



Unisys Retirement Program Changes Frequently Asked Questions

Following are questions you may have about the U.S. retirement program changes, and answers to those questions. Questions are grouped into two main categories: Pension Plan and Savings Plan, and then organized by eight main topics. Click on the page link below to navigate to the questions and answers you seek.

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Please note: The following communication describes in a summary fashion or refers to changes to certain Unisys benefit plans, without going into all of the details. The provisions of the applicable plan documents solely determine the legal rights and obligations of any person. In the event of any discrepancy between this communication and the official plan documents, the applicable plan documents (including any amendments), as interpreted by the plan administrator, in his/her/its sole discretion, will always govern. Unisys reserves the right to amend or terminate any or all of its benefit plans, in whole or in part, at any time and for any reason to the extent permissible under applicable law. For active employees whose benefits are governed by collective bargaining agreements, benefit changes will be implemented consistent with the company's statutory and contractual obligations.

Pension Plan

What Is Changing

1. How is the Unisys Pension Plan changing?

Effective December 31, 2006, the future accrual of pension benefits will stop for most* U.S. employees participating in the Pension Plan.

- If you have a Retirement Accumulation Account under the Unisys Pension Plan (that is, you have been actively employed by Unisys since January 1, 2003), Unisys will stop making four percent employer pay credits to your plan account effective December 31, 2006. However, interest credits will continue to accrue after 2006.
- If your benefit under the Unisys Pension Plan is calculated using the career average formula (that is, you were employed by Unisys prior to January 1, 2003), this means no accruals after December 31, 2006.

** For active employees whose benefits are governed by collective bargaining agreements, benefit changes will be implemented consistent with the company's statutory and contractual obligations.*

Benefits earned through December 31, 2006 are not affected and will continue to be subject to the vesting rules under the Pension Plan. If you are not yet vested in your accrued benefit, you will generally continue to vest in your accrued pension benefit after 2006 if you continue to work for Unisys. You generally become fully vested in your accrued benefit once you complete five years of service, or you reach age 65 and are participating in the Unisys Pension Plan while working for Unisys. If you leave Unisys before you complete five years of service, or reach age 65 without being a participant in the plan, you will **not** receive any benefits from the Pension Plan.

Reasons for Change

1. Why is Unisys changing its Pension Plan?

These changes are a necessary part of our transformation strategy as we reposition Unisys in the marketplace, enhance our profitability going forward, and ensure the future financial health of our company for both shareholders and employees. Pension Plan expense is too volatile and uncertain, which could hinder Unisys ability to plan for the future. Over the long term, we expect our pension expense will be more predictable, thereby helping us better manage our business.

Although we are intent on implementing a strategy for controlling pension expense, we also seek to help employees prepare for retirement. Our new approach represents a fundamental shift in how Unisys delivers employee retirement benefits.

Important Dates

1. When do these changes take effect?

The changes will be effective December 31, 2006 for the Unisys Pension Plan. You should take the time before the changes go into effect to understand them and their potential impact on your future financial security.

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Who the Changes Affect

1. Who is affected by these changes?

Generally, most active employees – including those on leave of absence and disability – and certain alternate payees under the Unisys Pension Plan as the result of a qualified domestic relations order (QDRO) as of December 31, 2006, will be affected by the changes.

For active employees whose benefits are governed by collective bargaining agreements, benefit changes will be implemented consistent with the company's statutory and contractual obligations.

Current retirees and former employees entitled to deferred-vested benefits (who are not rehired) are **not** affected. Employees who retire or leave Unisys prior to January 1, 2007 will also **not** be affected by the changes (unless they are rehired).

What This Means to Me

1. What does stopping accruals to the Pension Plan mean?

It means that Pension Plan benefits stop accruing and new participation stops – as of a certain date – in the case of Unisys, as of December 31, 2006. Any benefits earned as of this date are not affected, but no future accruals will be earned after 2006. If you have a Retirement Accumulation Account, Unisys will stop making four percent employer pay credits to plan accounts after December 31, 2006. Interest credits, however, will continue to accrue after 2006.

