

Vanguard®

FedEx®

# Your transition guide to your new 401(k) plan



## On January 1, 2022, FedEx will introduce a 401(k) plan called the FedEx Corporation Retirement Savings Plan II (RSP II). You will participate in this new plan because you either:

- Were hired, rehired or transferred from a company that didn't offer a pension plan after 2019.
- Elected to participate in the new 401(k) plan during the Retirement Choice Period.

On December 31, 2021, your account balance in the FedEx Corporation Retirement Savings Plan (RSP) will move to the RSP II. This is true even if you were hired or rehired after December 2019 and your employment ends prior to the transition.\* Your future contributions and employer contributions will be redirected to your new plan as well.

**Please carefully review the next page of this guide for information about periods during the transition from the RSP to the RSP II when you temporarily will be unable to change your paycheck contributions, direct or diversify investments in your individual accounts, obtain a loan from the plans or obtain a distribution from the plans. Your investments, however, will be transferred in kind so your account balance will not be out of the market during the transition.**

**Whether or not you are planning retirement in the near future, we encourage you to carefully consider how these temporary restrictions may affect your retirement planning, as well as your overall financial plan.**

### An important note for former employees

If you were hired or rehired after December 2019 and no longer work for FedEx, much of the information below will not apply to you, but your balance will be transferred to RSP II, and the temporary restrictions on your ability to initiate withdrawals and changes to your plan investments that are detailed on the next page will apply. Also, if you are receiving installment payments or required minimum distributions (RMDs) in the RSP via direct deposit to your bank account, you will need to reestablish your instructions in the RSP II. After the transition ends, be sure to log in to your account and reestablish your bank deposit instructions. That way, you can continue to receive your installment payments via direct deposit.

If you receive installment payments by mail, you can go online after the transition ends in late January to set up ACH instructions so you can receive payments electronically.

\*Accounts of employees transferring to an ineligible position (i.e. FedEx Ground, Inc. package handler) or to a FedEx employer or position that does not participate in the RSP or RSP II, will not be transferred.

# Great news!

As part of this transition and as an active participant in the plan, eligible employees will receive a higher company match of up to 8 percent of eligible earnings.

## What's inside

This guide provides key details about what to expect in the coming weeks and how your current account information will be moved. You can access your account by logging in to [vanguard.com/retirementplans](https://vanguard.com/retirementplans). As part of the transition, access to your account in your current plan will be restricted for a short period of time to allow for the transition of account information to your new plan.

To help make sure there's an orderly and accurate transfer of your account information from the RSP to the RSP II, activity in your current plan will need to be temporarily restricted.

Please see the "Key dates" table for a list of restricted transactions.

## Key dates

December 17, 2021, at 4 p.m., Eastern time	<b>Transition activities to RSP II begin.</b> Deadline to make the following changes in the RSP until the transition ends: <ul style="list-style-type: none"><li>• Change your investment elections for future contributions.</li><li>• Change the amount of each paycheck you contribute.</li></ul>
December 21, 2021, at 4 p.m., Eastern time	Deadline to fully pay off an outstanding loan balance until after the transition ends.
December 23, 2021, at 4 p.m., Eastern time	Last day to submit correct and complete principal residence loan or hardship withdrawal paperwork and to initiate electronic bank transfer loan issuances and loan payments. ( <b>Note:</b> Vanguard offices will be closed on December 24, 2021.)
December 28, 2021, at 4 p.m., Eastern time	Deadline to make the following changes until the transition ends: <ul style="list-style-type: none"><li>• Move money between funds.</li><li>• Request non-hardship withdrawals or distributions.</li><li>• Make brokerage transactions.</li><li>• Submit a rebalancing request.</li><li>• Enroll in the Vanguard Managed Account Program.</li></ul>
December 31, 2021, at 4 p.m., Eastern time	All assets in your account are transferred in kind to the RSP II. Your money will not be out of the market.
Week of January 24, 2022	<b>Transition ends.</b> All transactions are available through Vanguard.

