
<tr>
<td>Term</td>
<td>Pages</td>
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<tr>
<td>-------------------------------------------</td>
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<tr>
<td>accrued benefit</td>
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<tr>
<td>definition</td>
<td>8, 13, 62, 66</td>
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<td>acquisitions</td>
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<td>2-5, 88</td>
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<td>annuity</td>
<td>52-56, 64, 69-72</td>
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<tr>
<td>contingent annuity</td>
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<tr>
<td>period certain and life</td>
<td>53, 57, 58, 66</td>
</tr>
<tr>
<td>pre-retirement survivor</td>
<td>64</td>
</tr>
<tr>
<td>single life</td>
<td>52, 53</td>
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<td>appeals and questions</td>
<td>83, 84, 86, 87</td>
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<td>applying for benefits to begin</td>
<td>9, 15, 36, 53, 64, 67-78, 98, 103</td>
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<td>assignment of benefits</td>
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<tr>
<td>beneficiary</td>
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<td>14, 53, 57, 66, 73</td>
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<tr>
<td>period certain and life annuity</td>
<td>64</td>
</tr>
<tr>
<td>pre-retirement survivor benefits</td>
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<td>standard beneficiary designation</td>
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<td>career average pay</td>
<td>5, 49, 50</td>
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<td>approach</td>
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<td>formula</td>
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<td>Company, the definition</td>
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<td>death benefits</td>
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<tr>
<td>what it means</td>
<td>10, 38</td>
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<td>electronic deposit</td>
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<tr>
<td>eligibility</td>
<td>10</td>
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<tr>
<td>who is eligible</td>
<td>10</td>
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<td>estimates</td>
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A Final Note

This booklet serves as the summary plan description for the Unisys Pension Plan.

The complete provisions of the Plan are contained in the Plan document, which governs the operation of the Unisys Pension Plan.

Although every effort has been made in this booklet to properly explain the benefit provisions of the Plan, if there is a discrepancy between the information presented here and the information contained in the Plan document, the Plan document governs in all cases.

The providing of benefits by Unisys does not imply the creation of a contract of employment or an obligation to continue the present or future level of benefits. In order to be effective, any changes in the Unisys Pension Plan must be in writing and approved by Unisys.