2. I'm not yet vested in my accrued benefit under the Pension Plan. How do these changes affect me?

The benefit you have earned as of December 31, 2006 will not be affected. You will generally continue to earn vesting service after 2006, if you continue working for Unisys. You generally become fully vested in your accrued benefit once you complete five years of service, or you reach age 65 and are participating in the plan while working for Unisys.

If you leave Unisys before you complete five years of service, or reach age 65 without being a participant in the plan, you will not receive any benefits from the Pension Plan.

3. I didn't meet the eligibility requirements for the Unisys Pension Plan before the effective date of the change – December 31, 2006. How do these changes affect me? How will I know if I am eligible to participate in the Pension Plan?

Eligibility for the Unisys Pension Plan is the January 1 or July 1 after reaching age 21 and completing one year of service. Since the plan is closed to new entrants as of December 31, 2006, only employees who entered the plan on or before July 1, 2006 will be entitled to benefits from the plan (that is, you must have been born before July 1, 1985 [that is, meet the age 21 rule] AND have been hired before July 1, 2005 [that is, meet the one year of service rule]), assuming they become vested in their accrued benefit.

If you did not meet the eligibility requirements for the Unisys Pension Plan, you will be eligible only for the Unisys Savings Plan (assuming you meet that plan's eligibility rules). The enhanced company match begins January 1, 2007.

4. I was hired after July 1, 2005. What do the changes mean to me?

Since eligibility for the Unisys Pension Plan is the January 1 or July 1 after reaching age 21 and completing one year of service, you will not meet the Pension Plan's eligibility requirements by December 31, 2006. Therefore, you will not become a participant in, and will not be entitled to, any benefits under the Unisys Pension Plan.

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5. My benefits are governed by a collective bargaining agreement. How do these changes affect me?

Any changes to your benefits will be implemented consistent with the company's statutory and contractual obligations.

6. I am currently on *short-term* disability. How do these changes affect me?

If you are on short-term disability and a participant in the Unisys Pension Plan as of December 31, 2006, Unisys will stop the future accrual of your pension benefits as of December 31, 2006. You will continue to be credited with vesting service while you are out on short-term disability.

7. I am currently on *long-term* disability. How do these changes affect me?

If you are on long-term disability and a participant in the Unisys Pension Plan as of December 31, 2006, Unisys will stop the future accrual of your pension benefits as of December 31, 2006. You will generally continue to be credited with vesting service while you are out on long-term disability.

8. I am currently on personal or unpaid leave. How do these changes affect me?

If you are on an approved personal or unpaid leave of absence, including leave under the Family and Medical Leave Act (FMLA) and a participant in the Unisys Pension Plan as of December 31, 2006, Unisys will stop the future accrual of your pension benefits as of December 31, 2006. You will generally continue to be credited with vesting service while you are out on leave for up to 12 months.

9. I plan to retire before January 1, 2007. How will these changes affect my vested accrued benefit under the Pension Plan?

These changes will not affect your vested accrued benefit under the Pension Plan (unless you are rehired). You will have the same accrued benefits that would be available to you if no changes were being made to the plan.

10. Am I still entitled to the more favorable early retirement reductions that are applicable under the career average pay formula, under the Pension Plan for employees who retire after 20 years of service with Unisys?

Although your career average benefit under the Pension Plan will not grow after December 31, 2006, current early retirement reduction factors will still be applied to your December 31, 2006 career average pay accrued benefit based on your age and years of service, as of the date you terminate employment with Unisys. Service after December 31, 2006 will continue to count for early retirement eligibility (e.g., achieving age 55 with 20 years of service).

The following table illustrates how the early retirement factors applicable under the Pension Plan's career average pay formula affect the amount of your benefit:

Age at Benefit Commencement	You'll receive the following percentage of your normal retirement benefit after taking into account the Reduction Factor	
	Age 55 with 20 Years of Service at Termination	Under Age 55 or Less Than 20 Years of Service at Termination
55	58 %	40 %
56	64 %	46 %
57	70 %	52 %
58	76 %	58 %
59	82 %	64 %
60	88 %	70 %
61	94 %	76 %
62	100 %	82 %
63	100 %	88 %
64	100 %	94 %
65	100 %	100 %

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11. Can I transfer my Retirement Accumulation Account under the Pension Plan to the Savings Plan?