If you have any questions concerning these temporary restrictions, you should contact Vanguard at [vanguard.com/retirementplans](https://vanguard.com/retirementplans), at **1.800.523.1188** or in writing at P.O. Box 2900 Valley Forge, PA 19482-2900.

# How your money will move

Your money will move to the same investments you have on file. If you'd like to make changes before the transition, please take action by the dates listed in the table.

If you do not have any investment elections on file in the RSP, any future contributions will be invested in the Vanguard Target Retirement Trust with the target date closest to the year you will turn age 65.

Investments in Target Retirement Trusts are subject to the risks of their underlying funds. The year in the trust name refers to the approximate year (the target date) when an investor in the trust would retire and leave the workforce. The trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Trust and the Income and Growth Trust have fixed investment allocations and are designed for investors who are already retired. An investment in a Target Retirement Trust is not guaranteed at any time, including on or after the target date.

## Review your investments

During the transition, you will be unable to direct or diversify the assets held in your plan account. For this reason, it is very important that you review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during the transition period. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income and investments.

If you are invested in the brokerage window, you should be aware that there is a risk to holding substantial portions of your assets in the securities of any one company, as individual securities tend to have wider price swings, up and down, in short periods of time than investments in diversified funds. Stocks that have wide price swings might have a large loss during the transition period and you would not be able to direct the sale of such stocks from your account during the transition period.

The plan offers Vanguard Target Retirement Trusts as an all-in-one investment option intended to provide a well-balanced and diversified portfolio within a single option. Diversifying means having different types of investments. It doesn't guarantee you'll make a profit or that you won't lose money.

# Transition highlights

As part of the transition to the RSP II, you will see an enhanced employer match.

- **The Company match.** FedEx will contribute an amount equal to 8 percent of your eligible earnings when you save at least 6 percent. Here's how the match works: FedEx will contribute \$2 for every \$1 you save of the first 2 percent of your eligible earnings. Then, FedEx will contribute \$1 for every \$1 you save of the next 4 percent.

Your contribution	The Company match
1.0%	2.0%
2.0%	4.0%
3.0%	5.0%
4.0%	6.0%
5.0%	7.0%
6.0%	8.0%

- **Your contribution rates.** No matter what types of contributions you're making, your choices will carry over to your new plan. However, if you're saving less than 6 percent (combined pre-tax and catch-up) of your eligible earnings, we'll set your combined rate at 6 percent by increasing your pre-tax percentage. This way you'll get the full benefit of the Company match. To change your contribution rate at any time, log in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans).

**For example:**

- > **If you're saving between 0 and 5 percent pre-tax,** we'll increase your pre-tax contribution rate to 6 percent of your eligible earnings.
- > **If you're saving between 0 and 5 percent of combined pre-tax and catch-up,** we'll increase your pre-tax contribution rate by the needed percentage to bring up your combined rate to 6 percent of your eligible earnings.
- > **If you're saving more than 6 percent pre-tax or as a combination of pre-tax and catch-up,** your contribution rate will remain the same.

**Note:** If your contributions were suspended because you reached the annual IRS limit, your contribution rate on file will be reinstated at the start of January 2022 if you're saving at least 6 percent. If you were saving between 0 and 5 percent of combined pre-tax and catch-up contributions, your contribution rate will be increased to 6 percent upon reinstatement to the plan so that you can immediately take advantage of the new 8 percent employer match.

As part of the transition to the RSP II in January 2022, it's important to understand what is changing and how some of your elections that you currently have in the RSP will be impacted. The RSP II features are generally the same. Please see the table below for details. It can help you determine what actions may be appropriate for you to take after the transition is complete.

