



# Summary Plan Description of the Lumen 401(k) Savings Plan

## Non-Union Employees

Please read this summary plan description carefully and keep it for future reference

Effective January 1, 2022

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# 1. INTRODUCTION

Lumen maintains the Lumen 401(k) Savings Plan (the “Plan”) to benefit eligible Employees of Lumen and other Participating Companies (individually or jointly, the “Company”). This summary plan description, referred to as the “SPD,” explains the main provisions and features of the Plan in effect on January 1, 2022. Please read this SPD carefully. It is important that you understand the Plan requirements and the benefits it can provide.

This SPD is a summary of the Lumen 401(k) Savings Plan document as amended and restated as of October 15, 2020. This most recent plan document restatement reflects the following changes to the Plan.

- Effective September 14, 2020, the Lumen brand was launched and this Plan’s name has been changed to the Lumen 401(k) Savings Plan, it was previously named the CenturyLink Dollars & Sense 401(k) Savings Plan.
- Effective September 1, 2020, the CenturyLink Union 401(k) Plan was merged into the CenturyLink Dollars & Sense 401(k) which was later renamed to be the Lumen 401(k) Savings Plan as explained above. Subsequently that same year, the Streamroot, Inc., 401(k) Plan was merged into the Plan as well.
- The incorporation of previously adopted Plan amendments that incorporate legal and operational changes made by the Company.

The SPD does not and cannot modify the terms of the Plan document. This means that, in the event of inconsistencies between the SPD and the Plan document, the Plan document will control. Any capitalized term used but not defined in this SPD has the same meaning as in the Plan document.

This SPD provides Plan information that is specific to eligible Employees of the Company who are not represented for collective bargaining purposes by a labor organization within the meaning of the Labor Management Relations Act. There is a separate SPD that provides Plan information that is specific to represented employees who have retirement benefits that are covered under the terms of a collective bargaining agreement.

The purpose of the Plan is to provide a convenient way for Employees who are eligible to participate in the Plan to save on a regular and long term basis and to encourage such Employees to continue their careers with the Company.

The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”). The Plan is intended to be an “ERISA Section 404(c) Plan.” As an ERISA Section 404(c) Plan, if Participants provide investment instructions for the investment of their accounts in compliance with ERISA Section 404(c), the Plan fiduciaries (as explained in this SPD) will not be liable for the investment decisions made by Participants, including any investment gains or losses that are the result of the Participant’s investment instructions.

## **Keep Access to Your Plan Account Secure**

Data security is one of today’s biggest issues facing all of us as our world becomes more electronic and computer-based. The Company and the Lumen Employee Benefits Committee (the “Committee”) encourage you to take steps to protect your personal information and to prevent unauthorized access of your Plan Account.

## WAYS TO PREVENT UNAUTHORIZED ACCESS TO YOUR PLAN ACCOUNT

The following are some ways to help prevent unauthorized access of your Plan Account:

- Do not share your Plan Account access information or passwords with anyone – not even family.
- Do not write down your Plan Account access information or passwords. But, if you have to write them down, do not store them in a location that is easily accessible by others or on your computer in a location that can be easily hacked.
- Change your passwords from time to time.
- Periodically monitor your Plan Account and, if you notice something amiss with your Account, immediately contact the Principal Financial Group (see page 4 for contact information).

### **Lumen's Right to Use Your Social Security Number for Administration of Plan Benefits**

Lumen and the Committee retain the right to use your Social Security Number for Plan benefit administration purposes, including but not limited to, tax reporting. If a state law restricts the use of Social Security Numbers for benefit administration purposes, Lumen generally takes the position that ERISA preempts such state laws.

## 2. THE PARTIES RESPONSIBLE FOR THE PLAN AND ITS OPERATIONS

The Plan Sponsor, the Plan Administrator, the Investment Fiduciary and the Trustee are the key parties that have duties and responsibilities regarding the Plan and its operation. Each of these party's specific duties and responsibilities regarding the Plan are summarized below.

### Plan Sponsor

#### Lumen

The Plan Sponsor is Lumen Technologies, Inc., referred to throughout this SPD as Lumen. The address and phone number of Lumen is:

Lumen  
100 CenturyLink Drive  
Monroe, LA 71203

Phone Number: 318.388.9000

#### Employer Identification Number or EIN

The "Employer Identification Number" assigned to Lumen by the Internal Revenue Service is 72-0651161.

#### Participating Company

A "Participating Company" is any employer that is related to Lumen and that has elected to allow its employees to participate in the Plan. You may make a written request to the Committee to find out whether or not a particular entity is a Participating Company. Written requests should be sent to the Participant Contact (see page 4 for contact information).

#### Company

"Company" is the term used in this SPD to refer to Lumen and the Participating Companies either individually or jointly as the context requires.

#### Plan Administrator

The Plan Administrator is the Lumen Employee Benefits Committee. The Committee and its designated delegates, oversee daily administration and keep the Plan's records. The Committee has the sole authority, right and discretion to determine all matters of fact or interpretation relative to the administration of the Plan, including questions of eligibility for participation and benefits, interpretation of Plan provisions, communications with Participants and their beneficiaries, and otherwise generally is responsible for Plan daily operations. The decisions of the Plan Administrator, and any other person or group to whom the Plan Administrator has delegated its authority and discretion, will be conclusive and binding on all persons. References in this SPD to the Plan Administrator include any delegates.

#### Lumen Employee Benefits Committee (the "Committee")

The Lumen Employee Benefits Committee, also referred to as the Committee, has been appointed by the Board of Directors of Lumen to serve as the Plan Administrator. The Committee is not responsible for Plan investments and does not have the power to amend the Plan. (See page 4 for information about the investment fiduciary and page 51 for information about Plan amendment authority.)

Each member of the Committee serves until his or her successor has been appointed, or until he or she resigns or is removed by the Board of Directors of Lumen or its delegate. Committee members do not receive compensation for their service on the Committee.

You may contact the Committee at:

Lumen Employee Benefits Committee  
c/o Lumen  
214 E. 24th Street  
Vancouver, WA 98663

The Committee may delegate some or all of its authority to delegates. References to the Committee include these delegates. Lumen and the Committee have delegated authority with respect to certain matters to Company officers, Company employees and third party administrators.

## **Principal Financial Group**

The Committee has appointed Principal Financial Group as the Plan's third party administrator and recordkeeper to assist the Committee in carrying out its duties and responsibilities with respect to the Plan. For example, Principal Financial Group has been delegated certain authority by the Committee to accept enrollments, contribution designations and changes, investment directions, beneficiary designations, and requests for distributions, loans, etc. from Participants. It also reviews first level claims in the Plan's claims process.

## **Participant Contact Center**

The Participant Contact Center is your primary resource for information regarding your Account and the Plan, including obtaining the plan document, forms, etc. The mailing and delivery address of the Participant Contact Center, and its phone number and website are:

Principal Financial Group  
711 High Street  
Des Moines IA 50392  
**Phone Number:** 800-547-7754  
**Website:** [principal.com](http://principal.com)

## **Accessing Your Plan Account**

*Active employees only* - To access your Account go to [Lumen.com/my401k](http://Lumen.com/my401k).

*All Plan participants, including retirees and terminated employees* may access Account information at [principal.com](http://principal.com).

To register, first go to [principal.com/welcome](http://principal.com/welcome) and go through the registration process. If you already have an account with Principal (tied to another product), use the same username and password you've already established to log in. If you don't already have an account with Principal, create your username and password. (While initially authenticating your Principal account, you will be asked for an alternate ID. You should use your SSN for this one-time request.)

## **Investment Fiduciary - CenturyLink Investment Management Company**

The CenturyLink Investment Management Company, or CIM, has been appointed by the Board of Directors of Lumen to serve as the Plan's Named Fiduciary for all purposes related to the management and investment of Plan assets. CIM is a corporation that is a subsidiary of Lumen. CIM is located at 931 14th Street, 12th Floor, Denver, CO 80202.

With respect to the Plan, CIM has the authority to, among other things, without limitation: appoint and remove trustees, investment managers and other investment-related service providers; monitor the performance of all



investment-related service providers; enter into agreements and amendments to those agreements; approve processes and policies for payment of investment-related Plan expenses; and, determine general investment strategies for Plan assets. Participants, however, are responsible for selecting how to invest their Accounts among the various funds made available from time to time under the Plan (see Section 6: Investment of Your Plan Account beginning on page 23 for more information about Participant investment direction).

## **Investment Manager**

An “Investment Manager” is a firm to which CIM has delegated the authority to manage the investment of a portion of Plan assets. You can find information about the Investment Managers for the Plan investment funds on the Fund Fact Sheets. You can view or request a copy of the Fund Fact Sheets by calling the Lumen Benefits Line at 800.729.7526 or Participant Contact at 800.547.7754, or signing on to the Lumen Intranet or [principal.com](http://principal.com). This information is subject to change at any time without advance notice. For current information, contact the Participant Contact Center (for phone number and website, see page 4).

## **Self-Directed Brokerage Account**

The Plan makes available a self-directed brokerage account, which is referred to as the “PCRA” (see Section 6: Investment of Your Plan Account beginning on page 23 for more information about Participant investment of Plan Accounts). The self-directed brokerage account is made available through Charles Schwab & Company, Inc. (“Schwab”). You can contact Schwab through the Schwab PCRA Call Center at 888.393.7272 (PCRA). This is an investment option for a sophisticated investor.

## **Trust Fund and Trustee**

A trust fund has been established to receive and hold the contributions to the Plan. The Plan’s trust fund is known as the CenturyLink Defined Contribution Plan Master Trust (the “Trust”).

A trustee is responsible for making certain that the Trust holds the assets of the Plan for the exclusive benefit of Participants and beneficiaries. The trustee of the Trust is The Northern Trust Company (the “Trustee”). The Northern Trust Company will serve as the Plan’s Trustee until it is removed by CIM or resigns. The Northern Trust Company is not responsible for the management, investment and/or control of the assets of the Trust established with respect to the Plan and/or for the disbursement of benefits, except as directed by CIM or the Committee, as applicable.

You may contact the Trustee at:

The Northern Trust Company  
50 S. LaSalle St.  
Chicago, IL 60603

Phone number: 312.557.3540

## **Agent for Service of Legal Process**

In the event you ever feel it necessary to take legal action against the Plan, “service of legal process” may be made upon the CT Corporation System, 7700 East Arapahoe Road, Suite 220, Centennial, Colorado 80112. Service of legal process also may be served on the Trustee or the Committee at their addresses indicated on pages 3 and 5 of this SPD.

Any lawsuit to enforce a claim for Plan benefits or to interpret the Plan may be brought ONLY by civil action in the United States District Court for the Western District of Louisiana.

## **Where You Can File A Lawsuit Against the Plan**

By virtue of your participation in the Plan, (1) you are deemed to have irrevocably consented to the jurisdiction and venue in the United States District Court for the Western District of Louisiana as the only court in which you can bring lawsuits to enforce a claim for Plan benefits or to interpret the Plan and (2) you also are deemed to have agreed to irrevocably waive any defense based on lack of venue, personal jurisdiction, forum non conveniens, transfer, priority doctrines and any other defenses of similar type or import.

## 3. PARTICIPATING IN THE PLAN

### Covered Employees

Only certain categories of employees of the Company, referred to in the Plan and this SPD as “Covered Employees,” may become eligible to participate in the Plan. You are a Covered Employee if:

- You are a full-time Employee who is employed by the Company.
- You are a part-time Employee who is employed by the Company. You are a part-time employee if you are regularly scheduled to work fewer than 30 hours each week.

As of September 1, 2020, the term “Covered Employees” includes both Covered Non-represented Employees and Covered Employees who are represented by a labor union. Please be aware that this version of the SPD only applies to Represented Employees. Another version the Plan’s SPD provides terms that are specific to Non-represented Employees.

### Ineligible Employees

An ineligible employee is an employee who is not a Covered Employee. You are not a Covered Employee and, as a result, you are not eligible to participate in the Plan if:

- You are a Represented Employee, and the collective bargaining agreement governing the terms of your employment does not provide for your participation in the Plan.
- You are employed by the Company in a temporary or seasonal employment category as defined by the Company in its sole discretion.

**Note:** If you are a temporary or seasonal employee who had an account balance in the Qwest Savings & Investment Plan (the “QSIP”), that QSIP Account has been transferred to this Plan. As a temporary or seasonal employee, you can continue to direct the investment of your Plan Account and request distributions, withdrawals and loans from your Account, but on and after April 1, 2012, you cannot make any contributions into your Account unless your employment category changes so that you become a Covered Employee or, if you are covered by a collective bargaining agreement, the governing collective bargaining agreement permits you to be eligible to make contributions to the Plan.

**Also Note:** If you are a temporary employee or intern who had an account balance in the SAVVIS, Inc. 401(k) Plan (the “Savvis Plan”), that Savvis Plan Account has been transferred to this Plan. You can continue to direct the investment of your Plan Account and request distributions, withdrawals and loans from your Account, but on and after January 1, 2013, you cannot make any contributions into your Account unless your employment category changes so that you become a Covered Employee.

**Note:** If you are a temporary employee or intern who had an Account balance in the Level 3 Communications, Inc. 401(k) Plan (the “Level 3 Plan”), your Level 3 Plan Account has been transferred to this Plan as of 11:59 p.m., Central Time, December 31, 2017. You can continue to direct the investment of your Plan Account and request distributions, withdrawals and loans from your Account, but on and after January 1, 2018, you cannot make any contributions into your Plan Account unless your employment category changes so that you become a Covered Employee.

- **You are a Leased Employee.** A “Leased Employee” is any person who performs services for the Company under the Company’s primary direction or control, pursuant to an agreement between the Company and a leasing organization.
- You are a nonresident alien who receives no earned income from a source within the United States.
- You are an independent contractor.
- You are employed by an entity that does not participate in the Plan as a Participating Company.
- **You are a Project Based Employee.** A “Project Based Employee” is an Employee who, on or after May 23, 2016, (a) is categorized in the Company’s payroll system as a “project based employee,” (b) is hired by the Company for a known period that is projected not to exceed an aggregate of 24 months, whether or not the months are consecutive, and (c) is employed by the Company to perform services pursuant to a specific contract, which is between the Company and an external customer of the Company and which contains an assessed “completed by” date.

## When Your Plan Participation Commences

A Covered Employee who meets the Plan's applicable eligibility requirements is known as a "Participant."

If you are a Covered Employee, you are eligible to participate in the Plan and become a "Participant" following 30 calendar days of employment with the Company if you are an actively employed Covered Employee on that day. Once you are a Participant, you can make Pre-Tax Contributions, Roth Contributions and/or After-Tax Contributions (individually or together, "Employee Contributions") and receive allocations of Company Matching Contributions for Pre-Tax Contributions and Roth Contributions. A Participant who is currently making Employee Contributions to the Plan may be referred to as an "active Participant" or as actively participating in the Plan.

Also, once you are a Participant, you should designate a beneficiary who will receive your Account balance in the event of your death before your Account has been fully paid to you. See Section 11: What Happens To Your Plan Account If You Die beginning on page 45 for more information about designating a beneficiary.

## Making Employee Contributions

If you are not in a group that is eligible to be automatically enrolled then you must make a contribution election through the Participant Contact Center or on-line. Contact information for the Participant Contact Center can be found on page 4.

## How to Opt Out of Automatic Employee Contributions

If you do not wish to have the automatic employee contributions apply to you, or if you wish to contribute a different percentage of your Compensation to the Plan (including zero percent (0%)), or if you wish to make Roth Contributions and/or After-Tax Contributions instead of, or in addition to, Pre-Tax Contributions, you must change your contribution election during the first 30 days following your date of hire and instead make a voluntary contribution election. To take one of these actions, you need to make a new contribution election through the Participant Contact Center or on-line. Contact information for the Participant Contact Center can be found on page 4.

If you make your opt out election within 30 days from your hire date, no automatic employee contributions will be taken out of your Compensation. If you make an employee contribution election change after the end of this 30-day opt out period, contributions may have been deducted from your paychecks and deposited into the Plan. These amounts generally are required to be held in the Plan until you have a distribution event (see Section 8: Distributions beginning on page 37). However, under an exception to this general rule, you may be able to obtain a refund of automatic employee contributions if you file a request for refund within 90 days after the date the first automatic deferral is deducted from your paycheck (for more information, see Request for Return of Automatic Employee Contributions within the First 90 Days of Deposit on page 32).

*You can always change your contributions to the Plan by making a new contribution election. But, if you know that you do not want to contribute to the Plan when you are hired, you will want to make an employee contribution election electing zero percent (0%). This way, you will avoid the deduction from your paychecks of any unwanted automatic contributions.*

## Automatic Annual Increase in Pre-Tax Contributions

Your employee contribution election will be increased automatically by 1% on each April 1st after you have been participating in the automatic employee contribution feature for at least 6 months until your Pre-Tax Contribution reaches 6% of your eligible Compensation. This is meant to help you increase your savings toward your retirement goals. You can stop this automatic escalation or otherwise change or increase your employee contribution election at any time. To take one of these actions, you need to make a new contribution election through the Participant Contact Center or on-line. Contact information for the Participant Contact Center can be found on page 4.

## EXAMPLE - AUTOMATIC ANNUAL INCREASE IN PRE-TAX CONTRIBUTIONS

Assume you are a new Participant in 2022 with an auto enrollment date prior to October 1, 2022, and you have been automatically enrolled in the Plan. In this case, your automatic Pre-Tax Contribution for 2022 will be 3% of your Compensation. Then, assuming you have not made any changes to your contribution election and were auto enrolled for at least 6 months:

- as of April 1, 2023, your automatic employee contribution will be increased to 4% of your Compensation,
- as of April 1, 2024, your automatic employee contribution will be increased to 5% of your Compensation, and
- as of April 1, 2025, your automatic employee contribution will be increased to 6% of your Compensation.

After April 1, 2025, your Employee Contributions will not be automatically increased unless you affirmatively elect to have your Employee Contributions increase.

The automatic annual increase of your Pre-Tax Contributions (described above) continues to apply only as long as you do not make any changes to your contribution election. If, after you have been automatically enrolled in the Plan (as described above), you access your Plan Account to change your contribution rate or to change the type of contributions to be made (for example, you want to make Roth contributions), your Pre-Tax Contributions will no longer be automatically increased each year. **Only you can determine what is an appropriate contribution amount to make to meet your retirement goals. For many, 6% is not sufficient to meet their retirement goals and accordingly, contribute at a higher rate.**

## EXAMPLE - WHEN THE AUTOMATIC ANNUAL INCREASE CEASES

Assume you are automatically enrolled in 2022 as described above at the 3% Pre-Tax Contribution level. Assume that in August 2022 you elect to change your contribution to 5%. Because you affirmatively changed your contribution election, your Employee Contributions will not change as of April 1, 2023 – it will not be decreased or increased – it will remain 5% unless and until you voluntarily elect to change your savings percentage.

The following enrollment options are available to automatically enrolled Participants and to those who have signed on and made affirmative elections to participate in the Plan.