No. If you are not retiring or leaving Unisys, you may not request your Retirement Accumulation Account portion now.

If you leave Unisys and elect a lump-sum payment of your Retirement Accumulation Account, it is eligible for rollover in a timely manner into another eligible retirement plan that accepts such distributions (but not to the Unisys Savings Plan).

An eligible retirement plan includes a traditional individual retirement account/annuity (IRA) (not a SIMPLE IRA, a Roth IRA or a Coverdell Savings Account [formerly known as an Educational IRA]), a qualified retirement plan under Internal Revenue Code (IRC) section 401(a), or an annuity plan under section 403(a). Unisys cannot give tax advice, so you are strongly urged to contact your own personal tax, legal and financial advisors before taking any action under this plan.

How This Affects My Benefit

1. Am I going to get a better benefit under the new design?

This requires a very individualized analysis and depends on your particular situation. There are many factors such as market investment returns, life expectancy, how long you plan to work with Unisys and other factors that affect this analysis. For questions about the new design, please call the Pension Change Hotline at 1-800-340-4533.

2. Does this mean I will lose my pension benefits?

The changes affect only the future accrual of pension benefits, which will stop as of December 31, 2006. The pension benefit you have earned as of December 31, 2006 will not be affected, provided you are vested in your accrued benefit when you leave Unisys. If you are not yet vested in your Unisys Pension Plan benefit as of December 31, 2006, you will continue to earn service for vesting purposes if you continue to work for Unisys after that date.

3. What happens to the Pension Plan benefits I've earned before the effective date of these changes?

The benefits you've earned as of December 31, 2006 will not be affected if you are currently vested in your accrued benefit under the Pension Plan. If you are not yet vested in your accrued benefit, you will generally continue to vest in your accrued benefit under the Pension Plan if you continue working for Unisys after 2006.

You generally become fully vested in your accrued benefit once you complete five years of service, or you reach age 65 and are participating in the plan while working for Unisys. If you leave Unisys before you complete five years of service, or reach age 65 without being a participant in the plan, you will *not* receive any benefits under the Pension Plan.

4. Will my Retirement Accumulation Account under the Pension Plan continue to accrue interest credits after 2006? How does this affect my benefit?

Yes. Although Unisys will no longer make the four percent employer pay credits to Pension Plan accounts, your Retirement Accumulation Account will continue to grow with interest credits after 2006.

5. What happens to my vested Pension Plan benefit if I leave Unisys? Do my vested benefits continue to grow in value?

The amount of your vested career average pay benefit under the Pension Plan will not grow after December 31, 2006. Your retirement date and payment option will determine whether you receive an unreduced benefit amount. However, as you age, the actuarial present value of your benefit does generally grow until you receive your benefits.

Your Retirement Accumulation Account under the Pension Plan will no longer be credited with four percent Unisys pay credits after December 31, 2006. Your plan account will, however, continue to be credited with interest credits after 2006.

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5. How do these changes affect the post-retirement, lump-sum death benefit under the Unisys Pension Plan?

Employees who met the Pension Plan's eligibility requirements as of December 31, 2006 (that is, January 1 or July 1 after reaching age 21 and completing one year of service – assuming you were hired before July 1, 2005) will continue to be eligible for the \$5,000 post-retirement, lump-sum death benefit if they are at least age 55 with 10 years of service when terminating employment with Unisys. Service after December 31, 2006 will be counted for death benefit eligibility requirements.

6. Is my lump-sum, vested benefit from the Pension Plan eligible for rollover when I retire or leave Unisys?

Yes. If you receive your vested Pension Plan benefit in a lump sum when you retire or leave Unisys, you may roll over your distribution in a timely manner to an IRA, or to another eligible retirement plan that accepts such rollovers (but not to the Unisys Savings Plan).

An eligible retirement plan includes a traditional individual retirement account/annuity (IRA) (not a SIMPLE IRA, a Roth IRA or a Coverdell Savings Account [formerly known as an Educational IRA]), a qualified retirement plan under the Internal Revenue Code (IRC) section 401(a), or an annuity plan under section 403(a). Unisys cannot give tax advice, so you are strongly urged to contact your own personal tax, legal and financial advisors before taking any action under this plan.