Item	RSP II
Account balance	Your account balance will move automatically from the RSP to the RSP II. Your money will be invested the whole time — it will not be out of the market.
Automatic increases	<p>Any automatic increase choices you had set up in the RSP <b>will not carry over</b> to the RSP II in January 2022. You will be automatically enrolled in the auto-increase feature in the RSP II which will increase your pre-tax contribution rate by one percentage point each year beginning in January 2023 until it reaches 10 percent. You can change the percentage increase (up to three percentage points), change the month of the increase or opt out at any time.</p> <p><b>Note:</b> The automatic increase feature will not apply to any catch-up or after-tax percentages that you may choose in the RSP II.</p>
Investment options	The investment choices you have in place will automatically carry over to your new plan.
Loans	If you have a loan, your loan balance will transfer and your payments will continue in the RSP II. No action is required on your part.
Beneficiary information	The beneficiary designations you have in place in the RSP <b>will</b> carry over to your new plan. You may review your beneficiary elections by logging in to your account at <a href="https://vanguard.com/retirementplans">vanguard.com/retirementplans</a> . Check out the upper right corner of your home page to access your profile.
E-delivery	If you chose e-delivery before the transition, you will continue to receive these communications electronically. If you haven't yet selected e-delivery, you can do so by logging in to <a href="https://vanguard.com/retirementplans">vanguard.com/retirementplans</a> . Check out the upper right corner of your homepage to access your profile.
Power of attorney	If you have a power of attorney on file with Vanguard, you will need to submit a new one in January.
Vanguard Managed Account Program (VMAP™), powered by Edelman Financial Engines	If you are enrolled in VMAP, your enrollment in the service will move to the RSP II.
Personal Online Advisor (POA), also powered by Edelman Financial Engines	You can choose to use POA by logging in to your account at <a href="https://vanguard.com/retirementplans">vanguard.com/retirementplans</a> .
Brokerage option	Assets in your brokerage account will transfer to the RSP II. If you have a brokerage option, a new brokerage account will be set up for you in the RSP II. Once the account is set up, you'll get a welcome kit in the mail so that you can complete your account registration. When your registration is complete, you'll have full access to your brokerage option in the RSP II. Full transactional access will be granted only after completing the new account registration process.
Banking instructions	Banking instructions you have on file <b>will not</b> carry over to the RSP II. If you'd like to take money out of your RSP II account (in the form of a loan or withdrawal), you'll need to provide your bank information to Vanguard again .

## Be on the lookout for your consolidated statement

After the transition, you will receive a consolidated statement showing your money moving from the RSP to your new RSP II. If you are receiving your statements via e-delivery, just log in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans) to view your statement after the freeze lifts the week of January 24, 2022.

# Access your account after the transition

You will be notified in January that the freeze has been lifted on your new plan and that access to your new RSP II is now available. After the transition is complete, you can make changes to your RSP II anytime by logging in to your account at [vanguard.com/retirementplans](https://vanguard.com/retirementplans). The plan number for the RSP II is **090381**.

If you have any questions, you can call Vanguard at **1.800.523.1188** (en español **1.800.828.4487**). Associates are happy to help you Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

## Have you tried Vanguard's new website?

Check out Vanguard's reimaged website experience at [vanguard.com/retirementplans](https://vanguard.com/retirementplans). The goal of the new site is to help you make the best decisions for your future with ease and confidence. The content is personalized just for you — and the simplified navigation can guide you to exactly what you need. It offers education at key moments, when it's relevant. Checking in on your retirement plan has never been easier. If you are not yet web registered, you will need your new plan number for the RSP II, **090381**.

## Get the app

Get Vanguard's easy-to-use app at [vanguard.com/bemobile](https://vanguard.com/bemobile). No matter where you go, your account will always be at your fingertips — to change investments, research options, review beneficiary information, and more.

## Connect with Vanguard®

[vanguard.com/retirementplans](https://vanguard.com/retirementplans) > 800-523-1188

The FedEx Corporation Retirement Savings Plan I and FedEx Corporation Retirement Savings Plan II are governed by formal plan documents and, in the event of any conflict between this announcement and the applicable plan document, the formal plan document will control. FedEx reserves the right to amend or terminate any of its employee benefit plans, in whole or in part, at any time and for any reason.

*Whenever you invest, there's a chance you could lose the money.*

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### Participant Education

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