### Other Automatic Contribution Alternatives

If you like the convenience of the automatic annual increase, you can still have your contributions increase automatically through one or more of the following voluntary programs:

#### Voluntary Automatic Increase Option

When you voluntarily make changes in your rate of contributions or the type of contributions you want to make, you also can select the “automatic increase” option. Under this option, you can elect to automatically increase your Employee Contribution and you can set the maximum percentage at which to stop the automatic annual increases.

## EXAMPLE - VOLUNTARY AUTOMATIC INCREASE OPTION

Assume you are automatically enrolled in 2021 at the 3% Pre-Tax Contribution level. Assume in August 2022 you elect to change your contribution to 4% of your Compensation and, at that time, you also elect the voluntary automatic increase option and elect to increase your Employee Contribution percentage by 1% each year, until your contribution rate is 20%. As a result of this election, as of April 1, 2023, your Employee Contribution will be increased automatically by 1%, from 4% to 5%. As of April 1, 2024, and each year after that, your Employee Contribution will be increased automatically by an additional 1%, until the April 1 you are contributing 20% from your Compensation for the year. At this point, there will be no further annual automatic increases in your contribution percentage; your annual contribution percentage will remain at 20%, unless you make another election to change it.

## Election to Make Roth Contributions and After-Tax Contributions

You must affirmatively elect to make (or change) Roth Contributions and/or After-Tax Contributions. See “Employee Contribution Election Changes” on page 14 for information about how to elect to make, and change, your Employee Contributions.

The Compensation from which you can make Employee Contributions is described in “Matching Contributions” on page 15. Because Plan-eligible Compensation is paid to you in two different ways -- that is, (1) some of your Compensation is paid to you on each regularly scheduled payroll date and (2) some of your Compensation is paid to you at irregular intervals (referred to in this SPD as “Bonus Compensation,” see page 18, you will need to make two separate elections if you want to make Employee Contributions from both types of Compensation.

You may need to make TWO separate elections:

- (1) One election for Employee Contributions from your Compensation paid each regularly scheduled payroll period.
- (2) A second election for Employee Contributions from your Compensation paid at irregular intervals (“Bonus Compensation”).

How you make Employee Contributions from your regular payroll period Compensation is described above.

## Separate Election Required To Make Employee Contributions From Bonus Compensation

If you want to make Employee Contributions from your Bonus Compensation, you will need to make a separate election to defer receipt of a portion of your Bonus Compensation that otherwise would be paid to you, and that amount will be deducted from your Bonus Compensation at the time it otherwise is scheduled to be paid and will be deposited with the Plan on your behalf. As part of your election to defer your Bonus Compensation, you will designate whether some or all of the Employee Contributions to be deducted from your Bonus Compensation will be made as Pre-Tax Contributions, After-Tax Contributions and/or Roth Contributions. Your election to make Employee Contributions from your Bonus Compensation must be made in whole percentages of Bonus Compensation.

**Note:** Your election to make Employee Contributions out of your Bonus Compensation operates completely separate from your election to make Employee Contributions from your Compensation that is paid to you on regularly scheduled payroll dates. In other words, a change in your election with regard to Employee Contributions deducted from your Compensation, which is paid each regularly scheduled payroll period, will not impact or affect your election with regard to Employee Contributions from your Bonus Compensation.



## Eligibility for Company Matching Contributions

To encourage you to save for your retirement, the Company makes Matching Contributions to the Plan. You are eligible to receive Matching Contributions for each pay period you make Pre-Tax Contributions, Roth Contributions and/or After-Tax Contributions (in any combination), and on the Pre-Tax Contributions, Roth Contributions and/or After-Tax Contributions (in any combination) that you make from your Bonus Compensation. After-Tax and Catch-Up Contributions are not matched by the Company unless they are later re-characterized as regular Pre-Tax Contributions and/or Roth Contributions as explained in the “Catch-Up Contributions” section. See Matching Contributions on page 15 for the amount of Matching Contributions that the Company will make.

## Ceasing Active Participation

Your right to make current Employee Contributions to the Plan (that is, your active participation in the Plan) ends on the earlier of (i) the date on which you terminate employment with the Company or (ii) the date on which you transfer to a position in which you would not be a Covered Employee who is eligible to participate in the Plan (for example, such as when you transfer to work in a foreign subsidiary of the Company).

Once you terminate employment with the Company or transfer to a category of employee that is ineligible to actively participate in the Plan (that is, you no longer are eligible to make Employee Contributions to the Plan), a record of the change in your active participation / employment status is sent to the Participant Contact Center. The Participant Contact Center updates your contribution rate for all Employee Contribution types to zero percent (0%) and notifies the Company’s payroll department. The Company’s payroll department then updates your payroll records to reflect the zero percent (0%) contribution rate. As a result, if you receive Compensation or Bonus Compensation after your active participation status changes and after your zero percent (0%) contribution rate is entered on the Company’s payroll system, contributions will not be deducted from any compensation you receive after that date.

Although you are no longer able to actively participate in the Plan upon your termination from employment with the Company or upon your transfer to a position in which you would not be a Covered Employee, you still remain a Participant in the Plan. As a result, your Plan Account continues to be held in the Plan and you should continue to direct the investment of your Plan Account (see Section 6: Investment of Your Plan Account) until you become eligible to elect to receive a distribution from your Account (see Section 8: Distributions for a description of when you are able to ask for distribution of your Plan Account).

## Active Participation upon Rehire or Transfer into the Plan

You once again will be able to actively participate in the Plan and make Employee Contributions upon your rehire by the Company or Transfer into the Plan as a Covered Employee (see page 7). If you are a member of a local that has authorized automatic enrollment then you will be enrolled to automatically contribute 3% of your Compensation as Pre-Tax Contributions as soon as administratively practicable after your rehire date (see Making Employee Contributions on page 8) if you have previously met the Plan’s eligibility requirements.

## 4. PLAN ACCOUNTS AND CONTRIBUTIONS

### Plan Accounts

When you become a Participant in the Plan, a Plan Account is established in your name. For recordkeeping purposes, your Account may be made up of any of the following types of sub accounts:

- Pre-Tax Accounts
- Roth Accounts
- After Tax Accounts
- Match Accounts
- Rollover Accounts
- Roth Rollover Accounts
- ESOP Accounts (closed to new contributions and investments, see More Information about the Lumen Stock Fund on page 29)

The rest of this Section describes each of the contributions that are deposited in these subaccounts in more detail.

### Pre-Tax Contributions

Pre-Tax Contributions are the portion of your Compensation that you elect to contribute to the Plan before you pay income tax on it. Any investment gain on your Pre-Tax Contributions accumulates on a tax-deferred basis. This can be a powerful factor in helping you save for your retirement. Your savings in the Plan may grow faster than if invested outside the Plan because the principal and earnings are not taxed until they are distributed. Although Pre-Tax Contributions are not subject to income tax until distribution, they are subject to Social Security taxes. Pre-Tax Contributions are matched by the Company (see page 12 for information about the Company's Matching Contributions).

### Roth Contributions

Roth Contributions are the portion of your Compensation that you elect to contribute to the Plan after you have paid income tax on it. Any investment gain on your Roth Contributions accumulates on a tax deferred basis. However, unlike regular After-Tax Contributions, when you take a qualified distribution you are not taxed on either the Roth Contributions or any investment gain on those contributions. Roth Contributions are matched by the Company (see page 12 for information about the Company's Matching Contributions).

### After Tax Contributions

After-Tax Contributions are the portion of your Compensation that you elect to contribute to the Plan after you have paid income tax on it. Any investment gain on your After-Tax Contributions accumulates on a tax deferred basis. At distribution, your after tax savings in the Plan are taxed only on the portion that is investment gain (if any). Because your contributions are made on an after-tax basis, they are not taxed when distributed to you. After-Tax Contributions in the Plan are not matched by the Company.

A change in your Compensation or Bonus Compensation will result in an automatic change in the dollar amount (but not in the whole percentage) of your Employee Contributions.

In addition, a Participant's Pre-Tax Contributions and Roth Contributions are limited each year by Federal tax laws. The maximum annual Pre-Tax Contributions and Roth Contributions you can make to the Plan and any other 401(k) or 403(b) plans, combined, is limited to \$20,500 for the 2022 calendar year. After 2022, this maximum amount may be increased based on the cost of living adjustment, if any, made by the federal government. The Committee may have to further limit the maximum amount you are allowed to contribute in order for the Plan to satisfy certain requirements under the federal pension laws. You will be notified in this event.

### What Happens If You Contribute More Than The Maximum Annual Deferral Limit to the Plan?

Your Pre-Tax Contributions and Roth Contributions that exceed the maximum annual deferral limit are subject to double taxation unless the excess contributions are timely returned to you. Lumen will automatically



discontinue your Pre-Tax Contributions and your Roth Contributions to the Plan if your contributions to the Plan reach the maximum annual deferral limit (\$20,500 for 2022) in a calendar year.

## **If Excess Deferrals Are Due to Your Contributions to Other 401(k) or 403(b) Plans**

If you have contributed to other 401(k) or 403(b) plans during the year in addition to making contributions to the Plan, it is your responsibility to monitor the total annual amount of your contributions to all of these plans to ensure you do not contribute more than the maximum annual deferral limit in effect for that year. As you approach the maximum annual deferral limit, you should act to stop your Pre-Tax Contributions and Roth Contributions to the Plan before you exceed the annual limit, for when taking your contributions to those other plans into account.

## **Requesting a Refund of Excess Deferrals**

If, during any year, you have made contributions to the Plan and other 401(k) or 403(b) plans that, when combined, exceed the maximum annual deferral limit (“excess deferrals”), and you did not stop your Employee Contributions in time to avoid these excess deferrals, you must remove the excess deferral amount from one or more of these plans. To have excess deferrals returned to you from the Plan, you must submit a request to the Participant Contact Center before March 1 following the calendar year in which your contributions exceed the maximum annual deferral limit. If you have any questions about these rules, please contact the Participant Contact Center at the phone number listed on page 4 of this SPD.

## **Catch Up Contributions**

If you are age 50 or older in a Plan Year, you may make an additional Pre-Tax Contribution and/or Roth Contribution that exceeds the Plan’s annual contribution percentage limit (80%) or the maximum annual deferral limit (\$20,500 for 2022) described above. This is known as a “Catch Up Contribution.” For 2022, you can make a Catch-Up Contribution of up to an additional \$6,500. After 2022, the annual Catch Up Contribution limitation may be increased by the federal government, based on the cost of living adjustment, if any, made by the federal government. However, in order to be eligible to make a Catch-Up Contribution, you must attain the maximum annual deferral limit in your Pre-Tax Contribution and/or Roth Contribution Account, so if you would like to make a Catch-Up Contribution, be certain to plan your Employee Contributions accordingly.

### **EXAMPLE - DETERMINING THE AMOUNT OF CATCH-UP CONTRIBUTIONS**

Assume you made a Pre-Tax Contribution and a Catch-Up Contribution election in January 2022, but you underestimated the contribution amount to your Pre-Tax Contribution Account so that by December, you have only contributed \$16,000 to that account but you have contributed \$6,500 to your Catch-Up Contribution Account. So that your Pre-Tax Contribution Account has met the maximum annual deferral limit (for 2022, \$20,500), which is necessary in order for you to make Catch-Up Contributions, the Plan Administrator will re-characterize some of the contributions made to your Catch-Up Contribution Account to your Pre-Tax Contribution Account. In this example, that means, \$4,500 will be re-characterized from your Catch-Up Contribution Account to your Pre-Tax Contribution Account. The amounts re-characterized into the Pre-Tax Contribution Account will be eligible for a Company Matching Contribution, in accordance with Plan terms. However, because of this miscalculation, you missed the opportunity to contribute for 2022 the full \$20,500 to your Pre-Tax Contribution Account and \$6,500 to your Catch-Up Contribution Account for the year’s total applicable maximum annual deferral limit of \$27,000. Instead, as a result of your miscalculation, your Catch-Up Contribution Account will be credited with only \$2,000 for the year.

**It is important to plan and monitor your contributions for the entire plan year, and change the amount of your contributions if needed to meet your goals.**

Catch-Up Contributions are **not** eligible for Company Matching Contributions.

## Rollover Contributions

A Covered Employee can make a Rollover Contribution to the Plan on any date on which he is a Covered Employee, even if he has not yet satisfied the eligibility requirements to become a Participant (see, Section 3: Participating in the Plan on page 7). A former Employee who is a vested Account Owner may make a Rollover Contribution in accordance with procedures approved by the Committee. As a result, if you are a Covered Employee or a former Employee who is a vested Account Owner, you may deposit into the Plan an eligible rollover you received directly from another “eligible retirement plan.”

**Note:** If the distribution was not paid to you as a direct rollover, you must deposit the assets into the Plan and provide the required documentation within 60 calendar days of the date of the check received from your previous employer’s retirement plan or your traditional Individual Retirement Account (“IRA”).

An eligible retirement plan includes tax qualified plans such as 401(k), profit sharing and pension plans. An eligible retirement plan also includes a Code Section 403(b) plan and a Section 457(b) plan maintained by a governmental entity (but not a tax-exempt entity). An IRA for eligible Rollover Contribution purposes includes a traditional IRA but not a Coverdell Education Savings Account. Rollovers of Roth money contributed to a tax-qualified plan are eligible to roll over into the Plan.

Distributions you receive from the Plan may be treated differently than those from your prior retirement plan and the deposit of your rollover may impact the tax treatment of later distributions you receive from the Plan. In particular, all distributions you receive from the Plan prior to age 59½ are subject to a 10% tax penalty unless an exception applies. While distributions from a Section 457 plan are not currently subject to this tax penalty, if you roll over monies from a Section 457 plan to the Plan, the later distribution from the Plan of the Section 457 rollover may be subject to this tax penalty. Also, you may not elect special lump sum tax treatment (available if you were born before January 1, 1936) if you rolled amounts into the Plan from a Section 403(b) tax sheltered annuity contract, a governmental Section 457 plan, or from an IRA not originally attributable to a tax qualified employer plan.

To initiate a Rollover Contribution into the Plan, contact the Participant Contact Center at the phone number or website listed on page 4. Before you elect to make a Rollover Contribution to the Plan, you should consult with a qualified tax advisor to make sure you have a clear understanding of the rules imposed on rollovers.

**Note:** Once deposited in the Plan, any rollover contribution amount is subject to the provisions of the Plan.

Rollover Contributions are not eligible for Company Matching Contributions.

## Employee Contribution Election Changes

Generally, your elections as to the whole percentage of your Compensation and/or your Bonus Compensation to be made to the Plan as Pre-Tax Contributions, Roth Contributions, After-Tax Contributions, and/or Catch-Up Contributions remain in effect from year to year. At any time, you may prospectively increase, decrease or stop the amount of your Pre-Tax Contributions, Roth Contributions, After-Tax Contributions, and/or Catch-Up Contributions by making a contribution change election through the Participant Contact Center (see page 4 for its phone number and website). Your Employee Contribution election (or change of your election) will become effective on the first day of the first payroll period occurring as soon as administratively practicable following the Plan’s receipt of your contribution election, subject to the administrative rules adopted by the Committee in its sole discretion. If multiple changes are made in one day, the last change of the day made by 3:00 p.m. Central Time will be accepted until any subsequent changes are made to your contribution percent. Generally, this means that any changes or subsequent changes to your contribution percentage will take effect within two pay periods, depending on when you make the change.

Because your elections to make Employee Contributions from your Compensation and from your Bonus Compensation are separate and operate independently, be sure to consider if you need to change both elections to achieve the desired result.

## Matching Contributions

If you are a Covered Employee, meet the Plan’s eligibility requirements and elect to make Pre-Tax Contributions and/or Roth Contributions, the Company will make Matching Contributions to your Plan Account.

Matching Contributions will be made each payroll period based on the Employee Contributions deducted from your Compensation for that payroll period. Matching Contributions for Employee Contributions deducted from your Bonus Compensation will be made at the time the payment of the Bonus Compensation is regularly scheduled to be made. Matching Contributions are not made on amounts that are contributed as Catch Up Contributions, unless those contributions are later re-characterized as regular Pre-Tax Contributions and/or Roth Contributions as explained in “Catch Up Contributions” on page 13.

Matching Contributions will be allocated to your Plan Account whether you are enrolled for automatic deferral contributions or you choose your own contribution level. No Company Matching Contributions are made to your Plan Account if you do not make any Pre-Tax Contributions and/or Roth Contributions to the Plan.

### Amount of Matching Contributions

The total annual Matching Contribution to which you may be eligible to receive is 4% of your Plan-eligible Compensation for the Plan Year. Additionally, the Plan Administrator will perform a “true up” at the end of each Plan Year to ensure you have been credited with the appropriate amount of Matching Contributions based on your Pre-Tax Contributions and/or Roth Contributions over the course of the entire Plan Year and your annual Plan-eligible Compensation.

The total annual amount of the Company’s Matching Contribution to your Plan Account will be the sum of:

1. 100% of your Pre-Tax Contributions and/or Roth Contributions (in any combination) of the first 1% of your Compensation plus
2. 60% of your Pre-Tax Contributions and/or Roth Contributions (in any combination) that exceed 1% of your Compensation, but do not exceed 6% of your Compensation for any pay period that you make these Employee Contributions.

In other words:

If You Defer This Percent of Your Plan Compensation	The Matching Contribution will be This Percent of Your Plan Compensation
1%	1.0%
2%	1.6%
3%	2.2%
4%	2.8%
5%	3.4%
6%	4.0%

As previously stated, the Internal Revenue Code imposes a limit on the total annual Compensation that can be used for Plan purposes. As a result of this annual compensation limit and the maximum Matching Contribution that will be made by the Company, the maximum Matching Contribution that will be made to any Participant’s Account in 2022 is \$12,200 (that is, \$305,000 x 4%).

## EXAMPLE - HOW THE MATCHING CONTRIBUTION FORMULA WORKS

Assume, for the current Plan Year, Chris's Compensation is \$31,200 and she is eligible to defer for the entire Plan Year. Also assume, for the first six months of the Plan Year, Chris defers at a rate of 6% and that, during this period, Chris's Compensation is \$15,600, and her deferral amount is \$936. For the last six months of the Plan Year, Chris discontinues deferrals.

Since Chris was eligible to defer for the entire Plan Year, her Compensation for that entire year (\$31,200) is taken into account to determine her deferral rate under the Plan's Matching Contribution formula, even though she actually deferred for only six months of the Plan Year. Chris's deferrals for the Plan Year (\$936) represent 3% of her entire year's Compensation (that is,  $\$936/\$31,200$ ), even though her deferral rate was actually 6% during the portion of the Plan Year that she deferred. Chris's match is \$686.40 because the Matching Contribution formula matches 100% of the first 1% of annual Compensation deferred and 60% of the next 2% of annual Compensation deferred (for a total of 2.2% of annual Compensation).

## Planning Consideration

Don't leave any money on the table! You must contribute at least 6% of your Compensation to receive the maximum amount of Company Matching Contributions. And, depending on your retirement savings goal, you may want to consider contributing more than 6% of your eligible Compensation. You should consult with your personal financial advisor or utilize the retirement planning tools available through the Participant Contact Center (see page 4 for contact information) to determine how much you should contribute to help you toward your retirement savings goal.