7. When I retire, what components will comprise my total vested retirement benefit from Unisys?

Assuming you meet all of the eligibility requirements, your total vested retirement benefit from Unisys will include:

- Your vested Retirement Accumulation Account under the Unisys Pension Plan, payable as either a lump-sum distribution or a monthly annuity.
- Your vested career average pay benefit under the Unisys Pension Plan, payable as a monthly annuity (provided you were employed with Unisys prior to January 1, 2003 and had accrued a benefit). This is the benefit accrued through December 31, 2002 plus the excess, if any, of the career average accruals earned from January 1, 2003 through December 31, 2006 above the annuity available from the Retirement Accumulation Account.
- Your vested Savings Plan account balance.

What This Means to Unisys

1. How does this change affect the financial situation of Unisys? Will these retirement program changes help Unisys meet its financial goals?

Our Pension Plan is one of our most volatile and unpredictable expenses. The uncertainty associated with this expense could severely hinder Unisys ability to plan for the future, and has major implications for our financial health.

By moving away from “defined benefit” pension plans – which today have volatile and unpredictable cost structures – to more predictable “defined contribution” retirement plans like our Savings Plan, we can continue to offer meaningful and competitive benefits at costs we can better control over time.

The changes to our retirement program will reduce the volatility of this expense and provide a long-term strategy for controlling this expense, enabling us to better manage our business now and in the future.

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Who to Contact

1. How can I find out what this will mean to my Pension Plan benefits?

You can call our Pension Change Hotline at 1-800-340-4533, which will open at 9:00 a.m. Eastern Time on March 22, 2006. Call center representatives will be available from 9:00 a.m. to 6:00 p.m., Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the hotline at 1-800-695-1317 during the same days and hours. However, since the TTY number is not a dedicated Unisys number, it's important that you identify yourself as a Unisys employee when calling.

You can also refer back to these frequently asked questions on the Employee Network, which will be updated periodically, as needed.

In the fall of 2006, you will receive a personalized retirement benefit statement in the mail, which will show you the estimated pension benefit you have earned under the Unisys Pension Plan as of December 31, 2006, if you continue working for Unisys until then. It will also show projections of your Savings Plan account based on your current contribution elections.

To run your own estimated Unisys Pension Plan calculations, log on to the *Your Benefits Resources*™ Web site at <http://resources.hewitt.com/unisys> – available 24 hours a day, Monday through Saturday, and after 1:00 p.m. Eastern Time on Sundays. Be sure to use December 31, 2006 as your hypothetical termination date to estimate the accrued pension benefit you will be entitled to under the Pension Plan, assuming you meet the eligibility requirements as of that date.

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Savings Plan

What Is Changing

1. How is the Unisys Savings Plan changing?

Effective January 1, 2007, the company–matching contribution will increase for most* employees – from 50 percent of the first four percent of eligible pay you contribute on a before-tax basis (subject to IRS limits), to 100 percent of the first six percent of eligible pay you contribute on a before-tax basis (subject to IRS limits). This is a potential increase of four percent of eligible pay to the employer portion of your Savings Plan account.

Unisys matching contributions made on or after January 1, 2007 will continue to be made in Unisys stock; however, that stock will be eligible for immediate diversification into a variety of investment vehicles. It's up to you to invest these funds in ways that best meet your retirement savings goals. Unisys matching contributions made prior to January 1, 2007 will continue to be eligible for diversification at age 50, but not before.

** For active employees whose benefits are governed by collective bargaining agreements, benefit changes will be implemented consistent with the company's statutory and contractual obligations.*

2. Will the company match be in Unisys stock after 2006?

Yes. However, company-matching contributions made on or after January 1, 2007 will be eligible for immediate diversification into a variety of investment vehicles. You will need to visit the Fidelity NetBenefitsSM Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week – after each company contribution is made if you want to diversify the Unisys stock that you received for that payroll period's company-matching contribution. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Unisys matching contributions made prior to January 1, 2007 will continue to be eligible for diversification at age 50, but not before.

