



**United States Steel Corporation
Supplemental Unemployment Benefit (SUB) Program
for Non-Union Employees**

**Frequently Asked Questions and Answers
Benefits if Your Employment is Involuntarily Terminated**

This document is a general summary of the employee benefit provisions that apply to non-union employees of United States Steel Corporation (“USS”) and other designated employing companies (“Company”). Actual benefits will be determined in accordance with the terms of the USS employee benefit plans, as amended from time to time, taking into consideration the employee’s specific facts. In the event of an inconsistency between information provided in this document and formal plan documents, the formal plan documents will control.

A. General

1. What is the purpose of the United States Steel Corporation Supplemental Unemployment Benefit Program for Non-Union Employees (“SUB Program”)?

The SUB Program provides benefits to employees in the event that their employment is involuntarily terminated:

- (a) as a direct result of a management decision to curtail plant production schedules or to cease or to limit operations at any employment location or a department or subdivision thereof, restructure the workforce, or relocate a facility or organization, or
- (b) such other circumstances as determined by the Chief Human Resources Officer.

The SUB Program provides cash supplemental unemployment benefit payments. A COBRA subsidy will be provided in accordance with the terms of the applicable plan or program, provided you meet the eligibility requirements under the SUB Program. Outplacement services are also available.

2. When will my employment be terminated?

Under the SUB Program, the Company will provide you with advance notice before your employment is involuntarily terminated. The first date you are no longer employed by the Company (your “Terminated Status Commencement Date”) will be no earlier than the day immediately following:

- (a) the date that is 30 days after you are notified that your employment will be involuntarily terminated, plus
- (b) your unused vacation earned (or purchased) for the calendar year in which you are notified.

Your “Last Day Worked” for purposes of the pension plan and health and welfare programs will typically be the day immediately before your Terminated Status Commencement Date.

B. United States Steel Corporation Supplemental Unemployment Benefit Program for Non-Union Employees

3. Will I receive any payments from the Company under the SUB Program?

You may be eligible for payments under the SUB Program if your employment is involuntarily terminated. To receive payments, you must satisfy each of the eligibility requirements under Section 2 of the SUB Program, which are outlined below.:

- (a) the general eligibility requirements;
- (b) the qualification requirements;
- (c) the unemployment compensation requirement; and
- (d) the Other Compensation requirement.

See FAQs 5 – 8 for information on the above requirements.



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4. What cash benefits are payable to me under the SUB Program if I satisfy the various requirements and for how long are the benefits payable?

Your cash benefits under the SUB Program will be the greater of (a) or (b) below:

- (a) The net of (1) the total cash payable to you as determined using your base monthly pay as of your Last Day Worked and the factors outlined in the table shown below, less (2) the estimated total unemployment compensation benefits you would receive if you were placed on layoff, as determined using the procedures in Exhibit B of the SUB Program. The offset in (2) will be adjusted to:
- zero, if you are otherwise eligible for the SUB Program and inform the Plan Administrator you do not qualify for unemployment compensation benefits for a reason outlined in either paragraph 2.5(a), (c), (d), (e), (f), (g), or (h) of the SUB Program document (see FAQ 7(a), (c), (d), (e), (f), (g), and (h) for further details); or
 - the actual amount of unemployment compensation received (determined prior to any offsets or reductions), if you inform the Plan Administrator you received an amount of unemployment compensation that is less than the amount determined by the procedures in Exhibit B of the SUB Program document.

For purposes of this calculation, the applicable percentage of base monthly pay and the length of the payment period are based on your length of continuous service with the Company as follows:

Years of Continuous Service as of the Date of Termination of Employment	Months Eligible (Maximum)	% of Base Pay During Months 1 – 6	% of Base Pay During Months 7 - 12
< 1	2	60%	0%
1 but < 3	4	60%	0%
3 but < 10	6	60%	0%
10 but < 15	9	60%	50%
15 but < 30	12	60%	50%
30 but < 35	12	60%	55%
> 35	12	60%	60%

For this purpose, continuous service with the Company does not include leased employee service and does not include service with National Steel Corporation and subsidiaries before May 20, 2003. Monthly payments are reduced for certain other compensation, as discussed below.