If you do not have any Pre-Tax Contributions, Roth Contributions and/or After-Tax Contributions in a pay period, you will not receive a Matching Contribution for that pay period but may receive a matching contribution when the annual True UP Matching Contributions are processed in the following year.

Matching Contributions will not be made on amounts that are contributed as Catch Up Contributions, unless they are later re-characterized as regular Pre-Tax Contributions and/or Roth Contributions as explained in "Catch Up Contributions" on page 13.

**Annual True Up of Matching Contributions.** Currently the Plan provides for an annual "true up" of Company Matching Contributions. The Plan's true up feature will help you if you make Pre-Tax Contributions and/or Roth Contributions below 6% of your Compensation for part of the year and above 6% of your Compensation for the rest of the year. The Plan's true up feature also will help you if you reach the annual employee deferral contribution maximum (\$20,500 for 2022) before the end of the Plan Year (that is, you "front-loaded" your Pre-Tax Contributions and/or Roth Contributions). The Plan Administrator will perform the true up calculations after the end of each year and, if required, the Company will make a true up contribution to the Plan no later than the deadline (including extensions) for filing Company's federal tax return for that year.

## EXAMPLE - HOW THE ANNUAL TRUE-UP WORKS

Continuing the example above, here's how the Plan's true up feature works:

The Company's payroll is bi-weekly, resulting in 26 pay periods each year. The Company deposits Chris's share of the Matching Contribution on a payroll-by-payroll period basis, even though the Plan calculates the Matching Contribution on an annual Plan Year basis. Assume there are 13 payroll periods during the first six months of the Plan Year, and Chris's Compensation for each payroll period is \$1,200. Her deferral rate for each of those payroll periods is 6%. Under the Plan's Matching Contribution formula, the first 1% is matched at a 100% rate and the next 5% is matched at a 60% rate.

If the Company calculates its matching deposits separately for each payroll period, it would deposit \$72 to Chris's Plan Account for each payroll period. This is determined as follows: Chris's deferral amount for each payroll period is 6% x \$1,200, or \$72. The first \$12 of that \$72 deferral amount is the first 1% of Compensation, which is matched 100% under the Plan's matching contribution formula (this is a match of \$12), and the remaining \$60 of that deferral amount is the next 5%, which is matched at 60% under the formula (this is a match amount of \$36), for a total match of \$48. At the end of the six-month period, the Company would have made 13 deposits of \$48 each for a cumulative match of \$624.

For the last six months of the year, Chris is not deferring, so the Company might not make any further Matching Contribution deposits on Chris's behalf. However, since the Plan's Matching Contribution is based on the entire Plan Year, Chris's actual share in the Company's Matching Contribution for the Plan Year is \$686.40, as shown in the immediately preceding example above. The Company would have to "true up" Chris's match to \$686.40. This would mean depositing another \$62.40 to Chris's Plan Account to bring her total match for the Plan Year to \$686.40.

## Compensation Used for Plan Contributions

All contributions made to the Plan are based on a specific definition of "Compensation" that is set forth in the formal Plan document. For purposes of the Plan, Compensation means the salary that the Company pays for your services rendered in the course of employment with the Company and that is includible in gross income for federal income tax purposes. Generally, Plan Compensation includes:

- Base wages;
- Bonuses included are team performance awards and individual performance bonuses; not included are broad-based bonuses, such as completion bonuses, relocation bonuses, and Christmas bonuses, points & awards gross-up, prizes and awards;
- Commissions;
- Compensation for services on the basis of a percentage of profits;
- Employee contributions made on a pre-tax basis to the Plan or other tax-qualified plan, any cafeteria plan and any transportation fringe benefits program maintained by the Company;
- Taxable short-term disability payments; and
- Taxable amounts received while on a military leave of absence approved by the Company.

Compensation does not include any:

- Overtime pay; however, if you have fewer than 80 hours of standard pay in your two-week payroll period, overtime pay is converted to standard pay until you have 80 hours for Plan purposes;
- Back pay awards;
- Broad-based bonuses;



- Contributions to, or distributions from, a plan of nonqualified deferred compensation;
- Amounts realized in connection with the exercise of stock options;
- Amounts realized when restricted stock or other property becomes tradable or vests;
- Amounts realized from the sale of stock received under stock options;
- Non-taxable short-term disability payments;
- Other amounts that receive special tax benefits, fringe benefits, moving expenses;
- Welfare benefits;
- Tuition reimbursement;
- Severance payments; and
- Certain compensation may also be excluded in accordance with applicable laws and regulations.

## **Bonus Compensation**

Some of your Compensation is paid to you at irregular intervals. Compensation paid in this manner is referred to in this SPD as “Bonus Compensation.” Bonus Compensation means, for purposes of the Plan, Compensation that is (a) short-term incentive, sales compensation or commissions and (b) identified under payroll code infotype 267 on the Company’s payroll system.

## **Maximum Amount of Annual Compensation For Plan Purposes**

For all purposes of the Plan, including the calculation of contributions, the total amount of your Compensation that will be taken into account for purposes of the Plan cannot exceed \$305,000 for the Plan Year beginning on January 1, 2022. This amount may be changed by the federal government in following years to adjust for cost of living changes. **Note:** Compensation, for Plan purposes, will only include amounts you receive while you are eligible to participate in the Plan. .

## **Contributions by Participants Returning from Military Leave**

Special rules apply for Participants who give notice of their impending “qualified military service” and return from military leave within the time provided by law protecting U.S. military veteran reemployment rights. “Qualified military service” means any service in the uniformed services (as defined in Chapter 43 of Title 38, United States Code).

As a returning veteran from performing qualified military service, you would be entitled to make-up any Pre-Tax Contributions, Roth Contributions, After-Tax Contributions, and Catch-Up Contributions that you could have made if your employment had continued with the Company during your period of qualified military service. These make-up contributions must be made before the earlier of (a) the fifth anniversary of your reemployment by the Company or (b) the last day of a period equal to three times your period of qualified military leave.

If you make-up any Pre-Tax Contributions and/or Roth Contributions, the Company will make the Matching Contributions that it would have made into your Account if you had made those Pre-Tax Contributions and/or Roth Contributions during the period you were in qualified military service. Make-up contributions will be based on your eligible compensation for the 12 month period preceding your military leave.

If you are a veteran returning from qualified military leave and wish to make up your contributions to the Plan, contact the Participant Contact Center (phone number and other contact information on page 4 of this SPD).

## 5. VESTING

Vesting refers to your ownership of all or a part of the value of your Account in the Plan.

You are always 100% vested in your own contributions to the Plan (that is, your Pre-Tax Contributions and/or Roth Contributions and/or Catch-Up Contributions and/or After-Tax Contributions).

### Vesting in Company Contributions

Employees hired by the Company prior to January 1, 2018, are 100% vested in both current and future Company Matching Contributions allocated to their Plan Accounts.

Employees hired by the Company on or after January 1, 2018, are required to complete two years of vesting service before becoming 100% vested in the Matching Contributions allocated to their Plan Accounts (see below for a description of how employment related service is credited for vesting). However, if while you are actively employed by the Company (or any entities in the Company's controlled group of corporations), you attain age 65 or become disabled (as defined in the Plan) or die, you automatically will become 100% vested and entitled to the entire balance credited to your Plan Account, including Company Matching Contributions, regardless of your age or number of years of vesting service.

There are situations that have specific vesting rules but which apply in limited circumstances, including the following:

- If you were a participant in the CenturyLink Union 401(k) Plan (the "Union Plan") prior to that plan's merger into this Plan and your Account was transferred to this Plan as a result of a change in your employment status from Represented to Non-Represented, the vesting schedule that applied to your Union Plan Account will continue to apply to your Union Plan Account even after your Union Plan Account has been transferred to this Plan. You will continue to grow in your vested percentage of your Union Plan Account after it has been transferred to this Plan as long as you continue uninterrupted employment by the Company.
- If you were a participant in the Savvis Plan but you terminated employment before January 1, 2013, and, at the time of your employment termination, you were partially vested in your Savvis Plan Account, the vesting schedule that applied to your Savvis Plan Account will continue to apply even after your Savvis Plan Account is transferred to this Plan. You will forfeit the nonvested portion of your Savvis Plan Account in the Plan Year in which (a) you receive a distribution of your entire vested Savvis Plan Account balance or (b) if earlier, you have five consecutive one-year breaks in service.
- If you were an employee of Level 3 Communications, Inc. ("Level 3") who became employed as part of the CenturyLink controlled group (now rebranded as "Lumen") and were on the Level 3 payroll (A) on November 1, 2017, or (B) after November 1, 2017, but before 11:59 p.m., Central Time, December 31, 2017 (the "Level 3 Plan Merger Date"), you have a 100% nonforfeitable interest in all portions of your Level 3 Plan Accounts that were transferred to this Plan as of the Level 3 Plan Merger Date. Any other Participant who had a Level 3 Plan Account is vested in that account solely to the extent vested as determined under the terms of the Level 3 Plan in effect on the date such Participant had previously terminated from employment with Level 3 or a predecessor employer and, before the Level 3 Plan Merger Date, forfeited the unvested portion of such account.

### Forfeiture of Unvested Amounts

If you terminate your employment with the Company (and its controlled group) when you are not 100% vested in your Plan Account, you will "forfeit" or lose the unvested portion of your Plan Account.

The unvested portion of your Plan Account generally will be forfeited in the Plan Year in which you have a break in service of five years (see below for an explanation of the break in service rules). However, if you have an unvested interest (0% vested) in the Company Contributions subaccount portion of your Plan Account when you terminate employment, you will be deemed to have received a distribution of \$0 from that subaccount and

your unvested interest in that subaccount will be forfeited as of your last day of employment. If you receive or are deemed to have received a distribution of your entire vested interest in your Company Contribution subaccounts, your non-vested interest in any Matching Contributions (or any other Company contributions) will be forfeited as of the day you receive or are deemed to have received such distribution.

Forfeitures of unvested amounts are retained in the Plan and may first be used to pay the Plan's administrative expenses. Any remaining amounts will be used to reduce future Company contributions payable under the Plan.

## How Service is Credited for Vesting

The Plan credits service for vesting using the "elapsed time method" of crediting service. The "elapsed time method" credits service based on the length of time during which an employee continues to be employed by the Company (and any entities in its controlled group).

As a general rule, under the elapsed time method, vesting service is credited from an employee's employment commencement date (the starting point) until the employee's severance from service date (the end point). An "employment commencement date" is the date on which an employee first performs one hour of service for the Company (or any entity in its controlled group). The period of vesting service then ends with the employee's "severance from service date," which is defined as the earlier of (a) the date on which an employee quits, retires, is discharged, or dies; or (b) the first anniversary of the first date of absence for any other reason.

As set forth in greater detail in the Plan document, employment service with certain entities prior to the date each such entity became a part of the CenturyLink controlled group of companies may be counted as vesting service. With respect to an employee of Level 3 Communications, Inc. ("Level 3") who was employed by Level 3 on November 1, 2017 (the date on which Level 3 merged with CenturyLink, but now rebranded as "Lumen"), vesting service for purposes of the Plan will include all of the employee's Level 3 service, including employment service before November 1, 2017. However, if an individual becomes an employee who is covered under the Level 3 payroll system after November 1, 2017, vesting service includes only the Level 3 service credited after his employment commencement date with the CenturyLink (now rebranded as "Lumen") controlled group of companies.

However, the Plan does not count the following periods of time for vesting service: (i) years of service during which the Company did not maintain the Plan or a predecessor plan and (ii) years of service excluded under the break in service rules (see below).

The Plan credits an employee with a number of years of vesting service equal to the number of whole years of the employee's period of service, whether or not the periods of service were completed consecutively, provided there has been no break in service. And, in determining the number of whole years of an employee's period of vesting service, the Plan aggregates non-successive periods of service so that less-than-whole-year periods of service (whether or not consecutive) are aggregated on the basis that 12 months of service (30 days are deemed to be a month in the case of the aggregation of fractional months), or 365 days of service equal one whole year of service.

## Service Spanning Rules

To be credited with a period of vesting service, an employee must be employed over an entire 12 month period. In certain circumstances, however, special rules apply to span the gap between an employee's termination of employment and rehire dates. These rules are referred to as the "service spanning rules." There are two primary vesting service spanning rules:

- If an employee severs from service as a result of quitting, being discharged, or retiring and then returns to service within 12 months of that termination date, the period of severance is required to be taken into account for vesting purposes. In other words, the employee will receive vesting credit for the entire period of elapsed time, even though the employee was not employed by the Company during that period.



## EXAMPLE - SERVICE SPANNING

Pat is hired by the Company on July 1, 2022 and works continuously until Pat quits on August 1, 2023. At the time of quitting, Pat has one year of vesting credit (that is, one complete 12-month period of employment beginning July 1, 2022 through June 30, 2023).

Pat is rehired on February 1, 2024 and continues to work uninterrupted. Because Pat has been rehired before August 1, 2024 (that is, rehired within 12 months from the date of quitting), Pat's absence from August 1, 2023 to February 1, 2024 does not interrupt the period of service credited for vesting purposes. In other words, the first period of employment (July 1, 2022 to August 1, 2023), the period of absence (August 2, 2023 to January 31, 2024) and the second period of employment (from February 1, 2024 on) all count for purposes of determining when Pat has two years of vesting credited. As a result, Pat has two years of vesting service credited on June 30, 2024.

- **Second:** If an employee is absent from service for a reason other than quitting, being discharged, retiring, or dying (for example, being on disability leave or paid time off), and then during the absence the employee quits, is discharged, or retires, the Plan must take into account the period of time between the severance from service date (that is, the date of quitting, being discharged, or retiring) and the first anniversary of the date on which the employee was first absent, if the employee returns to service on or before that first anniversary date.

## EXAMPLE (CONTINUED)

Robin is placed on leave on August 16, 2021 but then quits on September 5, 2022. In this instance, Robin's vesting also would continue uninterrupted if Robin is rehired before August 16, 2022.

## Break In Service Rules

The "break in service" rules apply when a Participant has been rehired after having been absent from the Company's service for more than 12 months.

A one-year break in service (or, as often referred to under the elapsed time rules, a one-year period of severance) is determined on the basis of a 12-consecutive-month period beginning on the severance from service date and ending on the first anniversary of that date, so long as the employee during the 12-consecutive-month period does not perform any hours of service for the Company.

There are two break in service rules that apply to the Plan: (i) the "rule of parity," which determines whether pre-break service should be applied to post-break contributions and (ii) the "five year break in service rule," which determine whether post-break service should be applied to pre-break contributions. These are briefly described below.

**Rule of Parity.** The rule of parity governs whether pre-break service will count toward a Participant's vesting in post-break Company contributions. Under the rule of parity, years of service with the Company prior to one or more consecutive one-year breaks in service are ignored if the number of consecutive one-year breaks in service equals or exceeds the greater of (1) five or (2) the aggregate number of years of vesting service before the break in service.

For purposes of the Plan, the rule of parity has limited application. The rule of parity applies to a Plan Participant only if (a) the Participant had never made any elective deferrals to the Plan, (b) the Company made Company contributions to the Plan that were subject to a vesting schedule, and (c) at the time of termination from employment, the Participant was not yet vested with respect to any of the Company contributions.

**Five Year Break in Service Rule.** The five-year break in service rule governs the extent to which post-break service will count toward the vesting of pre-break Company contributions. Under this rule, if a Participant incurs five consecutive one-year breaks in service and then returns to employment with the Company, vesting service

earned after the five-year break period does not apply for purposes of determining the vested percentage of the Company contributions made on behalf of the Plan Participant before the five-year break period.

#### EXAMPLE - FIVE YEAR BREAK IN SERVICE RULE

Taylor joins the Company and is eligible to participate in the Plan. Taylor makes elective deferrals to the Plan and also receives Matching Contributions, which are subject to a two-year cliff vesting schedule and the five-year break rule. On Taylor's termination date, Taylor has more than one but fewer than two years of service for vesting purposes, and therefore is 0% vested in the matching contributions.

Seven years later, Taylor is rehired. Because Taylor has had at least five consecutive one-year breaks in service, the Plan need not consider Taylor's future service for purposes of increasing the vested percentage in the Matching Contributions that had been credited to Taylor's Plan Account during the first period of employment.

Protection From Break in Service for Maternity or Paternity Absences and Other Legally-Mandated Leaves. As required by law, the Plan has protections from breaks in service if an employee is absent on account of maternity or paternity leave. Specifically, if an employee is absent from work for any period because of (a) the employee's pregnancy, (b) the birth of a child of the employee, (c) the placement of a child with the employee in connection with the employee's adoption of the child, or (d) the care of a child for a period beginning immediately after the child's birth or placement; and if the employee who is absent from service beyond the first anniversary of the first day of absence by reason of a maternity or paternity absence, employee's severance from service date is the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence from work is neither a period of service nor a period of severance.

The Plan has similar protections for employees on leave under The Family and Medical Leave Act ("FMLA") or who are on qualified military leave.

**Note:** If you are taking leave or if you are rehired by the Company, you may want to contact the Plan Administrator to determine whether and how the service spanning and/or break in service rules apply to you.

## 6. INVESTMENT OF YOUR PLAN ACCOUNT

### Introduction

You are responsible for investing your Plan Account and for any gains or losses resulting from your choice of investments.

Most professional money managers agree crucial elements of a successful retirement investment strategy include:

- Starting to save early and saving an adequate amount, and
- Diversifying your investments among several asset classes.

The Plan's fund lineup of investment options provides you with three different levels of investment choices to meet your individual investment needs and goals. These three options under the Plan for creating a diversified investment portfolio include:

- Target Date Funds,
- Core funds, and/or
- Self Directed Brokerage Account through the Personal Choice Retirement Account® (PCRA) provided through Charles Schwab & Company, Inc. ("Schwab").

These three levels of investment choices are described in greater detail below. You may direct the investment of your Plan Account into one or any combination of these investment options. Each of the Plan's investment funds offers different opportunities and levels of risk. Choices should be made carefully on the basis of your personal financial situation and goals.

### Target Date Funds

If you would like to choose just one fund to provide you with a broadly-diversified investment portfolio that automatically adjusts over time to become more conservative and less risky as you near an anticipated retirement age of 65, a Target Date Fund may be appropriate for you.

The date in the fund name represents the age 65 retirement year for which it is being invested. For example, the 2055 Target Date Fund means that its investment strategy is designed for individuals seeking to retire at age 65 near the year 2055.

Each Target Date Fund is a "fund of funds" made up of many of the Plan's core stock and bond funds plus additional diversifying asset classes that are only available in the Target Date Funds and not available as stand-alone Participant investment options. The diversified mix of investments may include global stocks, bonds, real estate, and risk parity strategies. All Target Date Funds are rebalanced periodically throughout the year to maintain the target asset allocation mix within acceptable ranges.

The Target Date Funds provide a simple, one-step diversified investment choice for saving for retirement. If you choose the Target Date Fund geared to when you will attain age 65, the Target Date Fund is invested primarily in stocks when you are early in your career and retirement is far in the future, and then, as your portfolio grows and you become older, the fund will diversify into more bonds and other complementary investments. The asset allocation of the Fund targeting your retirement date will change annually as you grow older. The asset allocation may continue to be adjusted after the target retirement date is reached. The Target Date Funds reach their final asset allocation approximately eight (8) years after the retirement date in the target date fund name and then merge into the Retirement Fund. The Retirement Fund is a diversified portfolio with a fixed asset allocation.