Reasons for Change

1. Why is Unisys changing its Savings Plan?

We're adapting our approach to providing retirement benefits based on two things: the need for more stability and better predictability of ongoing pension expense, and the desire to continue helping employees prepare for retirement.

The new importance placed on our enhanced Savings Plan represents a fundamental shift in how Unisys delivers employee retirement benefits. You'll need to become more engaged and take more responsibility for your retirement planning. We'll help you do that by increasing the Savings Plan company–matching contribution – to 100 percent of the first six percent of eligible pay you contribute on a before-tax basis (subject to IRS limits), beginning January 1, 2007.

You should evaluate the amount you are currently contributing to the Savings Plan to ensure you are saving enough for your retirement needs. Remember, you are ultimately responsible for investing your Savings Plan account and for any investment gains or losses that occur as a result. It is more important than ever that you consider your participation in the Savings Plan and become involved in how your money is invested to meet future retirement income needs.

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Important Dates

1. When do these changes take effect?

The changes will be effective January 1, 2007 for the Unisys Savings Plan. You should take the time before the changes go into effect to understand them and their potential impact on your future financial planning.

Who the Changes Affect

1. Who is affected by these changes?

Generally, most active employees, including those on leave of absence and disability, as of January 1, 2007, will be affected by the changes.

For active employees whose benefits are governed by collective bargaining agreements, benefit changes will be implemented consistent with the company's statutory and contractual obligations.

Current retirees and former employees with Savings Plan account balances (who are not rehired) are not affected. Employees who retire or leave Unisys prior to January 1, 2007 will also not be affected by the changes (unless they are rehired).

What This Means to Me

1. I am eligible but don't currently participate in the Savings Plan – what happens to me?

Unless you participate in the Savings Plan, you will have no retirement plan going forward beginning January 1, 2007 (that is, after accruals under the Pension Plan stop as of December 31, 2006). The company match to the Savings Plan is only made on before-tax contributions that you make (except in Puerto Rico).

2. I was hired after July 1, 2005. What do the changes mean to me?

Assuming you met all the eligibility requirements, you were eligible to participate in the Unisys Savings Plan on your first day of work. This is your only Unisys-provided vehicle for retirement savings. You are currently eligible for a company match of 50 percent of the first four percent of eligible pay you contribute on a before-tax basis (subject to IRS limits). You will be eligible for the enhanced match, a match of 100 percent of the first six percent of eligible pay you contribute on a before-tax basis (subject to IRS limits), beginning January 1, 2007, assuming you meet all of the eligibility requirements.

3. My benefits are governed by a collective bargaining agreement. How do these changes affect me?

Any changes to your benefits will be implemented consistent with the company's statutory and contractual obligations.

4. I am currently on *short-term* disability. How do these changes affect me?

Assuming you meet all of the eligibility requirements, you may contribute to the Unisys Savings Plan while on short-term disability and will be eligible for the enhanced match effective January 1, 2007. However, if you go on long-term disability, you are not permitted to contribute to the Savings Plan.

5. I am currently on *long-term* disability. How do these changes affect me?

You are not permitted to contribute to the Savings Plan while you are out on long-term disability. If you return to work and if you meet all of the eligibility requirements, you may begin contributing to the Savings Plan.

6. I am currently on personal or unpaid leave. How do these changes affect me?

If you are on an approved personal or unpaid leave of absence, including leave under the Family and Medical Leave Act (FMLA), you are not permitted to contribute to the Savings Plan. If you return to work and if you meet all of the eligibility requirements, you may begin contributing to the Savings Plan.

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How This Affects My Benefit

- 1. Why do I need to wait until I reach age 50 to diversify my pre-2007 matching contributions?**

Diversifying investments helps minimize risk and is a long-term investment strategy to maximize returns. Up until now, the combination of the Unisys Pension Plan and the Unisys Savings Plan enabled us to provide a diversified retirement benefit for employees, while encouraging stock ownership among all employees. And, the Savings Plan further allowed employees age 50 or older, who have fewer years until retirement, to diversify matching contributions made in Unisys stock.