- (b) One month of base salary as of the day before your Layoff Status Commencement Date, payable over a six-month period.

Your first payment will be made no later than the month after the month in which your executed release becomes irrevocable. If the period during which you may execute the release spans two calendar years, the first payment will be paid in the second year. (See FAQ 5(c).)



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5. What are the General Eligibility Requirements under the SUB Program?

The general eligibility requirements under the SUB Program are met if you satisfy the paragraphs below.

- (a) your active employment is involuntarily terminated as a direct result of:
 - (i) a management decision to curtail plant production schedules or to cease or to limit operations at any employment location or a department or subdivision thereof,
 - (ii) a management decision to restructure the workforce,
 - (iii) a management decision to relocate a facility or organization, or
 - (iv) such other circumstances as determined by the Chief Human Resources Officer;
- (b) you did not receive a reasonable offer of employment from:
 - (i) USS or a subsidiary on or before your last day of your active employment, or
 - (ii) the purchasing business entity, if your suspension of active employment with the Company was caused by a sale of assets or stock to another business entity and such job offer would constitute a reasonable offer of employment if such offer had been made by the Company;
- (c) you have executed a general release in a form satisfactory to the Company of all claims you may have arising out of or related in any way to your employment with the Company;
- (d) you remain in compliance with the United States Steel Corporation Code of Ethical Business Conduct; and
- (e) you return all Company property.

A job offer by the Company will constitute a reasonable offer of employment if:

- (a) you are physically qualified to perform the job;
- (b) you have the ability and skills required to perform the job or have the ability to absorb such training for the job as is necessary to enable you to perform the job satisfactorily;
- (c) the job is not a temporary job or a job known to be of limited duration;
- (d) the rate of pay (including any incentive pay provided pursuant to a collective bargaining agreement if the job offered is in a represented bargaining unit) for the job offered is at least 90% of your base rate of pay as of the Last Day Worked at your previous employment location;
- (e) if you are not covered by the maximum hours provision of the Fair Labor Standards Act, the job offered is (i) not subject to the maximum hours provision of the Fair Labor Standards Act, or (ii) subject to the maximum hours provision of the Fair Labor Standards Act, as long as (a) there are established local practices or contractual provisions that permit reemployment on a job covered by a collective bargaining agreement, and (b) the job that is offered is comparable to the job you had immediately prior to employment on the job held as of the Last Day Worked; and
- (f) the employment location of the job offered is:
 - (i) within 250 air miles of your previous employment location, if you are an employee covered by the maximum hours provision of the Fair Labor Standards Act, or
 - (ii) at any employment location, if you are not covered by the maximum hours provision of the Fair Labor Standards Act.

6. What are the Qualification Requirements under the SUB Program?

The qualification requirements under the SUB Program are satisfied if you:

- (a) did not resign, die or retire prior to the termination date established by your employing Company;
- (b) were not suspended or discharged for cause (as determined by your employing Company);
- (c) do not have a current performance rating of "Does Not Meet"; and
- (d) have not incurred a break in continuous service, as defined in the Salaried Pension Rules under the United States Steel Corporation Plan for Employee Pension Benefits (Revision of 2003) ("USS Pension Plan") (regardless of



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whether you are covered under the Salaried Pension Rules), as a result of a two year absence due to layoff, disability or other reason.

If your eligibility is based on other circumstances as determined by the Chief Human Resources Officer, then (c) above does not apply.

7. *What is the Unemployment Compensation Requirement?*

You must have applied for and be eligible to receive state (or Railroad) unemployment compensation benefits to qualify for SUB Program benefits. This requirement is waived if you are not eligible for state (or Railroad) unemployment compensation benefits as a result of:

- (a) having exhausted your state (or Railroad) unemployment compensation benefits;
- (b) having (i) Other Compensation of less than 60% of your monthly base salary as of the Last Day Worked plus (ii) any pension benefit payable from the Company in an amount that disqualifies you for a state unemployment benefit (“Other Compensation” means any compensation received by you as wages or other remuneration from any employer or from self-employment. Other Compensation does not include retention payments, payments from the United States Steel Corporation Short-Term Incentive Plan and from the United States Steel Corporation Tubular Products Incentive Bonus Plan, or from any other Company incentive plan.);
- (c) not having sufficient employment to be covered under the state system;
- (d) participating in a federal training program;
- (e) no longer residing in the same geographic area where you resided before your employment was terminated;
- (f) being considered to have been engaged in self-employment because you exercised a substantial degree of control over the management of the Company;
- (g) being determined by the state (or Railroad) system to be physically incapable of working due to a disability incurred on or after the last day worked, or
- (h) having eligibility based on other circumstances as determined by the Chief Human Resources Officer, and the payment under the SUB Program is considered by the state (or Railroad) system to be a severance benefit.

8. *What is the Other Compensation Requirement?*

You satisfy the Other Compensation requirement if you do not earn, with respect to the month for which a SUB Program payment is payable, other compensation in excess of 60% of the amount of your monthly base salary as of your Last Day Worked. (See FAQ 7(b) for the definition of “Other Compensation.”)

9. *Am I required to notify the Company if I become ineligible for unemployment compensation or receive Other Compensation?*

Yes. Under the SUB Program, you are required to notify the Company if you are ineligible for a state unemployment benefit in any month you are receiving benefits. You are also required to notify the Company if you receive Other Compensation in any month you are receiving benefits under the SUB Program.

10. *Are the benefits under the SUB Program reduced by applicable tax withholdings?*

Yes. Payments from the Company under the SUB Program are considered wages from the Company and are subject to tax withholding including federal and, if applicable, state and local income taxes and payroll taxes.

11. *Are the benefits under the SUB Program reduced for any reasons other than applicable tax withholdings?*

Yes. Please refer to the pay deductions list, which has been provided separately. SUB Program benefits are not reduced by Other Compensation; however, you are not eligible for SUB payments if your Other Compensation exceeds 60% of your monthly base salary as of your Last Day Worked. Additionally, if you become entitled to or are paid any discharge, liquidation, dismissal, or severance allowance or payment of



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similar kind by reason of any law, the total amount of such payment is deducted from or charged against any SUB Program benefits payable.

SUB Program benefits are in lieu of, and not in addition to, any other severance, layoff or similar type of benefit payable under any Company plan, policy or arrangement. There will be no duplication of benefits as a result of your termination of employment.

12. Do SUB Program benefits have any impact on other benefits?

Your SUB Program benefits will not be considered “eligible salary” for any Company-sponsored pension, profit-sharing, life insurance, or other plan purposes. However, as further explained below, other benefits may be conditioned upon meeting the eligibility requirements under the SUB Program. (See FAQs 15 and 26.)

C. Health & Welfare Benefits if Your Employment Is Involuntarily Terminated under Circumstances Which Would Qualify You for Benefits under the SUB Program

13. When will my coverage end under the Non-Union Insurance Program for Eligible Employees of United States Steel Corporation and Subsidiary Companies (the “GIP-900”)?

- (a) **Life Insurance** – Your basic life insurance coverage ends at the end of the month in which your employment is terminated. (See FAQ 16.)
- (b) **Medical, Dental and Vision Coverage** – Your Medical, dental and vision coverage will end at the end of the month in which your employment is involuntarily terminated. You will be offered the opportunity to elect to continue your medical, dental and vision coverage under the terms of the COBRA provisions of the GIP-900 with a COBRA subsidy. (See FAQ 14 and FAQ 15.)
- (c) **Health Care, Limited Purpose Health Care and Dependent Care Flexible Spending Accounts (FSAs)** – When your employment is involuntarily terminated, you are no longer eligible to continue to make pre-tax contributions to your established accounts (or receive Dependent Care FSA matching contributions). Your FSAs will be terminated at the end of the month in which your employment is involuntarily terminated. (See FAQ 14 and FAQ 19.)
- (d) **Health Savings Account** - At the end of the month in which your employment is terminated, you will no longer be permitted to make contributions into your HSA using payroll deductions. However, the balance that has already been contributed to your account is yours to keep. Account maintenance fees may apply. Call the HSA administrator at 1-855-726-0626 for more information.
- (e) **Critical Illness and Accident Coverage** - Your Critical Illness and Accident Coverage, if elected, will end at the end of the month in which your employment is involuntarily terminated. Upon your termination of employment, you may continue your Critical Illness and/or Accident Coverage by paying premiums directly to Aetna.