The Conservative Retirement Fund, which is another target date fund, provides a professionally managed investment solution with a fixed asset allocation that seeks investment return by taking less risk than the Retirement Fund. You must affirmatively elect to invest in this fund.

Because the Target Date Funds are a comprehensive investment solution, they are the “default investment options” for the Plan (see page 23).

## **Core Funds – Building Your Own Portfolio**

The core funds provide building blocks to construct your own diversified investment portfolio. You may choose among both passively-managed and actively-managed investment options in a variety of asset classes. If you choose to use these funds, you control your initial allocations among the asset classes and are responsible for rebalancing your portfolio to correct for market movements and changes in your investment objectives.

### **Passively-Managed Core Funds**

A passively-managed fund, or index fund, is designed to closely track the returns of a market index for a specific asset class. Index funds may be appropriate if you want to capture the returns of various markets with low investment management fees.

### **Actively-Managed Core Funds**

An actively-managed core fund is designed with the objective of providing higher returns than its benchmark market index. Active investment managers seek to outperform their market benchmark by assessing the market environment and analyzing the relative value of individual market sectors and securities. Most of the active stock and bond funds are “funds of funds,” diversified among several different investment managers. Combining unique manager investment styles in a single fund increases the fund’s diversification and provides the opportunity for different styles to outperform in different economic environments. This also reduces the risk associated with any single manager. Performance of these funds will vary from that of their market benchmarks. Because these funds are actively-managed they may have higher investment management fees than passively-managed funds.

### **Available Fund Investment Options**

The investment fund options available as of January 1, 2022 under the Plan are listed in Appendix A to this SPD, but they are subject to change over time. Because the Appendix A information may not be the most up-to-date, check the Participant Contact Center website for the most current information. You may access the most recent Fund Fact Sheets on the Participant Contact Center website. Among other information, the Fund Fact Sheets describe any trading restrictions or other restrictions that may apply to that specific investment fund and the annual estimated cost of the fund. You should read each Fund Fact Sheet before deciding to invest some or all of your Plan Account in any particular fund. You can view or request a copy of the current Fund Fact Sheets by calling the Participant Contact Center (see page 4 for its contact information).

## **Self Directed Brokerage Account**

If you are comfortable researching, constructing and managing your own investment portfolio, you may wish to invest some or all of your Plan Account through the Plan’s self-directed brokerage account. This self-directed brokerage account, the Personal Choice Retirement Account® (the “PCRA”), is made available to you through Schwab & Company, Inc. (“Schwab”) (see page 5 for contact information). The PCRA is an investment option if you want more flexibility to actively manage the investment of your Plan Account because it allows you to choose your investments from a broad range of investments including mutual funds, exchange-traded funds (ETFs), and individual stocks and bonds. Schwab maintains the PCRA and offers access to a wide range of investment choices, including no-load and load mutual funds from many well-known mutual fund families, most common stocks listed on major U.S. exchanges, including over-the-counter stocks, and bonds and other fixed-income investments. Schwab handles all transactions within the PCRA.

If you decide to invest your Plan Account through the PCRA, you can request that Schwab to send you a fund prospectus or company annual report for any of the investments in which you are interested in investing. The fund prospectus contains important information about a fund, including fees and expenses. Please read the prospectus carefully before investing. Unlike the other investment options available under the Plan, the

investments available through the PCRA have not been and will not be reviewed or monitored by CIM or the Committee as Plan Administrator.

Before enrolling in the PCRA you should review all the PCRA information available to you including the Schwab One Account Agreement. The terms of participating in the PCRA may change from time to time. Please be sure to read all the most recent materials and information made available to you.

The following are some important PCRA terms and conditions:

1. The PCRA offers access to a broad universe of investment options that are not selected, monitored, evaluated or reviewed by Lumen, the Employee Benefits Committee (EBC), CenturyLink Investment Management Company (CIM), Northern Trust, Principal Financial Group or any fiduciary. In contrast, the Plan's core funds and target date funds (TDFs) offer a broad array of choices and were selected by CIM, the Investment Fiduciary. The PCRA might not be appropriate for many participants' retirement savings; and investments through the PCRA are generally retail investments, which might have higher fees, expenses and transaction costs than the Plan's core funds and TDFs. Accordingly, the PCRA generally requires more research and analysis than is needed for investment in the Plan's core funds and TDFs. We encourage you to consult an investment adviser before investing through the PCRA. Unlike the other investment options available under the Plan, the investments available through the PCRA have not been and will not be reviewed or monitored by CIM or the Committee as Plan Administrator.
2. As with the other Plan investments, investments available in the PCRA may lose value. All investments under the Plan are participant-directed. This means that you are responsible for determining how your Plan account will be invested.
3. The Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (known as "ERISA") and 29 C.F.R. § 2550.404c-1. Lumen and the Plan fiduciaries (including the EBC and CIM), Northern Trust and Principal Financial Group are not liable for losses that are the direct result of your investment instructions or the Plan's default investment. None of Lumen, the Plan fiduciaries, Northern Trust or Principal Financial Group have any responsibility for selecting or monitoring the investment options available through the PCRA.
4. Lumen, EBC, CIM, Northern Trust and Principal Financial Group are held harmless from and indemnified against any of the following:
  - Losses from investments in your PCRA
  - Losses associated with your failure to complete instructions in proper form
  - Untimely receipt of original written instructions (unless untimely receipt results solely from their negligence)
5. You are required to transfer assets from your PCRA to your core Plan account to ensure that you have sufficient assets in your core Plan account to meet your Plan obligations such as paying the Plan administrative fees. If you fail to transfer assets on request, Principal Financial Group may liquidate sufficient PCRA investments and/or transfer assets from your PCRA to your core Plan account on your behalf, based upon a hierarchy that has been established by the Plan.
6. Transfers to and from your PCRA may result in assets that are "out of the market" or not invested for a certain period to allow for processing. Transfers to your PCRA may require up to two (2) business days and transfers from your PCRA may require up to two (2) business days.
7. Purchases and sales in your PCRA are placed through Schwab and subject to Schwab's commissions and transaction fees (in addition to expense ratios and other fund fees). Contact Schwab directly at [schwab.com](http://schwab.com) or 1-888-393-PCRA (7272) for more information about commissions and transaction fees in your PCRA.



8. As detailed in the Schwab One Account Agreement, disputes related to your PCRA that cannot be resolved informally must be settled through binding arbitration (rather than going to court). To the extent that any of Lumen the EBC, CIM or any of their affiliates are named as parties to a dispute involving Schwab that is subject to arbitration under the Schwab One Account Agreement, the entire dispute must be settled through binding arbitration, in accordance with the procedures set forth in the Schwab One Account Agreement. By agreeing to arbitration, you give up the right to resolve all or any part of such disputes in court, including the right to a jury trial (if applicable) or a class action lawsuit, except to the extent a waiver would violate applicable law.
9. You may be required to achieve and maintain a minimum dollar amount or percentage within your Plan account which must be allocated to the Plan's core or target date fund investment options. The minimum dollar amount or percentage is subject to change. You may elect to transfer or contribute up to 95% of your total Plan account value into the PCRA.

The Trustee and recordkeeper handle all transfer requests between your investments in the Target Date Funds and/or core funds and the PCRA. Transfer requests to and from the PCRA are processed pro-rata by money source. Therefore, if you hold Pre-Tax Contributions, After-Tax Contributions and/or Matching Contributions in your PCRA Account, a transfer from your PCRA Account to core funds will include all three money types on a pro-rata basis. For example, if you want to transfer 95% of your After-Tax Account balance from your PCRA Account to one or more core funds, you will need to transfer 95% of your Pre-Tax Account and Match Account balances as well. There is a separate Roth PCRA Account available, and transfers to and from your Roth PCRA Account will include only Roth money types. A transfer from your Roth PCRA Account to core will include all Roth Money types on a pro-rata basis. For example, if you want to transfer 95% of your Employee Roth Account balance from your PCRA Account to core you will need to transfer 95% of your Prior Roth Account balance as well.

The PCRA can be used in combination with investments in the Target Date Funds and the core funds.

## **PCRA Fees**

There will be transaction fees within the PCRA depending on the frequency, size and type of trading activity in the PCRA. The fees may include, but are not limited to, mutual fund fees, brokerage fees and investment management fees. There is no additional fee for opening or maintaining a PCRA Account.

## **PCRA Restrictions**

Shares of Lumen common stock ("Lumen Shares") may not be purchased through the PCRA. Generally, investments that generate income tax to the Plan are prohibited in the Plan. Transactions involving the PCRA are governed by the terms of the Plan and not all features described in the Schwab One Account Agreement are available to Plan Participants. You should contact Schwab to verify that specific investments are allowed in the PCRA. In the event investments in certain assets through the PCRA result in an income tax liability, the taxes will be deducted from that Participant's Account when incurred. You will be required to sell investments that could generate income tax liability for the Plan.

## **The Importance of Diversifying Your Retirement Savings**

With every investment, there is an inevitable trade-off between risk and return:

- Typically, higher risk investments such as stocks fluctuate in value in the short-term, but provide greater potential for higher returns.
- Lower risk investments such as money market and bond funds generally offer more consistent performance, but potentially lower returns that may make it more difficult to reach investment objectives.

You should understand this basic relationship in light of your personal circumstances, goals and tolerance for risk. People with long-term retirement goals who are willing to accept significant ups and downs in the value of their investments can usually afford more risk than those with shorter-term investment goals.

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can

help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 5% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into consideration all of your assets, including any retirement savings you may have outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

### **A Special Note about the Lumen Stock Fund**

Because the Lumen Stock Fund is an undiversified single stock investment, it should be considered a high-risk investment. You should carefully evaluate the appropriateness of continuing to hold the Lumen Stock Fund as a part of your investment portfolio under the Plan considering your particular situation and the overall diversification of your investment portfolio. Because stocks can be considered riskier than other types of investment, you should carefully consider the percent of your savings invested in stocks. It is important to point out that holding a significant amount of Company stock could be risky. Depending on the amount you have invested in the Lumen Stock Fund, your portfolio may be too heavily concentrated in not only one asset class, but also one company.

All of the investment options under the Plan are available to you if you decide to diversify out of the Lumen Stock Fund (see page 27 for more information on restrictions and conditions of Plan investments in the Lumen Stock Fund).

### **Assistance For Your Investment Decisions**

Lumen, CIM and the Committee cannot offer investment advice. However, this SPD, in conjunction with the quarterly Fund Fact Sheets (available on the Lumen internet or through the Participant Contact Center (see page 4 for contact information), contains information pertinent to each investment vehicle available under the Plan. The information in Appendix A and in the Fund Fact Sheets generally includes the objectives of each investment option, describes the fund and the investment management fees involved, any trading restrictions, degree of risk and, where available, historic investment returns.

### **Target My Retirement® powered by Morningstar Investment Management LLC**

To determine a strategy that's right for you, you are encouraged to research the investments available under the Plan or to seek advice from your personal financial advisor. If you do not have a personal financial advisor, the Plan offers Target My Retirement to deliver personalized retirement planning and advice. With just a few key pieces of data about you, you'll receive recommendations for which investment options you should choose, how much you should be saving now, when you'll likely be able to retire, when you should take Social Security benefits and more. Target My Retirement includes both an ongoing managed account service and point-in-time advice. You can decide whether you let Morningstar Investment Management manage the ongoing investments with a managed account or you can manage them yourself using point-in-time advice.

Target My Retirement investment recommendations are customized based on your information and are limited to investment options available in the Plan, excluding Target Date Funds and the Lumen Stock Fund.

CIM has hired Morningstar Investment Management to deliver these advisory services through Target My Retirement. Morningstar Investment Management is a registered investment advisor and a wholly owned subsidiary of Morningstar, Inc., neither of which is an affiliate of Principal. With respect to the point-in-time advice, Morningstar acts as co-fiduciary within the meaning of section 3(21)(A)(ii) of ERISA because you

choose whether to accept the advice. With respect to managed account service, Morningstar acts as an ongoing investment manager within the meaning of section 3(38) of ERISA.

Projections and other information regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results, are not guarantees of future results, and may vary with each use and over time. Other investment alternatives having similar risk and return characteristics (e.g., the Target Date Funds) may be available under the Plan.

To find out more about Target My Retirement®, visit Principal.com or contact Participant Contact Center (see page 4 for its phone number and website).

### **Point-in-time advice**

- There is no fee charge to use advice from Target My Retirement. You'll receive point-in-time recommendations that must be accepted by you before implementation. You are encouraged to provide as much information as possible so that the advice best matches your unique circumstance. You should periodically revisit information used to develop a customized solution as your situation may change.

### **Managed account service**

- With the Target My Retirement managed account, Morningstar Investment Management provides ongoing management of your investments with full discretion. This service incorporates your latest information and rebalances your investments periodically back to target. Like the advice option, you are encouraged to incorporate as much of your information as possible and periodically revisit your information.

The managed account service charges an additional recurring fee for the ongoing active management of your Plan Account. The annual fee for using this program is currently 0.21%. The fee is charged to your Account monthly based on the average daily balance of your Account during the prior quarter. For example, a \$100,000 account would pay \$210 per year (\$17.50 a month) for this service. Assets invested through Target My Retirement are also subject to fees and expenses charged by the underlying investment options.

### **Who is Responsible for Participant Investment Decisions**

You, as the Participant, are responsible for selecting how to invest your Plan Account among the various funds offered under the Plan. CIM is the named investment fiduciary and oversees the selection of investment vehicles to be made available to you under the Plan (see Investment Fiduciary - CenturyLink Investment Management Company on page 4 for more information about CIM).

The Plan is intended to be an "ERISA Section 404(c) Plan." Under an ERISA Section 404(c) Plan, if participants provide investment instructions for the investment of their accounts in compliance with ERISA Section 404(c), the Plan fiduciaries (the Committee, CIM, the Trustee, any Investment Manager and any other person or entity named as a Plan fiduciary) will not be liable for investment gains or losses that are the result of the Participant's investment instructions.

Your investment choices, and the procedures for directing the investment of your Account, are described in the investment materials available from the Participant Contact Center (or, in the case of the self-directed brokerage account, Schwab).

### **Your Participant Investment Directions**

You control and direct the investment of your Account among the Plan's available investment vehicles. You may change your investment election at any time, subject to certain daily processing deadlines and any individual fund trading restrictions (for example, the restrictions listed for the International Stock Index Fund and the Active International Stock Fund in Appendix A). You may change the investment of your future contributions in whole 1% increments. By separate election you may change the investment allocation of your existing balance, also in 1% increments. Two investment elections are necessary to be made for your



contributions, one for your Roth Contributions and another investment election for your Pre-Tax Contributions, After-Tax Contributions and Matching Contributions. The investment elections may be allocated to the same investment fund or funds but is elected separately. If an Investment election is not elected, your Employee Contributions and Matching Contributions will be automatically invested 100% in a Target Date Fund based on your date of birth and anticipated retirement at age 65. Investment elections can be made by contacting the Participant Contact Center at the phone number or website listed on page 4.

You can transfer all or a portion of your existing Account balance as often as once any day the New York Stock Exchange and the Participant Contact Center are open for business. If you make more than one election or transaction in the same day, the last transaction of the day will apply and any transaction earlier in the day will be ignored. Please contact the Participant Contact Center for more information (see page 4 for contact information).

**Note:** Sales and purchases of the investment funds may be delayed in the event of extraordinary circumstances such as heavy trading volume. For example, the New York Stock Exchange may impose “circuit breakers” to temporarily suspend trading in certain situations, in which case, your trade(s) likely will be delayed.

## Confirmation of Your Investment Directions

You will receive a written confirmation of your investment directions either by electronic notice, or if you elect, by mail. Generally, you will receive a confirmation within 5 to 7 business days. If you fail to receive a confirmation within this timeframe, contact the Participant Contact Center (see page 4 for contact information) as soon as possible.

## Timing

In general, instructions received and completed before 3 p.m. Central Time, will be processed the same business day.

Instructions received and completed after 3 p.m. Central Time, will be processed the next business day. You may cancel a pending transaction if you do so before 3 p.m. Central Time on the day the transaction will process. Transactions may be canceled by contacting the Participant Contact Center (see page 4 for its phone number and website).

## Default Investments

If you do not direct how your Plan Account will be invested, your Account will be invested in a “default” investment fund. This “default” investment fund will be treated as a “Qualified Default Investment Alternative” or “QDIA” based on regulations issued by the U.S. Department of Labor. The “default” investment provided for in the Plan is the target date fund based on your date of birth and a retirement age of 65, as indicated in the table below:

Birth Date	Normal Retirement Date	Your default Target Date Fund will be:
1/1/1998 or later	1/1/2063 or later	2065 Target Date Fund
1/1/1993 – 12/31/1997	1/1/2058 – 12/31/2062	2060 Target Date Fund
1/1/1988 – 12/31/1992	1/1/2053 – 12/31/2057	2055 Target Date Fund
1/1/1983 – 12/31/1987	1/1/2048 – 12/31/2052	2050 Target Date Fund
1/1/1978 – 12/31/1982	1/1/2043 – 12/31/2047	2045 Target Date Fund
1/1/1973 – 12/31/1977	1/1/2038 – 12/31/2042	2040 Target Date Fund
1/1/1968 – 12/31/1972	1/1/2033 – 12/31/2037	2035 Target Date Fund
1/1/1963 – 12/31/1967	1/1/2028 – 12/31/2032	2030 Target Date Fund
1/1/1958 – 12/31/1962	1/1/2023 – 12/31/2027	2025 Target Date Fund
1/1/1953 – 12/31/1957	1/1/2018 – 12/31/2022	2020 Target Date Fund

Birth Date	Normal Retirement Date	Your default Target Date Fund will be:
1/1/1948 – 12/31/1952	1/1/2013 – 12/31/2017	2015 Target Date Fund
12/31/1947 – or earlier	12/31/2012 – or earlier	Retirement Fund

Remember, you can always choose to redirect your fund balances and future contributions to other investment options.

## More Information about the Lumen Stock Fund

### Lumen Stock Fund Closed to New Investments.

The Lumen Stock Fund is closed to new Participant directed investments including contributions, loan payments or transfers into the Fund.

You have the right to sell out of the Lumen Stock Fund at any time, subject to applicable insider trading rules.

### Loan Repayments Are NOT Reinvested in the Lumen Stock Fund

If you take a loan from the Plan including from your investment in the Lumen Stock Fund, you have cashed out that amount from this investment and your loan repayments will not be invested in the Lumen Stock Fund.

### Dividends

Dividends on shares of Lumen Stock held in the Lumen Stock Fund will continue to be reinvested in the Fund or you can elect to have dividends paid directly to you in cash if the dividend is equal to or greater than \$10. All Lumen Stock dividends that are less than \$10 per Participant automatically will be re-invested in the Lumen Stock Fund even if you selected a cash payment option. All dividend amounts equal to or greater than \$10 will be applied according to your pass-through election or re-invested into the Lumen Stock Fund if no election was made. If you are invested in two Company Stock Funds the \$10 threshold will be applied to the aggregate sum of the two dividends.