Since the Unisys Savings Plan will be the only retirement plan for Unisys employees starting January 1, 2007, we feel it is appropriate to give participants the opportunity for more investment diversification on future company-matching contributions.
- 2. Can I diversify my matching funds?**

Company-matching contributions of Unisys stock made after December 31, 2006 will be eligible for immediate diversification into a variety of investment vehicles. You will need to visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week – after each company contribution is made if you want to diversify the Unisys stock that you received for that payroll period's company-matching contribution. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Unisys matching contributions made prior to January 1, 2007 will continue to be eligible for diversification at age 50, but not before.
- 3. If I want to start contributing a greater percentage in the Savings Plan by the time the program changes take effect, by what date do I need to make that change?**

You can change your Savings Plan contribution percentage at any time. Changes to your Savings Plan contribution percentage take effect depending on your pay cycle: bi-weekly or monthly. Refer to the Payroll Web site at <http://iwww.unisys.com/uspayroll> – available 24 hours a day, 7 days a week – for specific dates.

If you are not currently enrolled, you can either enroll or learn more about the plan by accessing the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Remember, you can generally contribute from one percent to 30 percent of your eligible pay on a before-tax basis (or one percent to 18 percent if you are “highly compensated” as defined by IRS limits – you are considered highly compensated in 2007 if you earn more than \$100,000 in 2006), and from one percent to six percent of your eligible pay on an after-tax basis to the Savings Plan. However, these contributions are subject to IRS limits. Before-tax contributions are generally limited to \$15,000 in 2006 (under all applicable plans you contribute to). And the annual IRS compensation limit in 2006 is \$220,000.

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If you will reach age 50 by the end of the 2006 calendar year and you make the maximum before-tax contributions for the 2006 year, you may also make additional, before-tax “catch-up” contributions. The annual catch-up contribution is limited to \$5,000 in 2006 (under all applicable plans you contribute to) – regardless of how much you set aside in prior years.

4. When can I change my Savings Plan contribution percentage? At any time or only at certain times throughout the year?

You can change your Savings Plan contribution percentage at any time. Simply visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Changes to your Savings Plan contribution percentage take effect depending on your pay cycle: bi-weekly or monthly. Refer to the Payroll Web site at <http://www.unisys.com/uspayroll> for specific dates.

5. When will my Savings Plan benefit be paid?

Generally, your Savings Plan benefit is eligible to be paid when you retire or leave Unisys, or under a number of other conditions, including loans and in-service withdrawals. Visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week – or call the Unisys Savings Plan at 1-800-600-4015 to request a distribution. The Unisys Savings Plan is available from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

6. What happens to my Savings Plan benefit if I leave Unisys? Do my benefits continue to change in value?

If you leave Unisys and meet the plan’s rules for being able to keep your money in the Savings Plan, your benefits will continue to change in value based on investment performance. The company match would stop when your before-tax (or, in Puerto Rico, your after-tax) employee contributions stop.

7. Is my lump-sum benefit from the Savings Plan eligible for rollover when I retire or leave Unisys?

Generally, yes. If you receive your Savings Plan account in a lump sum when you retire or leave Unisys, you may roll over your distribution in a timely manner to an eligible retirement plan that accepts such rollovers. After-tax contributions can be rolled over only to an eligible retirement plan, but if the eligible rollover plan is not an IRA, (i) the eligible retirement plan must separately track after-tax contributions, and (ii) the rollover can only be done as a direct rollover.

An eligible retirement plan includes a traditional individual retirement account/annuity (IRA) (not a SIMPLE IRA, a Roth IRA or a Coverdell Savings Account [formerly known as an Educational IRA]), a qualified retirement plan under the Internal Revenue Code (IRC) section 401(a), or an annuity plan under section 403(a). Unisys cannot give tax advice, so you are strongly urged to contact your own personal tax, legal and financial advisors before taking any action under this plan.

8. Can I withdraw my Savings Plan funds before I terminate employment with Unisys?

Certain loans and in-service withdrawals may be available if you meet the plan’s requirements. To learn about any applicable options available, visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

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9. When I retire, what components will comprise my total vested retirement benefit from Unisys?