14. Following the termination of my health insurance coverage outlined above, can I elect to continue my health insurance coverage under the COBRA provisions of the GIP-900?

Yes. 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 GIP-900 may be available to you and your eligible family members (dependents) to provide coverage beyond the coverage periods outlined above. Unless your coverage terminates for a reason other than gross misconduct, you and your eligible family members (dependents) may elect to continue your medical and/or dental, and/or vision benefits without evidence of insurability for up to 18 months; provided, however, that if you or an eligible family member (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 eligible family members) for an additional 11 months beyond the initial 18 months.

In addition, you may be able to elect COBRA continuation coverage for your Health Care FSA or Limited Purpose FSA. However, your FSA contributions would be on an after-tax basis and are not available in all cases. The



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maximum period of COBRA coverage does not extend beyond the end of the plan year during which your FSA coverage is terminated. Please see the GIP-900 for further details.

15. *What is the COBRA Subsidy?*

If you elect to continue your health coverage under the COBRA provisions of the GIP-900 and you meet the eligibility requirements under the SUB Program, the Company will make a contribution to your COBRA coverage for a six month period in an amount equal to the cost of the applicable COBRA coverage minus the Contribution that would otherwise be required had you continued as an active employee. This will enable you to continue your current coverage at the lower active employee cost rather than paying the full COBRA premium for the six month period.

16. *What happens to my Company-provided Life Insurance (“Basic Life Insurance”) when my employment terminates?*

Basic Life Insurance terminates at the end of the month in which your employment terminates. Ask MetLife if other life insurance options are available to you after your coverage terminates.

17. *What happens to my Optional Employee, Optional Spouse, Optional Child(ren) Life Insurance and Optional Accidental Death and Dismemberment Insurance when your employment terminates?*

Optional Employee Life terminates at the end of the month in which your employment terminates. Optional Spouse Life and Optional Child(ren) Life Insurance and Optional Accidental Death and Dismemberment Insurance terminate on the date that your employment terminates. You may elect to continue the coverage under the Conversion Privilege described in FAQ 18. Ask MetLife if other life insurance options are available to you after your coverage terminates.

18. *What is my Conversion Privilege for Basic, Optional Employee, Optional Spouse and Optional Child(ren) Life Insurance?*

You may apply for an individual policy with MetLife within 31 days of the reduction or termination of your policy(ies) for an amount not greater than the amount of Basic, Optional Employee, Optional Spouse and Optional Child(ren) Life Insurance reduced or terminated. You can apply at any local office of Metropolitan Life Insurance Company or call 1-800-MetLife. No medical examination is required if you make application for conversion within the 31-day period.

19. *If I am currently enrolled in a Health Care Flexible Spending Account (“HCFS”) , will I be able to submit claims for Covered Expenses after my employment is terminated?*

Unless you elect COBRA continuation coverage for your HCFS, contributions to your HCFS will cease at the end of the month in which your termination of employment occurs. Covered Expenses incurred by you and/or your Eligible Family Members prior to the end of the month in which your termination of employment occurs are eligible for reimbursement if you have unused Contributions in your HCFS. Covered Expenses incurred by you and/or your Eligible Family Members following the end of the month in which your termination of employment occurs will not be reimbursed.

D. Retirement Benefits – Employees who participate in the USS Pension Plan

20. *If my employment is involuntarily terminated, can I commence my pension benefit under the USS Pension Plan?*

Yes, once you have applied for your pension benefits.



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21. *When will I receive payment of my pension benefits under the USS Pension Plan if I retire?*

Normally, the Pension Fund commences the payment of the pension benefits to retiring employees at the end of the month following the month of the employee's retirement. A timely payment of your pension benefits is possible only if you complete the Pension Fund's benefit application process in a timely manner.

