



**Supplemental Unemployment Benefit (SUB) Program
United States Steel Corporation and Certain Subsidiary Companies**

Frequently Asked Questions (FAQs)
Benefits While on Layoff Status¹

A. General

1. **I was just informed that the Company is placing me on layoff. What does it mean to be placed on layoff?**

While on layoff, you will be considered an inactive employee and you may be eligible to accrue up to two years continuous service in accordance with the United States Steel Corporation (“USS”) employee benefit plans while you are on layoff.

B. Supplemental Unemployment Benefits

2. **Will I receive any payments from the Company while I am on layoff?**

Employees with three or more years of Basic Labor Agreement Continuous Service as of the date of layoff may be eligible for Supplemental Unemployment Benefits (SUB) pursuant to the SUB Program, set forth in Article Eight, Section B of the Basic Labor Agreement. SUB benefits will be paid only by a check issued from the SUB trust and not by direct deposit.

3. **Am I required to apply for both SUB Benefits and State Unemployment Compensation Benefits?**

Yes. Please fill out and submit the “SUB Application”. In order to receive SUB benefits, you are also required to apply for state unemployment compensation benefits, even if you are not eligible. During weeks that include scheduled vacation, you will not be eligible for SUB benefits and most likely will not be eligible for state unemployment compensation benefits.

4. **Are the benefits under the SUB Program reduced by applicable tax withholdings or any other deductions?**

Yes. SUB payments are considered wages for income tax purposes and are subject to withholding including federal and, if applicable, state and local income taxes. Deductions will be taken for court-ordered child support, garnishments, bankruptcies and levies.

Deductions will be automatically taken in the first pay period ending in the month for Optional Employee Life, Optional Spouse Life, Optional Child(ren) Life, and Optional Accidental Death and Dismemberment Insurance, and Optional Critical Illness and Optional Accident Coverage which you have elected. However, if you do not want the Company to take these deductions from your SUB benefits, you can submit an “Insurance Premium Withholding Opt-Out Authorization Form” as indicated in FAQ-5(g) below.

Deductions will not be taken out of your SUB Program payments for other items such as 401(k) Plan loan repayments and you will be responsible for making these payments as indicated below.

For more information, see the “Payroll Withholdings” document.



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C. Insurance Benefits While on Layoff

5. During the layoff period, does my health and other insurance coverage(s) continue under the Program of Insurance Benefits for Employees of United States Steel Corporation (the "PIB")?

Yes, to the extent summarized below, **assuming that you have 60 days of service.**

- a. **Sickness and Accident** While on layoff, you are not eligible for Sickness and Accident benefits (and sick leave salary continuance, if applicable). For any week during layoff that you are receiving Sickness and Accident benefits, you will not be eligible for SUB payments.
- b. **Group Health Care Coverage (medical, prescription drug, dental and vision care)**
If you have 20 or more years of continuous service on the date you cease work, your coverage will be continued during such layoff up to a maximum of 24 months from the end of the month in which you last worked.

If you have at least 10 but less than 20 years of continuous service on the date you cease work, your coverage will be continued during such layoff up to a maximum of 12 months from the end of the month in which you last worked.

If you have at least 2 but less than 10 years of continuous service on the date you cease work, your coverage will be continued during such layoff up to a maximum of six months from the end of the month in which you last worked.

If you have less than two years of continuous service on the date you cease work, your coverage will terminate at the end of the month in which you last worked.

c. Life Insurance

(1) **Basic Life Insurance** If you have less than 20 years of continuous service and your layoff continues beyond the period described above for continuation of Group Health Care Coverage, you may elect, on or before the 20th day of the month following the month in which your coverage otherwise terminates, to continue your basic life insurance at your cost for an additional period of time (based on your years of continuous service*) to allow your basic life insurance coverage to continue up to a total of 24 months after your layoff. Failure to make your life insurance payments on or before the 20th day of any month will terminate such insurance.

* If you have less than two years of continuous service on the date you cease work, your basic life insurance may be continued on the same basis as if you had two but less than 10 years of continuous service.

(2) **Optional Life Insurance** While on layoff, you may elect to continue your optional life insurance (Optional Employee Life, Optional Spouse Life, Optional Child(ren) Life, and Accidental Death and Dismemberment Insurance) at your cost for the period of time that your basic life insurance is continued at no cost. Failure to make timely optional life insurance payments will terminate such insurance.

d. Health Care and Dependent Care Flexible Spending Accounts (FSAs)

Payroll deductions will be made as long as you have sufficient eligible earnings from which the full deduction can be taken. If there aren't enough eligible earnings to deduct the full amount, no deduction will be taken. SUB Program payments are not eligible earnings. As long as you remain eligible for medical benefits during your absence, FSA coverage continues for the rest of the Plan Year. When you are no longer eligible for medical benefits during your absence, your FSAs end. (COBRA will be offered for the Health Care FSA, if applicable).