Assuming you meet all the eligibility requirements, your total vested retirement benefit from Unisys will include:

- Your vested Retirement Accumulation Account under the Unisys Pension Plan, payable as either a lump-sum distribution or a monthly annuity.
- Your vested career average pay benefit under the Unisys Pension Plan, payable as a monthly annuity (provided you were employed with Unisys prior to January 1, 2003 and had accrued a benefit). This is the benefit accrued through December 31, 2002 plus the excess, if any, of the career average accruals earned from January 1, 2003 through December 31, 2006 above the annuity available from the Retirement Accumulation Account.
- Your vested Savings Plan account balance.

What This Means to Unisys

1. How does this change affect the financial situation at Unisys? Will these retirement program changes help Unisys meet its financial goals?

Our Pension Plan is one of our most volatile and unpredictable expenses. The uncertainty associated with this expense could severely hinder Unisys ability to plan for the future, and has major implications for our financial health.

By moving away from “defined benefit” pension plans – which today have volatile and unpredictable cost structures – to more predictable “defined contribution” retirement plans like our Savings Plan, we can continue to offer meaningful and competitive benefits at costs we can better control over time.

The changes to our retirement program will reduce the volatility of this expense and provide a long-term strategy for controlling this expense, enabling us to better manage our business now and in the future.

Who to Contact

1. How can I find out what these changes will mean to my Savings Plan benefits?

You can call our Pension Change Hotline at 1-800-340-4533, which will open beginning at 9:00 a.m., Eastern Time on March 22, 2006. Call center representatives will be available from 9:00 a.m. to 6:00 p.m., Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the hotline at 1-800-695-1317 during the same days and hours. However, since the TTY number is not a dedicated Unisys number, it's important that you identify yourself as a Unisys employee when calling.

You can also refer back to these frequently asked questions on the Employee Network, which will be updated periodically, as needed.

In the fall of 2006, you will receive a personalized retirement benefit statement in the mail, which will show you the estimated pension benefit you have earned under the Unisys Pension Plan as of December 31, 2006, if you continue working until then. It will also show projections of your Savings Plan account based on your current contribution elections.

To enroll in or change the percentage of eligible pay you contribute to the Savings Plan, go to the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week.

A variety of planning and financial education tools are also available by accessing the Tools and Learning section of the Web site. Please note that the enhanced company match will not take effect until January 1, 2007.

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2. How do I change my investment elections for my existing account balance?

Visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Changes to your Savings Plan investment elections for your existing account balance confirmed before the close of the market, normally 4:00 p.m. Eastern time, usually take effect that business day. Changes made after the close of the market, or on weekends or holidays, will receive the next business day's closing prices. Keep in mind that investment in any choices under the Plan shall be made in accordance with rules formulated by the Pension Investment Review Committee. Additionally, the prospectuses for the investment options offered by the Plan may include rules and restrictions that limit your trading.

3. How do I change my investment elections for future contributions?

Visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Changes to your Savings Plan investment elections for future contributions take effect depending on your pay cycle: bi-weekly or monthly. Refer to the Payroll Web site at <http://iwww.unisys.com/uspayroll> for specific dates.

4. How do I find out what my current investment elections are?

Visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

5. Where can I get more information about Savings Plan investment choices?

Visit the Fidelity NetBenefits Web site at <http://netbenefits.fidelity.com> – available 24 hours a day, 7 days a week. You may also call the Unisys Savings Plan at 1-800-600-4015, from 8:30 a.m. to midnight, Eastern Time, Monday through Friday (except New York Stock Exchange holidays). Hearing-impaired employees may reach the Unisys Savings Plan at 1-800-847-0348 during the same days and hours.

Keep in mind that each investment option has its own set of investment strategies and objectives, and that there are varying degrees of investment risk associated with each investment option. You can obtain a detailed description of each investment option and its investment strategies and objectives from Fidelity (for example, prospectuses may be available). Before you invest in any investment choice, you should carefully read the description for that particular choice (for example, the prospectuses) and, if necessary, consult your own personal investment advisor before you take any action under the Savings Plan.

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