### Investment Manager and Independent Fiduciary of the Lumen Stock Fund

CIM has selected State Street Global Advisors Trust Company as the investment manager and independent fiduciary for the Lumen Stock Fund. Additional information regarding Lumen may be found at Lumen Investor Relations website, which can be found at [ir.Lumen.com](http://ir.Lumen.com).

### Voting Units of the Lumen Stock Fund

Your Plan Account does not hold actual shares of the common stock of Lumen (“Lumen Shares”). Instead, the Stock Fund is unitized, meaning you hold shares or units in the fund. You have the right to direct the voting of your units in the Lumen Stock Fund. Before each annual or special meeting of shareholders of Lumen you will be sent a copy of the proxy solicitation materials for the meeting, including a form to instruct the Trustee on how to vote the Lumen Shares that are represented by the Lumen Stock Fund units credited to your Account. The Trustee will vote the Lumen Shares as instructed. The Trustee will vote any Lumen Shares for which it does not receive voting instructions in the same proportion as it votes Lumen Shares for which it does receive instructions unless it is imprudent to do so.

### Confidentiality

Except as required by law, your purchase, holding, sale and the exercise of voting, tender and similar rights with respect to the Lumen Stock Fund will be kept confidential. Only certain employees of the Lumen transfer agent and the Trustee have access to this information and may convey this information for purposes of Plan administration and compliance with applicable law.

Your voting directions on the Lumen Stock Fund will be submitted to Lumen transfer agent and the transfer agent will advise the Trustee of your voting instructions. Neither Lumen nor its employees will have access to your voting instructions.

## **Dividends on Lumen Shares**

All Participants who have a portion of their Plan Account balance in the Lumen Stock Fund may elect to have any dividends on their holdings of Lumen Shares paid to them in cash. If you do not elect to have your dividend paid to you in cash, it will be reinvested in the Lumen Stock Fund. You must have a balance in the Lumen Stock Fund on the ex-dividend date in order to be eligible to receive a dividend.

Dividends you elect to have paid directly to you are considered taxable income. You will receive a Form 1099 reflecting all taxable dividend payments you received during the current calendar year, by the end of January following the year in which the payment occurs.

Based on your election to have your Lumen Stock Fund dividend reinvested in the Lumen Stock Fund or to have your dividend paid directly to you, your election will be applicable for all future dividend payments, or until you change your election. You may make an election for the next dividend payment up until the ex-dividend date of any subsequent dividend payment. The Committee and the Company recommend that you consult a tax advisor or financial expert for specific advice about your particular circumstances.

This election is made through the Participant Contact Center (see page 4 for contact information).

## **How to Get More Information About the Plan's Investment Funds**

You may obtain additional information about the investment funds available in the Plan from the Participant Contact Center (see page 4 for contact information). The Participant Contact Center can send you Fund Fact Sheets for the Target Date Funds and the core funds. These Fund Fact Sheets are updated quarterly and can provide you with investment information about your Plan Account.

Other more detailed information about the investments funds available under the Plan is also available. To receive the following information, you must deliver a written request to the Participant Contact Center. Available information is based on the most recent information available to the Plan and includes:

- Copies of any financial statements, reports and other materials relating to the investment alternatives. If you participate in the PCRA investment option, you may obtain prospectuses by contacting Schwab directly.
- Name and value of each asset and its proportion within the portfolio of each investment.

Please address any questions you have regarding available information to the Participant Contact Center at the phone number listed on page 4 of this SPD.

Participants should be aware that not all features described in Schwab One Account Agreement to establish a PCRA Account are available to Plan participants. Participants may contact Schwab directly for more information regarding features that are available via the PCRA program.

## 7. IN-SERVICE WITHDRAWALS

The Plan is designed to help you save for retirement and, as a result, Lumen employees generally are prohibited from obtaining a distribution from the Lumen 401(k) Savings Plan while they are actively employed by Lumen or one of its subsidiaries or affiliates. However, as described in this Section, there are certain instances when employees may obtain an in-service withdrawal from the vested portion of their Plan Account. An in-service withdrawal may be subject to the additional 10% tax on “early distributions” (for more information about the taxation of in-service withdrawals, see Potential Tax Consequences of In-Service Withdrawals on page 35 and Section 14: Federal Income Tax Effect Of Participant Contributions, Company Contributions and Withdrawals under Present Law beginning on page 57).

### **Important Information If You Transfer Employment Domestically or Internationally**

Your transfer of employment to another Lumen location inside or outside of the U.S. does not qualify as a termination in service or a break in active employment if you remain on a Lumen entity payroll. As a result, if you are a Lumen employee who transfers among Lumen entities within the U.S. or transfers out of the U.S. to a Lumen overseas location, you remain a Participant in the Plan (but you are no longer allowed to actively participate and make Employee Contributions) and you are not eligible for a distribution from the Plan until you subsequently leave employment with Lumen and its subsidiaries and affiliates or meet one of the special exceptions allowing for an in-service withdrawal as explained below.

## **GENERAL RULES**

### **Request for Return of Automatic Employee Contributions within the First 90 Days of Deposit**

If you are a newly hired Covered Employee who did not timely elect out of the automatic enrollment feature of the Plan within the first 30 days of your employment with the Company which has resulted in a portion of your Compensation being automatically contributed into the Plan as Pre-Tax Contributions, you may request a refund of these contributions, adjusted for any investment gains or losses to the date of distribution. This refund will be paid to you in a single lump sum payment.

To receive a refund of these contributions, adjusted for any investment gains or losses to the date of distribution, you must take the following steps:

- You must change your Pre-Tax Contribution election to 0%. To do so, contact the Participant Contact Center at the phone number or website listed on page 4 of this SPD.
- Within 90 calendar days of the first paycheck from which amounts were withheld from your pay, you must make a verbal request for the return of amounts withheld from your Compensation. To do so, contact the Participant Contact Center at the phone number listed on page 4 of this SPD.

Please note that, if you request a refund of these contributions, adjusted for any investment gains or losses to the date of distribution, you will forfeit any Company Matching Contributions (and any related earnings) that may have been allocated to your Plan Account with respect to this refunded amount.

### **In-Service Withdrawal At or After Age 59½**

At any time at or after you attain age 59½, even if you are employed by the Company, you may elect to withdraw all or any part of your vested Account balance.

### **In-Service Withdrawal From Certain Plan Accounts**

At any time, you may withdraw from the vested portion of your Plan Account all or a portion of the following contributions, adjusted for any related investment earnings, prior withdrawals, or prior distributions – even while you are employed by the Company:

- Rollover Contributions, including Roth Rollover Account;
- Roth Contributions (Prior Roth and Roth Rollover only);
- After-Tax Contributions;
- Contributions in your TRASOP Account; and
- Contributions in your Centel ESOP Account.

## Loan Security; Collateral

Outstanding loan(s) are used as collateral and only “investable” balance is available for a withdrawal.

## Hardship Withdrawal

If you incur a serious financial hardship while you are employed by Lumen, you may withdraw all or any portion of your Pre-Tax Account, Roth Account, After-Tax Account, and Rollover Account. The amount of your hardship distribution will be withdrawn from all of these accounts on a pro rata basis. Earnings credited after January 1, 1989 cannot be withdrawn as part of a hardship withdrawal. Also, Company Matching Contributions and related earnings allocated to your Plan Account during the year of the hardship withdrawal and the prior two Plan Years cannot be withdrawn as part of a hardship withdrawal.

**Note:** Federal tax law is specific about who is a “dependent” for purposes of the hardship withdrawal rules. Please consult your personal tax advisor to determine who your dependent is under the federal tax laws. You may not request a hardship withdrawal for more than the amount of the financial need plus taxes you will pay on the amount withdrawn. A financial need must be demonstrated in accordance with the terms of the Plan. Before you will be considered eligible to take a hardship withdrawal, you must apply for a loan from the Plan and exhaust all other withdrawal possibilities under the Plan. Other conditions and restrictions also may apply.

A serious financial hardship is a situation in which you incur an immediate and heavy financial need related to the following:

- Expenses for (or necessary to obtain) medical care for you, your Spouse or your dependents or expenses necessary for these persons to obtain medical care.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for you, your Spouse, your children or your dependents.
- Payments necessary to prevent your eviction from, or mortgage foreclosure of, your principal residence.
- Payments for burial or funeral expenses for your deceased parent, Spouse, children or dependents.
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Code Section 165.
- Expenses and losses (including loss of income) incurred by you on account of a disaster declared by the Federal Emergency Management Agency (FEMA), provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

In some cases, Participants who meet certain criteria will be permitted to request and receive a hardship withdrawal from their vested Account for any financial need resulting from a serious natural disaster and some of the other of the hardship withdrawal requirements may be suspended. If you take a hardship withdrawal, you should retain the paperwork and documentation used to demonstrate the financial need for the withdrawal as this is subject to audit by the Internal Revenue Service.

## In-Service Withdrawal While on Military Leave

If you are on military leave in order to perform “qualified military service,” you may elect to withdraw all or any portion of your vested Plan Account (including all or any portion of your Pre-Tax Account, Roth Account, After-Tax Account, and Rollover Account). “Qualified Military Service” means any service in the uniformed services (as defined in Chapter 43 of Title 38, United States Code).



You may not contribute to the Plan (or receive a Company Matching Contribution) for six months following any military leave withdrawal. At the end of the six month contribution suspension period, if you are still employed with Lumen you will be automatically re-enrolled in the Plan at the same rate before the suspension.

## **Applying for In-Service Withdrawals**

You must apply for an in-service withdrawal. To make an in-service withdrawal application, contact the Participant Contact Center (see page 4 for contact information). Requests for withdrawals are processed as soon as administratively practicable after the date you request an in-service withdrawal and provide all requested information.

## **Form of Payment for In-Service Withdrawals**

Any in-service withdrawal payments made to you from the Plan generally will be paid to you in cash by means of a check or wire/electronic transfer. However, you can elect to receive an in-kind payment of the whole shares of Lumen Stock held in your Account (any partial shares are liquidated and paid in cash).

Payment of your Plan Account that is invested in PCRA investments will be in cash, unless you elect to receive an in-kind distribution rolled over to an IRA Account at Schwab. This in-kind option does not apply to after-tax money or to Hardship Withdrawals.

Units representing your investments in investment funds other than the Lumen Stock Fund and PCRA will be paid in cash based on the value of the units as of the date of distribution.

## **Potential Tax Consequences of In-Service Withdrawals**

In-service withdrawals of amounts other than After-Tax Contributions and qualified withdrawals of Roth Contributions and earnings, if any, are subject to income tax. If you are under age 59½ and you do not rollover your in-service withdrawal to another tax-qualified plan or an IRA, your withdrawal amount may be subject to both mandatory federal income tax withholding and a 10% federal excise tax penalty for early withdrawal. In addition, sometimes a state excise tax also may apply.

Withdrawals of contributions and earnings in your Roth Contribution Account are not taxed provided they are a qualified distribution. A qualified distribution is generally a distribution where the account has been held for at least 5 years and is made because of disability, death or after you have reached age 59½, even if you are still employed by the Company. You should consult with a qualified tax advisor for more information.

For more information, see Other Tax Considerations on page 38 and Section 14: Federal Income Tax Effect Of Participant Contributions, Company Contributions and Withdrawals under Present Law beginning on page 57.

## **LEGACY ACCOUNT SPECIFIC RULES**

### **In-Service Withdrawal from Your QSIP Account**

This section applies solely to the portion of your Plan Account, which prior to April 1, 2012 was held under the Qwest Savings and Investment Plan and which as of April 1, 2012 has been transferred to this Plan (the “QSIP Account”). The rules of this section are in addition to any other Plan rules that allow you to withdraw some or all of your Plan Account.

#### **Partial Withdrawal from QSIP Account.**

In addition to any other Plan rules allowing you to withdraw some or all of your Plan Account, you also may withdraw a portion of your QSIP Account at any time while you are employed (a “Partial Withdrawal”), regardless of your age, subject to the following rules:

- Your partial withdrawal will be taken in equal portions (“pro rata”) from the following subaccounts of your QSIP Account (to the extent those amounts may be withdrawn): unmatched After-Tax Contributions and corresponding earnings, if any; Rollover Account and corresponding earnings, if any; and, if the following contributions have been in the Plan for at least the two Plan Years preceding the year of withdrawal: matched After-Tax contributions, vested Matching Contributions and vested ESOP contributions and corresponding earnings on these three, if any.

**Note:** Unvested Matching Contributions may not be withdrawn.

## **Regular Full Withdrawal from QSIP Account**

You may withdraw funds from your QSIP Account at any time while you are employed. You may withdraw the entire amount from the following portions of your QSIP Account: After-Tax contributions and corresponding earnings, if any; Rollover contributions and corresponding earnings, if any; and, if the following contributions have been in the Plan for at least the two Plan Years preceding the year of withdrawal, vested Matching Contributions and vested ESOP contributions and corresponding earnings on both, if any.

## **In-Service Withdrawal from Your Embarq RSP Account**

This section applies solely to the portion of your Plan Account, which prior to April 1, 2012 was held under the Embarq Retirement Savings Plan and which as of April 1, 2012 has been transferred to this Plan (the “Embarq RSP Account”). The rules of this section are in addition to any other Plan rules that allow you to withdraw some or all of your Plan Account.

In addition to any other Plan rules allowing you to withdraw some or all of your Plan Account, you also may withdraw a portion of your Embarq RSP Account at any time while you are employed subject to the following rules:

- Your withdrawal will be taken in equal portions (“pro rata”) from the following subaccounts of your Embarq RSP Account (to the extent those amounts may be withdrawn): After-Tax contributions and corresponding earnings, if any; Rollover Account and corresponding earnings, if any; and vested Matching Contributions and corresponding earnings, if any, that have been in the Plan for at least the two Plan Years preceding the year of withdrawal.
- The portion of your Embarq RSP Account attributable to pre-tax contributions may only be withdrawn while you are employed if you are at least age 59½.

## **US Sprint Plan Employees**

In addition to any other Plan rules allowing you to withdraw some or all of your Plan Account, and the in-service withdrawal rules applicable to your Embarq RSP Account, you also may make the following in-service withdrawals from your Embarq RSP Account if you were a US Sprint Savings Plan Employee:

- If you incur an unusual, extraordinary expense or hardship that imposes an immediate and heavy financial need, you may withdraw an amount to meet such need from that portion of your Embarq RSP Account attributable to After-Tax contributions that have not been in the Plan for at least the two Plan Years preceding the year of withdrawal and Company contributions made under or transferred to the US Sprint Savings Plan before January 1, 1990.
- If you are on lay-off or a leave of absence of 30 days or more and you were a participant in the US Sprint Savings Plan for at least two years, After-Tax contributions that have not been in the Plan for at least the two Plan Years preceding the year of withdrawal and that were contributed to the US Sprint Savings Plan before January 1, 1990 and Company contributions made under or transferred to the US Sprint Savings Plan before January 1, 1990.

## **In-Service Withdrawal from Your Level 3 Account**

This section applies solely to the portion of your Plan Account, which prior to the Level 3 Plan Merger Date January 2, 2018, was held under the Level 3 Plan and which, as of the Level 3 Plan Merger Date January 2, 2018, has been transferred to this Plan (the “Level 3 Account”). The rules of this section are in addition to any other Plan rules that allow you to withdraw some or all of your Plan Account.

In addition to any other Plan rules allowing you to withdraw some or all of your Plan Account, you may withdraw, at any time and for any reason, all or any portion of the balance in your Impsat Pre-Tax Account and/or the Impsat Employer Match Account.

## 8. DISTRIBUTIONS

When your employment with the Company ends due to your retirement, disability, or other termination of employment, you may request a distribution of your entire vested Plan Account.

**Note:** If You are Rehired or Working as a Contractor. Before any former employee, including a retiree, can be rehired by the Company as an employee or retained by the Company as a contractor (even through a supplier), there is a required 6-month “sit-out” period if the person has received a distribution from the Plan or a Company-sponsored pension plan. This “sit-out period” is required by Company policy which complies with IRS guidance in order to maintain the tax qualification of the Company’s retirement plans, including the Plan. If you have questions regarding this Company policy, please contact your Human Resources Business Partner.

### **Distribution Rules for Vested Plan Account Balances of \$1,000 or Less**

If your vested Account balance is not more than \$1,000 at or after the time you terminate employment with the Company, you are required to take distribution of your vested Account balance. If you do not contact the Participant Contact Center to take a distribution, your vested Account balance will be distributed in a single sum payment directly to you approximately 90 days after your employment termination or at any time after your employment termination when your Account balance falls to \$1,000 or less. Mandatory federal tax withholding of 20% will apply to this distribution.

### **Distribution Rules for Vested Plan Account Balances Greater Than \$1,000 But Not More Than \$5,000**

If, at the time you terminate employment with the Company (or any later time), your vested Account balance is greater than \$1,000 but not more than \$5,000, you will have 60 calendar days to make an election to receive a distribution paid directly to you or to rollover the vested Account balance to an IRA of your choice. Distributions will be made as soon as administratively practicable after they are requested. You may request a distribution by contacting the Participant Contact Center at the phone number or website listed on page 4 of this SPD.

If you do not make an election within 60 calendar days, your vested Account balance will be automatically rolled over to an IRA established on your behalf. Your consent for this rollover distribution is not required. The IRA provider chosen by the Plan is IPX Trust. IPX Trust is located at: 9200 E. Mineral Ave., Suite 225, Centennial, CO 80112. Its phone number is 844-788-3474 and its website is [ipxretirement.com](http://ipxretirement.com).

### **Distribution Rules for Vested Plan Account Balances of More Than \$5,000**

If you terminate employment with the Company and your vested Account balance is greater than \$5,000, you may choose to either take distribution of your vested Account immediately or defer distribution until a later date (but not later than your “required beginning date” described in the next section below). Distributions will be made as soon as administratively practicable after they are requested. You may request a distribution by contacting the Participant Contact Center at the phone number or website listed on page 4 of this SPD.

### **Mandatory Distributions Upon Attainment of Your Required Beginning Date**

#### Mandatory Distributions Upon Attainment of Your Required Beginning Date

Unless you are still employed by the Company or an affiliate, you must begin receiving distributions by the April 1 following the calendar year in which you attain age 72 and terminate from the Company.

If you attained age 70½ prior to December 31, 2019 and have already started to receive required RMD payments, you must continue to receive requirement minimum payments.

Distribution of your vested Account must begin no later than your “required beginning date.” Your required beginning date is the April 1 following the calendar year in which you attain age 72 or the date you retire, if later.



**Note:** The Plan and the federal tax laws impose rules on the minimum amount that must be paid (if payments are periodic) and limitations on the length of time over which you may receive your required minimum distributions. As a result, if you are receiving your distribution in installments and during the installment period you attain age 72, the Plan Administrator, in its sole discretion, may require an additional ad hoc payment each year as necessary to comply with the minimum distribution requirements of Code Section 401(a)(9) and the related Treasury Regulations.