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e. **Accident Coverage and Critical Illness Coverage**

Your participation in optional Critical Illness coverage and/or Accident Coverage will continue during layoff for up to the maximum period provided for Group Health Care Coverage in (b) above, as long as you make timely premium payments.

f. **Waiver of Medical Coverage or Working Spouse Reimbursement**

Payment of the monthly Opt-Out Allowance or reimbursement for payment of spouse health care benefits will be made while you are on layoff, subject to plan provisions, for the period described in (b) above for continuation of group health care coverage.

g. **Deductions from your SUB Benefit**

The Company will automatically withhold from your SUB payments premium(s) that are due for Optional Employee Life, Optional Spouse Life, Optional Child(ren) Life, and Optional Accidental Death and Dismemberment Insurance, and Optional Critical Illness and Optional Accident Coverage that you have elected to continue during layoff. These deductions will be taken in the first pay period ending in the month. However, if you do not want deductions for Optional Employee Life, Optional Spouse Life, Optional Child(ren) Life, and Optional Accidental Death and Dismemberment Insurance, and Optional Critical Illness and Optional Accident Coverage premiums taken from your cash benefit under the SUB Program, you will need to submit an "Insurance Premium Withholding Opt-Out Authorization Form". You may revoke your withholding opt-out authorization at any time. If you opt-out of such withholdings, or if your SUB payments are not sufficient to pay the premiums for the insurance benefits you elect to continue during your layoff, the Company will send you an invoice (with payment and mailing instructions) for any premiums that are due. You must send a check or money order to the Company to cover any costs not deducted from earnings. Failure to make such payments on or before the 20th day of any month will result in the termination of such insurance at the end of the last month for which payment was made.

For any month earnings are insufficient to cover the premium(s) for the insurance benefits you elect to continue during your layoff, you must send a check or money order to the Company to cover any costs not deducted from earnings (you will receive an invoice with payment and mailing instructions). Failure to make such payments will result in the termination of such insurance.

6. **Following the termination of my group health care coverage outlined above, can I elect to continue my insurance coverage under the COBRA provisions of the PIB?**

Yes. As you may be aware, the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides you with the option to continue the same health care coverage that you had as an employee immediately prior to your loss of coverage. Subject to certain restrictions, the COBRA continuation provisions in the PIB may be available to you and your eligible dependents to provide coverage beyond the coverage periods outlined above. Unless your coverage terminates for a reason other than gross misconduct, you, your spouse and/or your dependent children may elect to continue your health care coverage without evidence of insurability for up to 18 months; provided, however, that:

- a. if you or if a covered dependent becomes disabled within 60 days of the date you cease work, coverage may be continued for the disabled person(s) (as well as other family members) for an additional 11 months beyond the initial 18 months, and
- b. **the maximum COBRA continuation period outlined above will be reduced by the period such coverage is continued during your absence from work.**



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D. Pension Benefits While on Layoff

7. While on layoff, can I commence my pension benefit under the Steelworkers Pension Trust (SPT)?

You may only commence your eligible SPT pension benefits if while on layoff you retire or otherwise terminate your employment with the Company. The SPT is an independent benefit trust that is not administered by the Company. Any questions regarding your individual circumstances, including your eligible SPT pension benefits, must be directed to the SPT plan administrator at 1-800-848-1953.

E. Retiree Insurance Benefits

8. If I incur a break in continuous service as a result of being on layoff and I am otherwise retirement eligible, will I be eligible for coverage under the United States Steel Corporation Retiree Health Program for USW-Represented Employees (“RHP”) or for retiree life insurance?

Yes, provided you elect to retire, you and your dependents may be eligible for retiree medical coverage under the RHP if you were hired before January 1, 2016, and as of your retirement date:

- a. you have attained at least 15 years of continuous service, and
- b. you are eligible for a Normal Retirement or unreduced Early Retirement Benefit from the Steelworkers Pension Trust.
- c. you are not eligible for Retiree Health Care Account contributions under the USS 401(k) Plan for USW-Represented Employees.

National Steel or Lone Star Technologies, Inc. service may be recognized for purposes of satisfying the eligibility requirements noted above. In addition, there is an additional service requirement for Former National Steel employees and Former Lone Star Technologies, Inc. and subsidiaries employees.

You may be eligible for retiree life insurance coverage if you were hired before January 1, 2016, and as of your retirement date, you have attained the age and service requirements outlined in the USS Pension Plan for eligibility for a pension other than a deferred vested pension (whether or not you are a participant under the USS Pension Plan, you retire with at least 10 years of continuous service, and you are not eligible for Retiree Health Care Account contributions under the USS 401(k) Plan for USW-Represented Employees.