22. *Can I roll my lump-sum pension benefit under the USS Pension Plan into my Savings Account under the Savings Plan?*

Yes, the taxable portion of your lump-sum pension benefit from the USS Pension Plan can be rolled over to your Savings Account under your Savings Plan. If you made "after-tax" employee contributions to the Plan during your career, these contributions will be non-taxable and will be paid in a separate check. You may not roll over such after-tax employee contributions to your Savings Plan.

E. *Savings Plan Benefits*

23. *What benefits am I entitled to with my Retirement Account under the Savings Plan?*

The Company will continue to make Retirement Account contributions for the period prior to your Last Day Worked (if you are otherwise eligible for such contributions). Your Retirement Account contributions (and earnings thereon) become fully vested if your employment is involuntarily terminated, even if you have not met the normal vesting requirement of 3 years of continuous service (2 years for participants in the U. S. Steel Tubular Services Savings Plan).

24. *When my employment is involuntarily terminated, what will happen to my Savings Account under the Savings Plan in which I participate in terms of participation, making contributions, taking withdrawals, and/or repaying loans?*

You are always fully vested in the contributions (and earnings thereon) you made to your Savings Account. Your matching Company contributions (and earnings thereon) become fully vested if your employment is involuntarily terminated, even if you have not met the normal vesting requirement of 3 years of continuous service (2 years for participants in the U. S. Steel Tubular Services Savings Plan). You will not be permitted to make contributions from payments made to you under the SUB Program. 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 that you may be eligible for; however, you can arrange to continue your loan repayments by contacting Fidelity Investments at 1-866-395-4877 to establish a manual or ACH repayment arrangement. After your Employment Termination Date, you will be eligible for a complete distribution of your Savings Account.

25. *I am under age 59 1/2 and want to withdraw a portion of my Savings Plan account(s) after my employment is involuntarily terminated. Will I have to pay a 10% early withdrawal penalty?*

Withdrawals made before age 59 ½ may be subject to an additional 10% early distribution federal income tax. However, the additional 10% tax generally does not apply to payments that are paid to you from the Savings Plan after you separate from service with your employer if they are made during or after the year in which you attain age 55. Other exceptions to the 10% penalty may apply; consult your tax advisor.



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F. Other Benefits

26. If I am involuntarily terminated, how will this affect my long-term incentive grants (stock options, restricted stock units, and performance awards)?

In general, if you are involuntarily terminated and meet the eligibility requirements for benefits under the SUB Program, your long-term incentive grants will vest on a prorated basis based on the number of full months worked during the vesting year.

- Restricted stock units - will vest and be distributed immediately upon your termination of employment.
- Stock options - will vest and become exercisable on the next regularly scheduled vesting date.
- Performance awards - will be distributed at the end of the performance period based on goals achieved.

If when your employment ends you are at least age 60 with five years of service, or age 65, your termination of employment will be considered a retirement and you will be fully vested in any long-term incentive grants, provided your termination of employment occurs at least six months after the grant date.

Stock options will expire on the earlier of (i) three years after your date of termination (five years after your date of termination for stock options granted in 2017), or (ii) the original expiration date.

Note: If you are a “specified employee” as defined under Section 409A of the Internal Revenue Code (i.e., generally an officer of the Company), distribution of the restricted stock units and performance awards will be delayed until the first day of the seventh month following your termination of employment.

G. Tuition Assistance Plan

27. If I am involuntarily terminated, how will this affect the Tuition Assistance Plan?

If you were a participant in the Tuition Assistance Plan prior to your notification date, you may continue your current course enrollments. Upon your current enrollment completion, you have 45 days to provide proof of completion to the Tuition Plan Administrator in order to qualify for a reimbursement under the Tuition Assistance Plan.

No tuition assistance will be provided for courses with start dates or registration dates after your notification date.

The tuition debt repayment obligation will be waived by the Company and cleared from your file.

Any questions on tuition assistance may be sent to the Tuition Assistance Plan’s mailbox (Tuition@uss.com).

H. Adoption Assistance Plan

28. How is the Adoption Assistance Plan Affected?

When your employment terminates, you are no longer able to participate in the U. S. Steel Adoption Assistance Plan. Expenses incurred before your termination of employment, if otherwise eligible, may only be reimbursed if the adoption process was completed before your termination of employment. Expenses incurred after your termination of employment are not reimbursable.