In response to the COVID-19 Pandemic the requirement for anyone to take a minimum distribution from the Plan has been waived for the 2020 calendar year.

## **Manner of Payment**

You may elect to receive your distribution in a single lump sum payment, partial payment, or in monthly, quarterly or annual installments, in accordance with policies established by the Committee. **Note:** When payments are made in installments, the maximum number of changes allowed to the payment amount, payment date or frequency is 4 changes in any rolling 12-month period.

## **Applying for Distributions**

You must apply for a distribution of your vested Plan Account in order to commence payment. To make a distribution application, contact the Participant Contact Center (see page 4 for contact information) and complete the appropriate paperwork. Requests for distributions are processed as soon as administratively practicable after the date you request a distribution and provide all requested information.

## **Form of Payment for Distributions**

Any distribution payments made to you from the Plan generally will be paid to you in cash by means of a check or wire/electronic transfer. However, you can elect to receive an in-kind payment of the whole shares of Lumen Stock held in your Account (any partial shares are liquidated and paid in cash).

Payment of the portion of your Plan Account invested in PCRA investments will be in cash in the form of a check or wire/electronic transfer, unless you elect to receive an in kind distribution rolled over to an IRA Account at Schwab. This in-kind option does not apply to hardship withdrawals.

Units representing your investments in investment funds other than the Lumen Stock Fund and PCRA will be paid in cash, in the form of a check or wire/electronic transfer, based on the value of the units as of the date of distribution.

## **Direct Rollovers**

A direct rollover is a payment of your Plan Account from the Plan to your IRA or to another employer tax-qualified retirement plan. If you elect a direct rollover, no income tax will be withheld and the amount rolled over will not be taxed until you later elect to receive payment from your IRA or other employer tax qualified retirement plan.

Required minimum distributions from the Plan at or after age 72 cannot be rolled over to an IRA or other employer tax qualified plan.

## **Other Tax Considerations**

If you choose to have your vested Account paid directly to you in the form of a lump sum or installments:

- If the amount being distributed is taxable, you will receive only 80% of the taxable payment because the Committee or its delegate is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. Applicable state taxes also may be withheld. This is not applicable to required minimum distributions, or a series of payments extending for 10 years or more, or payments being made over your life expectancy.

- The taxable portion of your payment will be taxed in the current year unless you roll it over to your IRA or another eligible retirement plan within 60 days of receiving the payment. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive a payment before age 59½, you may also have to pay an additional 10% excise tax for early withdrawal and any applicable state excise tax.
- If you have an outstanding loan from the Plan at the time of your distribution, your Plan benefit will be offset by the amount of the outstanding loan balance. The offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% excise tax on early distributions, unless an exception applies) unless you complete a rollover in the amount of the loan offset to an IRA or other eligible retirement plan by the due date (including extensions) of your tax return due date for the year in which the loan offset (that is, the distribution) occurred.
- If you want to roll over 100% of the taxable portion of your payment to an IRA or an employer plan, you must make up the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and not rolled over.
- The above tax withholding rules do not apply to hardship withdrawals because hardship withdrawals are not eligible to be rolled over. Hardship withdrawals of taxable amounts are subject to income tax, and excise taxes for early withdrawal may apply.

You may contact the Participant Contact Center at the phone number or website listed on page 4 of this SPD for more information about the direct rollover rules. For more information about taxes, please see Section 14: Federal Income Tax Effect Of Participant Contributions, Company Contributions and Withdrawals under Present Law. In addition, please consult with a qualified tax advisor when deciding how and when to receive your Plan distribution.

### **Taxation of Roth Contribution Account Withdrawals**

Withdrawals of contributions and earnings in your Roth Contribution Account are not taxed provided you receive such amounts in a “qualified distribution.” A “qualified distribution” is generally a distribution of your Roth Contribution Account where the Account has been held in the Plan for at least 5 years and the distribution is being made because of your disability or death, or after you have reached age 59½, even if you are still employed by the Company. You should consult with a qualified tax advisor for more information.

## 9. QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

The Plan is designed to provide benefits solely for you and your designated beneficiaries in the event of your death before your vested Plan Account has been fully paid out. You cannot assign or pledge your Plan benefit to anyone else and no portion of your Account balance under the Plan can be made subject to the claim of any creditor. However, in connection with a divorce or support claim, a court may order that some or all of your vested Plan Account balance must be payable to your Spouse, ex-Spouse, child or other dependent.

A “Qualified Domestic Relations Order” or “QDRO” is a court order that instructs the Plan to make payments to someone other than the Participant. The person entitled to receive this payment is known as the “Alternate Payee.”

The Plan has procedures, which reflect applicable Federal pension law and which must be satisfied before the Committee (or its delegate) will determine that an order is a QDRO. You can request a copy of these QDRO procedures by calling Findley, a Division of USI, the third party QDRO administrator for the Plan, at 1.844.306.1234.

The Plan will comply with the terms of a court order if the Committee or its delegate determines that the order is a QDRO. In such event, the amount otherwise available to you from the Plan for withdrawal, loan or distribution will be limited. No withdrawal, loan or distribution will be permitted that, in the opinion of the Committee or its delegate, could prevent the Plan from giving full effect to the QDRO, without the written consent of the Alternate Payee designated in the QDRO. These restrictions will also apply for any period during which the Committee or its delegate is determining if a written court order (or written proposed order) satisfies the QDRO requirements specified by the Code.

The Committee or its delegate will notify you of its receipt of any court order that may apply to your Plan Account and that the order is being examined to determine whether it is a QDRO. Then, within a reasonable period of time, the Committee or its delegate will notify you and the other involved parties of its determination.

# 10. LOANS

## Loan Policy

While the Plan is intended to provide you with income after your retirement, the Plan enables you to borrow from your own vested Plan Account to help meet short-term and immediate financial needs.

Loans are not considered in-service withdrawals or distributions and are not subject to federal, state or local income taxes, provided they are repaid in accordance with the terms of the related promissory note.

If you are interested in obtaining a loan from the Plan, you should request a copy of the Plan's loan policy by contacting the Participant Contact Center (see page 4 for its phone number and website).

The rest of this Section summarizes some, but not all, of the important provisions of the Plan's Loan Policy.

## Maximum Number of Loans and Maximum Loan Amount

You may have no more than two loans outstanding at any time. The outstanding balance of any loans transferred from another plan to the Plan counts against this loan number.

In general, you may borrow a total of 50% of your vested Account balance up to a maximum of \$50,000 minus the highest outstanding loan balance in the past 12 months. New loans must be for a minimum of \$1,000.

## Source of Funds for the Loan

Your vested Account balance provides the source of the funds for your loan from the Plan. The proceeds for the loan will be deducted on a hierarchy basis from all subaccounts. Within these loan source subaccounts, the proceeds for the loan will be taken pro-rata from each of the core investment funds in which your contribution sources are invested. Loan proceeds are not taken from amounts invested in the PCRA, so if you need a loan and do not have sufficient funds in core investments, you will first need to transfer money from the PCRA into core funds prior to filing your loan application.

## Loan Interest Rate

The Committee selects the method of determining the interest rate, which must be a reasonable rate of interest. The Committee, in its sole discretion, is permitted to change this method from time to time. Until revised by the Committee, the interest rate charged on any loan from the Plan to a Participant is 1% more than the Wall Street Journal prime rate on the day the loan is requested. The interest is repaid to your vested Plan Account.

## Repayment Period

Repayment of the loan must be made in substantially equal amounts over the term of the loan. As a result, loan repayments are not deducted from your Bonus Compensation.

The term of the loan may not exceed 5 years and may not be for less than one year. However, if the loan is used to purchase your principal residence, the term of the loan may be up to a maximum of 15 years.

Repayment of the loan must be made by payroll deduction as long as you are an active employee of the Company or on a paid leave of absence, unless you are making a one time payment to pay off the loan. You also may make a partial payment of an outstanding loan balance as long as the partial repayment amount is the multiple of the per paycheck amount due on the loan. For example, assume you owe \$2,000 on your loan from the Plan and \$250 is deducted from each paycheck for loan repayments. You can prepay this loan in \$250 increments – for example, you could prepay \$750 or \$1,000.

No loan will be complete without a written agreement (which can be electronic) to provide for the repayment of the loan by payroll deduction. This agreement is included with the loan check you receive or mailed to you if your funds are deposited by Automated Clearing House (ACH) electronic deposit.

**Remember:** If you take a loan from the Plan, it will be deducted proportionately from all of your investments, including from your investment in the Lumen Stock Fund. Loan amounts deducted from the your investment in the Lumen Stock Fund are considered to have been cashed out from the Lumen Stock Fund and your loan repayments will not be reinvested in the Lumen Stock Fund.

Your loan repayments, including interest, will be credited back to your same subaccounts from which the loan proceeds were taken, but in accordance with your investment directions in effect at the time of the repayment.

## Failure to Make a Loan Payment

The loan is secured by your Plan Account. A default, or failure to timely repay the loan, will occur in the event any loan payment is not made within 90 days of the date the last payment was posted to the Participant's Plan Account. In the event of default, the outstanding balance of the loan (principal and interest) will be considered a distribution and you will be responsible for all applicable taxes and tax penalties. Taxes may include penalty taxes and state taxes in addition to federal income tax.

## What Happens to Your Loan if You Take a Leave of Absence

If you take a leave of absence with pay, your loan payments will continue through regular payroll deductions.

If you take a leave of absence without pay (other than for military service), your loan payments may be suspended while on the authorized leave of absence for a period up to 12 months or until the end of the term of the loan, whichever is earlier. Interest will continue to accrue on the loan while payments are suspended.

At the time that you are required to resume payments, the loan will be re-amortized, including interest accrued while payments were suspended, but not extended beyond the lesser of the number of months of suspension or 12 months.

**Note:** The loan still must be repaid by the end of the term of the original loan.

You may make payments while on an unpaid leave of absence by contacting the Participant Contact Center (see page 4 for its phone number and website).

A Participant who has been laid off will not be deemed to be on an authorized leave of absence for purposes of the loan, but will be treated as a terminated employee as described below.

## What Happens to Your Loan if You Go On Military Leave

If you are on military leave in accordance with Lumen's Military Leave Policy, your loan payments may be suspended for the period of military leave.

However, even if your loan payments are suspended, interest will continue to accrue on the loan while the payments are suspended at an annual rate no greater than the lesser of (i) the interest rate applicable to the loan or (ii) 6%, in accordance with the Service Members Civil Relief Act of 2003. If the interest rate is required to be reduced to 6%, the reduced interest rate will be effective as of the date on which you are called to military service. If you are a Reservist, the reduced interest rate will be effective as of the date you receive orders to report for Military Service.

When you are required to resume loan payments, the loan will be re-amortized, including any interest accrued while payments were suspended.

As re-amortized, a general purpose loan must be repaid within five years of the original date of the loan, plus the period of military service. A residential loan must be repaid within 15 years from the date of the original loan plus the period of military service.

If you do not return to work after a period of military service, you will be considered to have terminated employment as of the date your re-employment rights lapsed pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994.

## **Termination of Employment and Loan Repayment**

If your employment is terminated for any reason, prior to repaying your loan in full, you may continue making repayments on your outstanding loan(s). Payments must be kept up-to-date and made in the exact payment amount or multiples of your payment amount as agreed in your loan initiation agreement.

Loan payments can be made by remitting a cashier check or money order payable to “Principal Financial Group, N.A. for Lumen 401(k) Savings Plan FBO <Participant’s name>” and mailed to Principal Financial Group, 711 High Street, Des Moines, IA 50392. If you have terminated employment and would like to set-up ongoing loan payments via ACH debit from your savings or checking account, contact the Participant Contact Center (see page 4 for contact information).

If you take a full distribution of your Plan Account balance prior to repaying your loan, or if your loan payments are not kept up-to-date, the outstanding loan amount will be treated as a distribution and deducted from your vested Plan Account. You are responsible for all applicable taxes and tax penalties.

## **How to Apply for a Loan**

You may have a maximum of two (2) loans outstanding at any time. To receive a loan from the Plan, you may apply online at [principal.com](http://principal.com) or by contacting Participant Contact Center (see page 4 for its phone number and website). The Participant Contact Center will review the application to determine if it meets the requirements of the Plan, as described above.

## **Applying for a Residential Loan**

A residential loan is a loan for the purchase (including down payment) or construction of your principal residence. Refinancing an existing home mortgage, the purchase of land and remodeling or adding on to your existing home does not qualify as a residential loan. You will be required to provide supporting documentation, such as a signed purchase agreement, to the Participant Contact Center prior to being approved for a residential loan.

## **Fees**

Your Plan Account will be charged a one-time non-refundable loan application and maintenance fee per loan, which currently is \$50 (this fee is subject to change over time). The loan fee will be deducted from your Account proportionately between your investment funds. Please contact the Participant Contact Center for more details (see page 4 for its phone number and website).

## **Loan Prepayment**

**Loan Prepayment** You can repay the entire amount of the loan at any time, without penalty. If you would like to set-up a one-time ACH payment, contact Principal Financial Group. Loan payments can also be made by remitting a Cashier’s Check or Money Order made payable to “Principal Financial Group for Lumen 401(k) Savings Plan FBO ” <Participant’s Name>”, for the exact prepayment amount must be received at the address indicated by the Participant Contact Center by the prepayment date. The Participant Contact Center will advise you of your prepayment amount and prepayment date.

You also may make a partial repayment of an outstanding loan balance as long as the repayment amount is the multiple of the per paycheck amount due on the loan. For example, assume you owe \$2,000 on your loan from the Plan and \$250 is deducted from each paycheck for loan repayments. You can prepay this loan in \$250 increments – for example, you could prepay \$750 or \$1,000. If you pay off your loan with an ACH payment, an 8 calendar-day loan payout delay is implemented before you can request a new loan.



## **Timing and Loan Processing**

In general, loan transactions completed before 3 p.m. Central Time will be processed the same business day. Loan transactions completed after 3 p.m. Central Time will be processed the next business day. You may cancel a pending transaction if you do so before 3 p.m. Central Time on the day the transaction was made by contacting the Participant Contact Center (see page 4 for its phone number and website).

## **No Loan Refinancing and No Renegotiation of Loan Terms**

Outstanding loans may not be refinanced nor may the terms of an outstanding loan be renegotiated.

## **Additional Information**

If you apply for, and are granted, a loan from the Plan, you should retain the loan paperwork and documentation as this is subject to audit by the Internal Revenue Service.

To obtain additional information, you should contact the Participant Contact Center at the phone number or website listed on page 4 of this SPD.

## 11. WHAT HAPPENS TO YOUR PLAN ACCOUNT IF YOU DIE?

If you die before you receive a distribution of your entire vested Account, your vested Plan Account balance will be paid to your “designated beneficiary.” Your vested Plan Account balance will be available to your designated beneficiary within a reasonable period following your designated beneficiary’s notice of your death to the Plan and the Plan’s receipt of required paperwork, including documents showing proof of your death.

The Company and the Committee encourage you to file a beneficiary designation form with the Plan so that your vested Plan Account balance will be paid to the person you want to get the money.

If you do not file a beneficiary designation form with the Plan, your vested Plan Account balance is paid automatically to your surviving Spouse.

If there is no surviving Spouse, your vested Plan Account balance will be payable to your estate. Payment to your estate may lengthen the distribution process and possibly reduce the amount your family receives because of potential additional costs and adverse tax consequences.

**For more information see [What Happens to Your Plan Account If You Die Without Having A Designated Beneficiary](#) on page 45.**

### Who Is Your Designated Beneficiary?

#### Who Is Your Designated Beneficiary If You Are Married?

If you are married, your Spouse automatically is your sole primary designated beneficiary. If you wish to name someone in addition to, or in place of, your Spouse as your primary beneficiary, your Spouse must consent in writing to your naming of any other person as your beneficiary and your Spouse’s signature must be made in the physical presence of a notary public who has an active commission or license. If none of your designated non-spouse beneficiaries survive you, your Plan Account balance will be paid to your surviving Spouse. If neither your Spouse nor your designated non-spouse beneficiaries survive you, your Plan Account balance will be paid to your estate (see [What Happens to Your Plan Account If You Die Without Having A Designated Beneficiary](#) on page 45).

If you are married, your Spouse automatically is your sole primary designated beneficiary. If you wish to name someone else as your primary beneficiary, your Spouse must give written consent, which must be signed in the physical presence of a notary public who has an active commission or license.

#### Who Is Your Designated Beneficiary If You Are Not Married?

If you are not married, you may name any one or more persons you choose to be your beneficiary. If none of your designated beneficiaries survive you, or if you have not named anyone as your beneficiary, your vested Plan Account balance will be paid to your estate (see [What Happens to Your Plan Account If You Die Without Having A Designated Beneficiary](#) on page 45).

**Note:** If you get married after you had completed a beneficiary designation form and filed it with the Plan, that beneficiary designation form will be void and unenforceable and your new Spouse automatically will become your sole primary beneficiary. If you still wish the persons you had named as your designated beneficiaries before your marriage to receive your vested Plan Account balance on your death, you will need to complete a new beneficiary designation form and your Spouse will need to give written consent to your naming of the non-Spouse beneficiary(ies) and your Spouse’s signature must be witnessed by a notary public.

You should periodically review your beneficiary designation to confirm it is still appropriate based on events that might affect your decision (marriage, divorce, birth, death, etc.).

## How To Designate Your Beneficiary or Change An Existing Beneficiary Designation

To name someone as your beneficiary, or to change your beneficiary designation to name someone else, all of the following steps must be completed:

- You must complete, sign and date a beneficiary designation, on a form that has been approved by the Plan Administrator, and indicate who is to be your designated beneficiary. You can obtain a beneficiary designation form by contacting the Participant Contact Center at the phone number or website listed on page 4 of this SPD.
- If you are married, your Spouse must sign the beneficiary designation form after you have completed, signed and dated the form. Your Spouse must sign the completed beneficiary designation form in the physical presence of a notary public who has an active commission or license. The notary will be the witness to confirm and verify that your Spouse has signed and dated the form, and the notary must sign and stamp the form with his/her notary seal. If you fail to obtain your Spouse's written consent on your beneficiary designation form or if your Spouse's signature has not been witnessed by a notary public who has an active commission or license, your beneficiary designation is invalid as long as you are married to that person.
- You must file the fully completed beneficiary designation form with the Plan. The beneficiary designation form includes instructions on where to file your completed beneficiary designation form. Your beneficiary designation is not effective unless and until it is received by the Plan.

## On-Line Beneficiary Designations

You can make, or change, your beneficiary designations directly on the Plan's website (see "Accessing Your Plan Account" on page 4). If, while completing your online beneficiary designation form, you do not identify your Spouse as your sole primary beneficiary then, you will be required to complete a notarized spousal consent form within 60 days. The notary form can be downloaded from the website or you can call to request that it be sent to you. Once the notarized spousal consent form has been completed it, you may upload the form or you may mail it.

Your completed and filed Beneficiary Designation remains in effect until (1) you change it and, if you are married at that time, your Spouse gives written consent to that change and your Spouse's signature is witnessed by a notary public or (2) you become married, in which case your new Spouse automatically becomes your beneficiary unless and until you take steps to complete a new beneficiary designation and your new Spouse gives written consent to that change and your Spouse's signature is witnessed by a notary public.