F. 401(k) Plan Benefits While on Layoff

9. While on layoff, what will happen to my account under my 401(k) Plan in terms of participation, making contributions, taking withdrawals, and/or repaying loans?

If the Company places you on layoff, you will not be permitted to make contributions for periods on or after your layoff commencement date. Loan repayments may be made in accordance with the terms of the plan and new loans continue to be available to any eligible participant regardless of their status. Loan repayments are not deducted from SUB Program payments; however, you can arrange to continue your loan repayments by contacting Fidelity Investments at 1-866-395-4877 to establish a repayment arrangement. While on layoff status, you are not eligible for a complete distribution of your account. Being on layoff does not provide any additional withdrawal rights under the 401(k) Plan, nor does it eliminate any of the existing, in-service withdrawal rights that you have as an active employee.



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G. Recalls to Active Employment with the Company While on Layoff

10. If I am offered and accept a recall to active employment while on layoff, what are my benefit entitlements when I return to work?

- a. **Insurance** - If you are recalled from layoff and (1) had some or all of your coverage under the Program of Insurance Benefits terminated, and (2) return to work prior to a break in continuous service, then you will have all of your coverage under the PIB, other than Optional Employee Life, Optional Spouse Life, and Optional Child(ren) Life Insurance, reinstated on the day you return to work. Your HRA Account will be reinstated only if you are enrolled in the CDHP option for Medical Benefits coverage immediately upon your return to work. If your FSAs have not terminated, then your FSA deductions will resume, but only if you return to work in the same plan year in which your FSA deductions ended. If you are on layoff for at least 30 days, certain election changes are permitted within 60 days of your return to work.
- b. **401(k)** - If eligible, you will be permitted to start making contributions to your account and your contribution election(s) on file with Fidelity Investments will be reinstated. Any time spent on layoff status will be recognized for purposes of meeting the six-month waiting period to initially begin participating in the plan.
- c. **SPT** - Eligible time spent on layoff status will be recognized for purposes of meeting the 30-day waiting period to initially become eligible for the SPT. Upon a recall to active employment, the Company will begin to make contributions to the SPT based on your actual contributory hours worked each week.

11. If I am offered and reject a recall to active employment while on layoff, what are my benefit entitlements (if eligible)?

Failure to accept a recall to active employment is considered a voluntary termination of employment and a break in continuous service. As a result, the following will apply:

- a. **Insurance** - Benefits under the Program of Insurance Benefits will terminate along with your employment. You may be eligible for certain direct-pay conversion privileges with the various life and medical insurance carriers. You may be eligible for COBRA continuation of Medical, Health Care FSA, Vision and Dental coverages.
- b. **401(k)** - You are entitled to commence distributions under your 401(k) Plan.
- c. **Pension** - If eligible for a benefit under the SPT, please contact the SPT to determine your eligibility to commence this benefit.

12. Will I be subject to drug and alcohol testing if recalled to active employment?

If you have been absent due to layoff in excess of ninety (90) days, you will be required to undergo drug and alcohol testing, including hair testing, to determine your fitness for duty. In general, at least 1 ½" of head hair is required to obtain a sufficient sample for testing. Failure to provide a sufficient sample for testing may result in delaying your return to work and a loss of benefits such as Supplemental Unemployment Benefits (SUB). Depending on circumstances, you may also be subject to discipline up to and including termination of employment. Any medical reasons or other special circumstances that prevents you from being able to provide a sufficient sample may be discussed with Company medical personnel.



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H. Profit Sharing

13. If I am placed on layoff, how will this affect any Profit Sharing payment that I may be eligible for?

Your eligibility for participation in Profit Sharing will be determined by the eligible hours in the prior quarter (if any) and in accordance with the relevant provisions of the applicable basic labor agreement. For purposes of the 401(k) Plan, your contribution election(s) on file with Fidelity Investments for bonus-type payments will continue to be applied to any Profit Sharing payment that you receive. You have the ability to change your election prior to receiving any such bonus-type payments. Please contact Fidelity Investments at 1-866-395-4877 or www.netbenefits.com/ussteel if you wish to change your contribution election(s).

¹ Disclaimers: This FAQ document is intended to be a general summary of the USS employee benefit provisions that apply to union represented employees covered under the applicable collective bargaining agreement. Actual benefits will be determined in accordance with the USS employee benefit plans and the terms of the applicable basic labor agreement taking into consideration the employee's specific facts. To the extent this summary may be inconsistent with the provisions of the Corporation's benefit plans and other programs, the provisions of the benefit plans and other programs will control. Benefits could be amended or terminated in accordance with the terms of the applicable plans.