If you divorce, you may revise your beneficiary designation to name any beneficiary you choose.

You may make or change your beneficiary designation at any time, subject to your Spouse's written consent to that change and your Spouse's signature is made in the physical presence of a notary public who has an active commission or license, by contacting the Participant Contact Center at the phone number or website listed on page 4 of this SPD.

## Payment Following Participant's Death After Termination of Employment

If you die after you terminate employment with Lumen but before receiving a distribution of your entire vested Account under the Plan, your remaining vested Account balance will be paid in the following order:

- First to your surviving Spouse, if you are married on your date of death and your Spouse did not give notarized written consent to your naming another beneficiary, then
- Second to your designated beneficiary(ies), provided that, if you are married on your date of death, your Spouse gave written consent to your naming of any non-Spouse beneficiary(ies) and your Spouse's signature was made in the physical presence of a notary public who has an active commission or license, then

- Third and last, to your estate, if your Spouse and/or designated beneficiaries do not survive you, or if you did not complete a valid beneficiary designation to which your Spouse had given written consent to your naming of any non-Spouse beneficiary(ies) and your Spouse's signature had been witnessed by a notary public.

## **Timing of Payment to Beneficiary After Participant's Death**

Your designated beneficiary needs to promptly notify the Plan in the event of your death. Upon receipt of notice, and satisfactory proof of your death, the Plan will provide appropriate distribution paperwork.

If your surviving Spouse is your designated beneficiary, he or she may elect to receive a lump sum distribution, roll the Account to an IRA or other eligible retirement plan, or defer receiving a payment until you would have attained age 72. If your Spouse elects to delay distributions, your Spouse must begin to receive minimum distributions from the Plan at the time you would have attained age 72 had you survived.

If your designated beneficiary is not your Spouse, your beneficiary must receive a full distribution of your Account within five years of your death. Your beneficiary also may elect to receive payment over his or her life expectancy provided the election is made and payments begin by the end of the calendar year following the calendar year in which your death occurred. For example, if you die on March 15, 2023, payments would begin no later than December 31, 2023.

Regardless who is your designated beneficiary, if your Account balance is less than \$1,000, your beneficiary will be required to take a lump sum distribution of your Account within 90 days of your death.

Your beneficiary also may be eligible to roll the Account balance distribution to an IRA as a direct rollover.

## **What Happens to Your Plan Account If You Die Without Having A Designated Beneficiary?**

If you do not have a valid beneficiary designation form on file with the Plan at the time of your death, your Plan Account balance automatically will be paid to your surviving Spouse. If your Spouse does not survive you or if you do not have a Spouse, your Plan Account will be payable to your estate. Payment to your estate may create a significant burden on your family after you are gone. For instance, payment to your estate may lengthen the distribution process and reduce the amount your family receives if they need legal help satisfying the probate laws of your state. Further, because estates are not eligible for direct rollovers, the tax consequences could be less favorable than if you have a valid beneficiary designation form on file. Please consult your own tax advisor before you leave payment of your Plan Account to your estate.

## 12. CLAIMS FOR BENEFITS

### Application Process

The Plan has a claims procedure that you (or your beneficiary) must use (1) to apply for benefits from the Plan, (2) to enforce your rights under the terms of the Plan, or (3) to clarify your right to future benefits under the terms of the Plan. If you have a claim, it should be submitted in writing to the Participant Contact Center (see page 4 for contact information). Unless special circumstances exist, your application or claim will be processed when all necessary information is provided to the Participant Contact Center, including verification of your eligibility for a distribution. Your payment will be made as soon as administratively practicable after the processing date. In the event of a delay in your distribution, you should receive within 90 days of your claim for benefits either

- a notice of the decision or
- a notice that (1) explains the special circumstances that are causing the delay and (2) sets a date, no later than 180 days after the Participant Contact Center received your application and all information necessary to process your application, and the time at which the Committee or its delegate expects to render a final decision regarding your application for benefits.

The Participant Contact Center has full discretion to deny or grant any claim in whole or in part. Your claim will be deemed denied if you do not receive a notice of denial timely and you will be permitted to appeal the denial

### Adverse Benefit Determination

If the Committee or its delegate partially or wholly denies your application for Plan benefits or other claim, you will receive a written notice that will include:

- the specific reason or reasons for the adverse benefit determination,
- specific references to provisions of the Plan document on which the adverse benefit determination is based,
- a description of any additional material or information which you must provide to make your claim valid with an explanation of why that material or information is needed and
- an explanation of the procedure to appeal an adverse benefit determination, the time limits applicable to such procedure and your right, at no charge, to have reasonable access to and to obtain copies of all relevant documents upon request therefore, and a statement of your right to bring a civil action under Section 502(a) of ERISA following a final adverse benefit determination.

### Request for Review of Adverse Benefit Determination

In the event of an adverse benefit determination, you may request a review by the Committee. The Committee is authorized to review such claim and to make a determination, as appropriate.

You will have the right, at no charge, to have reasonable access to and to obtain copies of all relevant documents upon request. You also have the right to submit in writing issues and comments, including, without limitation, appropriate evidence or testimony of an expert.

### Where to Send the Request for Review.

Your request for review by the Committee must be submitted in writing to the Employee Benefits Committee within 60 days of your receipt of a notice of an adverse benefit determination. The address is:

Attention: Lumen Employee Benefits Committee  
c/o Lumen  
214 E. 24th Street  
Vancouver, WA 98663.

## Decision on Review of an Adverse Benefit Determination

The Committee will make a decision within a reasonable period of time, but no later than 60 days after its receipt of your request for review. However, if special circumstances require an extension of time for processing, the Committee may extend the deadline provided the extension will not exceed an additional 60 days. You will be notified in writing prior to the expiration of the initial 60 days of the special circumstances requiring the extension(s) and of the date a determination is anticipated. If no response is received by the end of these time periods, your claim is deemed denied.

The Committee will review the adverse benefit determination, taking into account all comments, documents, records and other information submitted by you relating to the claim regardless of whether the information was previously considered during the initial review of the claim. The Committee has full discretion to construe and interpret the terms and provisions of the Plan and make factual determinations. The decision by the Committee is final.

You will be notified in writing of the decision of the review. In the event of an adverse benefit determination on review, the notice will communicate:

- The specific reason(s) for the adverse benefit determination.
- The specific reference(s) to the Plan provisions on which the adverse benefit determination is based.
- A statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

After exhausting the claims procedure as provided under the Plan, you may have the right to pursue any other legal or equitable remedy.

## Deadline to File a Civil Suit: Legal Remedy; Where You Must File a Lawsuit

Before you can go to court, you must first bring your claim through the claims and appeals procedure as explained above. After exhausting the claims procedure as explained in this Section, nothing shall prevent any person from pursuing any other legal remedy; provided, however, no person shall have the right to file a civil action, proceeding or lawsuit against the Plan or any person acting with respect to the Plan, including, but not limited to, Lumen, any Participating Company, the Plan Administrator or any other Plan fiduciary, or any third party service provider, after the last day of the 12th month following the later of (a) the deadline explained in the “Decision on Review” above or (b) the date on which the Adverse Benefit Determination on appeal was issued with respect to such Plan benefit claim.

In addition, any lawsuit to enforce a benefit claim or to interpret the Plan may be brought only by civil action in the United States District Court for the Western District of Louisiana, after the claims and appeal procedure has been exhausted as explained above. By virtue of your participation in the Plan, you are deemed to have irrevocably consented to this jurisdiction and venue in the Court and you also are deemed to have agreed to irrevocably waive any defense based on lack of venue, personal jurisdiction, forum non conveniens, transfer, priority doctrines and any other defenses of similar type or import.

## Deadline for Claims Involving Certain Transactions

The Participant Contact Center will provide you with a confirmation of each of the following elections when that election is processed:

- elections regarding the investment of contributions to the Plan,
- elections regarding the amount or percentage of your contribution, and
- elections for distribution from the Plan or any other transaction that you may direct.

If you object to the correctness of the election transaction, you must notify the Participant Contact Center within 120 days of the date of the transaction in order to seek corrective action.



## 13. IMPORTANT LEGAL INFORMATION ABOUT THE PLAN

### Official Plan Name

The official name of the “Plan” is Lumen 401(k) Savings Plan.

### Plan Number or PN

The “Plan Number” or “PN” assigned to the Plan by Lumen is 010.

### Type of Plan

The Plan is a profit sharing plan intended to qualify for federal income tax purposes under Section 401(a) of the Code. It includes a qualified cash or deferred arrangement under Section 401(k) of the Code and a frozen employee stock ownership plan (“ESOP”) intended to qualify under Section 4975(e)(7) of the Code.

The Plan is an ERISA Section 404(c) “defined contribution plan.” The amount of money you may receive from the Plan is the result of the amount of contributions allocated to your Account and the gains and losses and other income earned by the Account. Contributions to the Plan are subject to risk of investment loss.

Under ERISA, the Plan is classified as an “employee pension benefit plan” (Section 3(2) of ERISA) and an “individual account plan” (Section 3(34) of ERISA). While the Plan is not subject to the statutory requirements regarding funding (Part 3 of Subtitle B of Title I of ERISA), it is by its nature fully funded at all times.

### Pension Benefit Guaranty Corporation

As an individual account plan, the Plan is not subject, nor can it be made subject, to the provisions of Title IV of ERISA relating to guarantee of benefits by the Pension Benefit Guaranty Corporation; instead, each Participant’s benefits at any time depend on the amount in the Participant’s individual account.

### IRS Approval of the Plan

The Plan is subject to the continuing approval of the Internal Revenue Service (“IRS”). If federal tax laws or IRS regulations change, Plan provisions may also change.

### Plan Year

The “Plan Year” is the Plan’s accounting period used for maintaining the Plan’s financial and other records. The Plan Year is the 12 month period from January 1 through December 31.

### Plan Amendment or Termination

Lumen expects to continue the Plan indefinitely. Lumen reserves the right to amend or modify in whole or in part the Plan in its sole and absolute discretion, at any time for any reason, including changing, reducing or eliminating one or more of the Plan’s contribution formulas. The Plan may be amended by the Board of Directors of Lumen It may also be amended by the Lumen Plan Design Committee or other person(s) to the extent amendment authority has been delegated by the Board of Directors of Lumen

Lumen also reserves the right to terminate the Plan at any time and each individual Participating Company has reserved the right to terminate participation in the Plan at any time. Also, the Lumen Plan Design Committee, with the consent of the Chairman of the Board of Directors of Lumen and approval of the Board of Directors, may terminate the Plan. If the Plan is terminated, in whole or in part, or in the event there is a complete discontinuance of a Participating Company’s Matching Contributions to the Plan, the Participating Company’s Matching Contributions will become non-forfeitable and fully vested. Payments after the Plan terminates or contributions permanently cease will be limited to the assets in the Plan’s Trust Fund and will not require additional Company contributions to the Trust Fund.

No amendment or termination of the Plan may have the effect of diverting any part of the principal or income of the Trust for purposes other than for the exclusive benefit of the Participants or deprive any Participant of the value of the Participant's Account, except as specifically provided for in the Plan.

## **Plan Administrative Expenses/Fees and Investment Related Expenses**

### **Plan Administrative Expenses/Fees**

A plan administration fee is deducted from Participant's Accounts as a flat rate per Participant. This administrative fee covers operating expenses of the Plan and includes recordkeeping, account maintenance, government reporting, plan audit, accounting, legal fees and other administrative expenses. The administrative fee may change from time to time and over time as administrative procedures change.

The annual administration fees are projected on an annual basis and a quarterly per participant fee is calculated based on the projected amount. At the end of each quarter the fee is deducted from each participant's Target Date or core funds on a pro-rata basis and deposited to the Plan's administrative fee account. As the Plan receives invoices for services rendered they are paid from the Plan's fee account.

Refer to your quarterly statement for details of the Plan administration fees that have been charged to your Plan Account. You also will receive an annual notice of all of the administration fees that may be chargeable.

### **Investment Management Expenses**

Fees and expenses of an Investment Manager are part of the cost of maintaining the portion of the Trust Fund the Investment Manager manages and will be paid out of the Investment Fund. Brokerage fees, transfer taxes, and other expenses resulting from the purchase or sale of securities by the Trustee are part of the cost of the securities, or deducted in computing the proceeds, as the case may be. Taxes, if any, on any assets held or income received by the Trustee will be charged appropriately against the Accounts of Participants as the Committee determines.

If you establish a PCRA, you will be responsible for any fees or expenses charged by Schwab and charged in connection with the buying or selling of investments, the establishment or maintenance of the PCRA. Currently, there is no additional fee to establish or maintain a PCRA Account. More information on the fees associated with the PCRA option is available on the Plan website or by calling the Participant Contact Center (see page 4 for its phone number).

For investments other than those held in the PCRA, the Plan does not assess transaction fees against your Account when you change your investments. There is no fee for the initial investment instructions you provide when you become a Participant (or beneficiary) and there are no front end or back end loads that apply against any amount invested in the Plan core funds or the Plan Target Date Funds.

There are, however, investment management fees and expenses associated with the Target Date Funds and Core Fund investment options. These investment management fees are based on annual estimates (the "Annual Estimated Cost"). Actual fees will vary depending on the actual expenses experienced by the Plan.

The Target Date Funds indirectly pay their pro-rata share of the Annual Estimated Cost and investment management fees incurred by the underlying funds. They also directly pay their pro-rata share of investment management fees associated with the Target Date Funds. As the underlying funds or the Target Date Fund's allocations among the underlying investments change from time to time, the weighted average annual estimated cost borne by the Plan Target Date Funds may increase or decrease.

These investment management fees are deducted from Plan assets on a daily basis and are expressed as a percentage of the net assets of the funds. For more information, see the Fund Fact Sheets.

Current information on investment management fees is available in the Annual Estimated Cost section of the Fund Fact Sheets, which are available through the Participant Contact Center (see page 4 for contact information), or in your quarterly statement provided by Principal Financial Group.

## Participant Paid Transaction Fees

The Committee may approve charging of specific transaction fees directly to the Participant who requests the transaction. As an example, fees for loans or QDROs are paid by the Participant requesting the loan or QDRO. Information about these transactional fees is available through the Participant Contact Center (see page 4 for contact information).

## Circumstances That May Affect Your Plan Account

Under certain circumstances, your benefits under the Plan may be denied, reduced, suspended or otherwise affected. Many of these circumstances have been addressed elsewhere in this SPD. Additional circumstances include, but are not limited to, the following:

- The investment results (such as losses) of the funds in which your Plan Account is invested may decrease the value of your Plan Account.
- Each year, the IRS requires Lumen to make sure that the Plan does not discriminate against lower-paid Employees. You will be notified if your Plan Account is affected.
- Currently, IRS rules state that beginning in 2022 the portion, if any, of your annual base pay above \$305,000, as adjusted annually by the federal government, may not be used to determine how much you may save in the Plan.
- Under federal law, there are certain limits on the amount of benefits you may receive from the Plan. Many, but not all, of these limits generally apply only to a small number of the most Highly Compensated Employees. You will be notified if you are affected.
- If you misrepresent or falsify any information required under the Plan you will not be permitted to benefit under the Plan from your own misrepresentation.
- Within the limits set by law, Lumen has the right to recoup any contributions made to your Account due to miscalculation or any other administrative mistake such as:
  - You are no longer in an eligible class of Participants.
  - The Plan is amended or terminated.
  - You have been overpaid a benefit and the Plan seeks restitution.
  - Your employment status changes (for example, you change your status from Non-Represented to Represented, you go on a leave of absence, you are suspended, etc.)
  - You wait more than one year to bring a lawsuit or proceeding and exceed the deadline set by the Plan. Refer to “Deadline by which to File a Civil Suit: Legal Remedy” in Section 12: Claims for Benefits.

## Account Statement

All activity regarding your Plan Account (such as contributions, distributions, and investment results) is shown on an Account statement. You can access an Account statement on the Participant Contact Center website for any time period in the last 24 months (see page 4 for its website link). You also can request that a hard copy of your Plan Account statements be mailed to you on a quarterly basis.

**Note:** Unless you elect to receive paper confirmations and with the exception of certain transactions, you will receive electronic confirmations when you process most transactions in the Plan. Confirmation for withdrawals, address changes for terminated Participants, and loan defaults will be mailed to you. Confirmation may be in the form of an individual Participant Plan Account statement and/or an IRS Form 1099-R.

## No Employment Contract

Neither the establishment of the Plan nor the participation in the Plan by any employee is a contract of employment. Every employee remains subject to discharge without regard to his or her participation in the Plan.

## Anti Assignment

Except for Plan loans described in Section 10: Loans, you may not sell, assign, pledge or transfer your benefits under the Plan before you receive them. In general, your Plan Account is not subject to garnishment, execution, levy or other legal process by your creditors. However, there are some exceptions to this rule, including payment to a Spouse, former Spouse, child or other dependent required under a “Qualified Domestic Relations Order” issued by a court pursuant to a state domestic relations law and federal tax levies. See Section 9: Qualified Domestic Relations Order (QDRO) for more information.

## Top-Heavy

Under federal pension law, special benefits are required to be provided if the Plan is determined to be “top-heavy.” The Plan will be top-heavy if the aggregate value of the Accounts for certain Participants who are “key employees” is 60% or more of the aggregate value of all other Participants’ Accounts. In the unlikely event that the Plan becomes top-heavy, you may be entitled to receive a minimum contribution for the Plan Year. The Committee will notify Participants if the Plan becomes top-heavy.

## Invalid Provisions

In the event any provisions of the Plan may be held illegal or invalid for any reason, such illegality or invalidity will not affect remaining sections of the Plan and the Plan will be construed and enforced as if said illegal or invalid provisions had never been inserted into the Plan document.

## Errors or Mistakes; Authority to Recover Overpayments

If a clerical error or other mistake is made by the Committee, CIM, Principal Financial Group, Schwab, any vendor or other provider of services that changes your Plan benefit, the clerical error or other mistake does not create a right to benefits under the Plan. Every effort is made to administer the Plan in a fully accurate manner, any inadvertent error, misstatement or omission will be disregarded and the actual Plan provisions will control. When an error is found, it will be corrected or adjusted appropriately as soon as practicable. Interest shall not be payable by the Plan or the Company with respect to a benefit that the Plan Administrator corrects or adjusts.

The Committee and its delegates have the authority to recover overpayments from Plan participants and beneficiaries through all lawful process, including litigation, or by adjusting or suspending future benefit payments. It is your responsibility to confirm the accuracy of statements made by the Plan Administrator or its delegates.

## Your ERISA Rights

You are entitled to certain rights and protections pursuant to ERISA. ERISA provides that, as a Plan Participant, you will be entitled to:

### Receive Information About Your Plan Account

- Examine, without charge, at the Committee’s office and at other specified locations, such as worksites, all documents governing the Plan, including, if applicable, insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the United States Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Committee or its delegate, copies of documents governing the operation of the Plan, including, if applicable, insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Committee or its delegate may make a reasonable charge for the copies.
- Receive a summary of the Plan’s annual financial report. The Committee or its delegate is required by law to furnish each Participant with a copy of this summary annual report.

- Obtain a statement indicating the amounts credited to your Account under the Plan as of that statement date. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

## **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for Plan Participants, ERISA imposes duties on the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union (if applicable) or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a payment or exercising your rights under ERISA.

## **Enforce Your Rights**

If your claim for Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce these rights. For instance, if you request a copy of plan documents or the latest annual report (Form 5500) from the Committee and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Committee to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Committee. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court after you have exhausted the Plan’s claims procedure (see Section 12: Claims for Benefits on page 48). In addition, if you disagree with the Plan’s decision concerning the qualified status of a Domestic Relations Order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

## **Assistance with Your Questions**

If you have any questions about the Plan, you should contact the Participant Contact Center or the Committee or its delegate. If you have any questions about this statement or about your rights pursuant to ERISA, or if you need assistance in obtaining documents from the Committee, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration (“EBSA”).

Addresses and telephone numbers of regional and district EBSA offices are available through the EBSA Website: [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

## **Keep Your Home Address Up-To-Date**

**Information about the Plan and your Account will be sent to your home address as found in the Plan’s records. As a result, you must keep your address information up-to-date.**

If you are an active employee, you can update your own address in Success Factors. Go to the Lumen InsideLink home page, click on the Success Factors link and then select My Profile

If you are a former employee who continues to maintain a balance in the Plan, it is even more important for you to keep your address information up-to-date by contacting Principal Participant Contact Center at 800-547-7754 or by changing your address on your Plan Account at Principal by accessing your Account at [principal.com](https://principal.com).



## 14. FEDERAL INCOME TAX EFFECT OF PARTICIPANT CONTRIBUTIONS, COMPANY CONTRIBUTIONS AND WITHDRAWALS UNDER PRESENT LAW

The following may be the federal income tax consequences of participation in the Plan so long as the Plan is a “qualified” plan for federal income tax purposes. The Plan is intended to qualify under Sections 401(a), 401(k) and 4975(e)(7) of the Code. This section is only a summary, does not purport to be complete, and, among other things, does not cover state and local tax treatment of participation in the Plan. Furthermore, differences in Participants’ financial situations may cause federal, state and local tax consequences of participation in the Plan to vary. Therefore, you should consult with an accountant, legal counsel or other financial advisor regarding the tax consequences of your participation in the Plan.

You will not be subject to federal income tax on Pre-Tax Contributions and Company Matching Contributions when they are made to the Plan. However, Pre-Tax Contributions are subject to federal employment taxes (such as FICA and FUTA) when made. There is no federal income tax on the earnings in your Account at the time those earnings are credited to your Plan Account. As noted earlier, however, while investments through the PCRA are not expected to result in unrelated business taxable income liability, in the event such taxes are incurred in your PCRA, any such taxes will be deducted from your Account when incurred.

Roth Contributions and After Tax Contributions are subject to federal income and employment taxes at the time of their contribution to the Plan. Like Pre-Tax Contributions and Company Matching Contributions, there is no federal income tax on the earnings on these amounts at the time those earnings are credited to your Plan Account. Upon distribution, the After-Tax Contributions will not be subject to federal income tax (because you have paid federal income taxes on these amounts already), but the earnings on the After-Tax Contributions are taxable (and will be subject to mandatory 20% federal income tax withholding unless rolled over, as explained below). Roth Contributions are subject to special rules. If the Roth Contributions are distributed after age 59½ and those Roth Contributions have been held in the Plan for at least five years, then the distribution of the Roth Contributions and any earnings on those amounts will be tax-free.

The taxable amount of most withdrawals and distributions in a qualified plan are considered eligible rollover distributions. Eligible rollover distributions include partial withdrawals, full withdrawals and entire account distributions. You may elect to have the taxable amount of an eligible rollover distribution transferred directly to an Individual Retirement Account (IRA) or to another qualified 401(a) or 403(b) plan (or a 457 plan maintained by a tax exempt entity) to avoid both current income tax withholding and current income tax liability if done within 60 days of distribution. Your beneficiary may elect to have the taxable amount transferred to an IRA. Otherwise, if you elect to have the eligible rollover distribution paid directly to you, the taxable amount is subject to a mandatory federal income tax withholding rate of 20%. You do not have the option of waiving the federal income tax withholding.

If a portion of your distribution is made in the form of Lumen Shares, you may be eligible for deferral of the net unrealized appreciation on those shares of stock and for capital gains treatment on your subsequent disposition of that stock. However, a rollover of Lumen Shares to an IRA may eliminate your eligibility for capital gains treatment on a later distribution from the IRA. You should consult with your tax advisor to determine the tax consequences of any distribution from the Plan, including a distribution in the form of Lumen Shares, and whether a distribution should be rolled over to an IRA.

Distributions, which are considered not eligible for rollover and not subject to the mandatory federal income tax withholding rate of 20%, include hardship withdrawals, refunds of Code Section 401(k) excess employee contributions, Code Section 415(c) excess Annual Addition refunds, excess contribution refunds due to the failure of the nondiscrimination test(s), loans, loans in default, dividends paid on employer securities, installment payments lasting 10 years or more, and minimum annual distributions at or after age 72. The taxable portion of these types of distributions will be taxed at ordinary income tax rates.

In addition, for certain “early distributions,” there is a 10% penalty tax on the taxable portion of an eligible rollover distribution that is not rolled over. This penalty tax is in addition to any income taxes applicable to a taxable distribution that is not rolled over to an IRA or another plan eligible to receive rollovers. This early distribution penalty tax will not apply to distributions (i) upon death, (ii) when a Participant is age 59½ or older, (iii) when a Participant retires during or after the year in which age 55 is attained, (iv) pursuant to a Qualified Domestic Relations Order, (v) made in the form of a life annuity, (vi) of dividend distributions from an ESOP, (vii) that are required to correct any excess contributions made to the Plan under the Code. The 10% penalty tax is not withheld at the time of distribution. You are responsible for reporting and paying the amount, if any, when you file your income tax return.

The company making contributions will be entitled to federal income tax deductions for the contributions in the year which the contributions are made. In addition, dividends paid on Lumen Shares held in the ESOP Account are deductible by Lumen for federal income tax purposes.

Section 415 of the Code limits the amount of annual contributions that can be made to your Account to the lesser of \$61,000 for 2022 (as indexed) or 100% of your taxable pay. The limit on total annual contributions is based on the sum of all contributions (that is, Pre-Tax, Roth and After-Tax Contributions) from pay and all Company Matching Contributions. If this limit is exceeded for any year, the Plan is required to correct the excess, which may require a refund to you of your Pre-Tax, Roth or After-Tax Contributions. You will owe taxes on any Pre-Tax Contributions and earnings and any earnings on After-Tax Contributions included in the refund. The refund is not an eligible rollover distribution and is not subject to the mandatory 20% federal income tax withholding.

Your Pre-Tax and Roth Contributions are limited each calendar year to the amount specified in Section 402(g) of the Code (as indexed annually). For 2022, this Code Section 402(g) limit is \$20,500. If you made Pre-Tax and/or Roth Contributions under plans of employers unrelated to the Company, the contributions under all plans for any calendar year may not exceed the \$20,500 limit. In the event you have Pre-Tax and Roth Contributions in excess of the \$20,500 limit (excluding catch up contributions, which are subject to a separate limit set forth in Code Section 414(v), of \$6,500 in 2022), you must notify your employer(s) by March 1 of the following year and request the excess over \$20,500 plus earnings, be distributed to you. Pre-Tax Contributions will be refunded first. The refund of the excess amount is not an eligible rollover distribution and is not subject to the mandatory 20% federal income tax withholding.

Your excess Pre-Tax and Roth Contributions that are not distributed by April 15 of the year following the calendar year in which the excess contribution is made may be taxable for the year contributed and upon distribution. If the excess contribution is not distributed by April 15 of the year following the year made, then the excess contribution is not distributable at all except upon death, attainment of age 59½, separation from service, hardship or Plan termination, unless otherwise approved by the IRS.

Finally, you can find more detailed information on the federal tax treatment of payments from employer plans in various IRS publications, including: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, from the IRS’s website at [irs.gov](https://www.irs.gov), or by calling 1-800-TAX-FORM.

## 15. GLOSSARY

Certain capitalized words and phrases used in this SPD are defined below. If you are uncertain about the meaning of a word or phrase, contact the Plan Administrator for further clarification. In the event of any discrepancies or conflicts between these definitions and the Plan document, the terms of the Plan document shall govern.

### **Bonus Compensation**

“Bonus Compensation” is defined on page 18.

### **CIM**

“CIM” means the CenturyLink Investment Management Company. See page 4 for more information.

### **Code**

“Code” means the Internal Revenue Code.

### **Committee**

“Committee” means the Lumen Employee Benefits Committee and any of its delegates. See page 3 for more information about the Committee.

### **Company**

“Company” means Lumen and the Participating Companies either individually or jointly as the context requires.

### **Compensation**

“Compensation” has the meaning explained on page 17.

### **Covered Employee**

“Covered Employee” has the meaning explained on page 7.

### **Embarq RSP**

“Embarq RSP” means the Embarq Retirement Savings Plan, as it existed on March 31, 2012, prior to its merger into this Plan on April 1, 2012.

### **Employee Contributions**

“Employee Contributions” means, individually or jointly, your Pre-Tax Contributions, After-Tax Contributions and/or Roth Contributions.

### **ERISA**

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

### **Fund Fact Sheet**

“Fund Fact Sheet” means the supplemental information about each investment fund currently available under the Plan. Fund Fact Sheets are available from the Participant Contact Center (see page 4 for contact information).

### **Highly Compensated Employee**

“Highly Compensated Employee” means an Employee who (i) earns over a specified annual dollar amount during the Plan Year, which may be revised by the IRS to reflect cost of living adjustments (for 2021 \$130,000) and (ii) is in the top 20% of employees when ranked by annual compensation (the “top paid group”).

### **Level 3 Plan**

“Level 3 Plan” means the Level 3 Communications, Inc. 401(k) Plan, as it existed on December 31, 2017, immediately prior to its merger into this Plan at 11:59 p.m., Central Time, December 31, 2017.

### **Level 3 Plan Merger Date**

“Level 3 Plan Merger Date” means 11:59 p.m., Central Time, on December 31, 2017.

### **Lumen**

“Lumen” means Lumen Technologies, Inc.

### **Participant**

“Participant” means any eligible Employee who has met the eligibility requirements to participate in the Plan. See Section 3: Participating in the Plan for more information.

### **Participating Company**

Participating Company is defined on page 3 of this SPD.

### **PCRA**

“PCRA” means the Charles Schwab Personal Choice Retirement Account® described in Section 6: Investment of Your Plan Account.

### **Plan**

“Plan” means the Lumen 401(k) Savings Plan.

### **Plan Administrator**

“Plan Administrator” means the Committee. See page 3 for more information.

### **Plan Sponsor**

“Plan Sponsor” means Lumen. See page 3 for more information.

### **Project Based Employee**

“Project Based Employee” is defined on page 7.

### **QDRO**

“QDRO” or “qualified domestic relations order” is described in Section 9: Qualified Domestic Relations Order (QDRO) on page 40.

### **QSIP**

“QSIP” means the Qwest Savings and Investment Plan, as it existed on March 31, 2012, prior to its merger into this Plan on April 1, 2012.

### **Savvis Plan**

“Savvis Plan” means the SAVVIS, Inc. 401(k) Plan, as it existed on December 31, 2012, prior to its merger into this Plan on January 1, 2013.

**Schwab**

“Schwab” means Charles Schwab & Company, Inc.

**Spouse**

“Spouse” means, effective June 26, 2013, the individual to whom a Participant is lawfully married in accordance with the laws of the jurisdiction in which the marriage was celebrated (that is, where the marriage was entered into), whether the marriage is by civil or religious ceremony or by common law. If the marriage occurred in a foreign jurisdiction, Spouse means the individual to whom the Participant is lawfully married under the laws of that foreign jurisdiction but only if the relationship would be recognized as marriage under the laws of at least one state, possession, or territory of the United States, regardless of domicile. Spouse also includes a former Spouse to the extent a QDRO requires such former Spouse to be treated as a Spouse.

**Trustee**

“Trustee” of the Plan is The Northern Trust Company. See page 5 for more information.

# APPENDIX A

## INVESTMENT OPTIONS

Additional Information about the Plan's Investments. More information is available about the investments on the Fund Fact Sheets. You can view or request a copy of the Fund Fact Sheets by calling Participant Contact Center at 800-547-7754, or by signing in to your Account at [principal.com](http://principal.com). Updated performance information and the current fees for the funds are available on the Fund Fact Sheets.

TARGET DATE FUNDS		
<b>Asset Class – Diversified</b>		
<b>Investment Objective</b>		
<p>The Target Date Funds provide a simple, one-step investment choice for saving for retirement. The objective of the Funds is to provide a professionally managed investment solution that seeks investment returns while taking risk that is appropriate for an anticipated retirement age of 65 near the year in the Fund's name.</p> <p>Those funds invest in a broadly diversified portfolio that will be automatically reallocated to gradually become more conservative over time as you near an anticipated retirement age of 65. The diversified mix of investments may include global stocks, bonds, real estate, and risk parity strategies. The Target Date Funds invest in many of the Plan's core funds and also include investments in other assets not available as standalone participant investment options. The asset allocation of the Fund targeting your retirement date will change annually as you grow older. The asset allocation may continue to be adjusted after the target retirement date is reached. The Target Date Funds reach their final asset allocation approximately eight years after the retirement date in the fund name and then merge into the Retirement Fund. The Retirement Fund as a fixed asset allocation.</p> <p>The Conservative Retirement Fund provides a professionally managed investment solution with a fixed asset allocation that seeks investment return by taking less risk than the Retirement Fund.</p> <p>The current asset allocation for each of the funds is shown on the Fund Fact Sheets. The Funds are rebalanced throughout the year to maintain the target asset allocation mix within acceptable ranges.</p>		
<b>Benchmarks</b>		
<ul style="list-style-type: none"> <li>• Custom blend of broad market indices that aligns with the target asset allocation of the funds. This benchmark will evolve over time to reflect changes in the asset allocation of the funds.</li> <li>• S&amp;P 500® Stock Index and/or</li> <li>• Bloomberg Barclay's U.S. Aggregate Index</li> </ul>		
<b>Target Date Fund Names</b>		
2065 Target Date Fund	2060 Target Date Fund	2055 Target Date Fund
2050 Target Date Fund	2045 Target Date Fund	2040 Target Date Fund
2035 Target Date Fund	2030 Target Date Fund	2025 Target Date Fund
2020 Target Date Fund		
2015 Target Date Fund	Retirement Fund	Conservative Retirement Fund
<b>Asset Class</b>	<b>Fund Name</b>	<b>Investment Objective and Benchmark</b>
CORE FUNDS		
<b>PASSIVELY MANAGED CORE FUNDS</b>		
<b>Bond – U.S. Bonds</b>	U.S. Bond Index Fund	<p><b>Objective:</b> Closely match the return of a broad investment-grade U.S. bond market index.</p> <p><b>Benchmark:</b> Bloomberg Barclay's U.S. Aggregate Index</p>



TARGET DATE FUNDS		
<b>Bond – Inflation Indexed</b>	Inflation Indexed Securities Fund	<p><b>Objective:</b> Closely match the return of an index of U.S. Treasury inflation-indexed securities (TIPS).</p> <p><b>Benchmark:</b> Bloomberg Barclay's U.S. Treasury Inflation Protected 0-5 Years Index</p>
<b>Stock – U.S. Stocks</b>	U.S. Stock Index Fund	<p><b>Objective:</b> Closely match the return of a broad stock market index of the largest 3,000 companies in the U.S.</p> <p><b>Benchmark:</b> Russell 3000® Stock Index</p>
<b>Stock – International Stocks</b>	International Stock Index Fund	<p><b>Objective:</b> Closely match the return of a broad stock market index of non-U.S. companies based in both developed and emerging markets.</p> <p><b>Benchmark:</b> MSCI All Country World excluding U.S. Stock Index (MSCI ACWI ex-US)</p> <p><b>Frequent Trading Policy:</b> New transfers into this Fund will be blocked for 30 calendar days after you have transferred more than \$5,000 out of this Fund.</p>
ACTIVELY MANAGED CORE FUNDS		
<b>Money Market</b>	Money Market Fund	<p><b>Objective:</b> Preserve capital and provide current income.</p> <p><b>Benchmark:</b> 3 Month T-Bills Index</p>
<b>Bond – U.S. Bonds</b>	Active Bond Fund	<p><b>Objective:</b> Exceed the return of a broad U.S. investment-grade bond market index using an actively managed multi-manager approach.</p> <p><b>Benchmark:</b> Bloomberg Barclay's U.S. Aggregate Index</p>
<b>Stock – U.S. Stocks</b>	Active U.S. Stock Fund**	<p><b>Objective:</b> Exceed the return of a broad market index of the largest 3,000 companies in the U.S. using an actively managed multi-manager approach.</p> <p><b>Benchmark:</b> Russell 3000 Stock Index</p>
<b>Stock – International Stocks</b>	Active International Stock Fund	<p><b>Objective:</b> Exceed the return of a broad stock market index of non-U.S. companies based in both developed and emerging markets using an actively managed multi-manager approach.</p> <p><b>Benchmark:</b> MSCI All Country World excluding U.S. Stock Index (MSCI ACWI ex-US)</p> <p><b>Frequent Trading Policy:</b> New transfers into this Fund will be blocked for 30 calendar days after you have transferred more than \$5,000 out of this Fund.</p>
PERSONAL CHOICE RETIREMENT ACCOUNT (PCRA) PROVIDED BY CHARLES SCHWAB		
Asset Class	Fund Name	Investment Objective and Benchmark

TARGET DATE FUNDS		
<b>Various</b>	Personal Choice Retirement Account	Provides an opportunity to select investments in a wide variety of individual stocks, bonds, mutual funds, and ETFs.  Designed for knowledgeable investors, a PCRA is an Account within your retirement plan that offers expanded investment flexibility and control over how you choose to invest your money.
<b>LUMEN COMPANY STOCK FUND — CLOSED TO NEW CONTRIBUTIONS</b>		
<b>Company stock</b>	Lumen Stock Fund*  *Due to lack of diversification, an investment in employer stock involves more risk than other funds.	The Lumen Stock Fund is a non-diversified fund, investing solely in shares of the common stock of Lumen with a small portion of its assets in cash or cash equivalents to provide liquidity for withdrawals and transfers out of the fund. The Lumen Stock Fund carries more risk than a diversified fund, which invests in many companies. Diversification in your overall portfolio is important. No new money can be invested in the Lumen Stock Fund.  <b>Benchmark:</b> S&P 500® Stock Index

**Note:** Participants should be aware that past performance is not an indication of future performance nor are any particular rates of return guaranteed. Also, a Participant’s Plan Account performance may vary from other Accounts due to the timing of contributions, withdrawals and other fund transactions made throughout the year. An investment in any of the funds can lose money.

Not FDIC Insured	May Lose Value	Not Bank Guaranteed
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