MAKING THE TRANSITION TO RETIREMENT
A Guide to Your Options and the Steps Required
You’ve worked hard and made a significant contribution to Hess’ success. We appreciate your dedication and commitment to making Hess a special company.

And now you’re thinking about retiring.

There are some things you need to keep in mind to ensure a smooth transition from your career at Hess to a fulfilling retirement.

This guide can help you decide when to take this important step, determine what you have earned and know how to make it happen.
ARE YOU ELIGIBLE TO RETIRE?

The answer is “yes,” if you are 55 years of age or older and have at least 10 years of vesting service or are age 65 with at least one year of vesting service with the company.

You may retire at age 65 with full benefits or earlier with reduced benefits. These two options are called “Normal Retirement” and “Early Retirement.”

Normal Retirement
If you leave Hess at age 65 or older, you may start receiving your pension immediately without a reduction. However, you will not be eligible for Hess Retiree Medical benefits because you will be eligible for Medicare, the federal health insurance program for people age 65 or older. (Your dependents under age 26 and spouse/domestic partner under age 65 may be eligible for Retiree Medical.)

Early Retirement
You are eligible for early retirement from Hess if, on your last day of employment, you are 55 to 65 years of age and have at least 10 years of vesting service. Early retirement comprises Hess Retiree Medical benefits and a Hess pension. Please keep in mind that if you start receiving your pension before age 60, the monthly amount is reduced to take into account the additional years of payment. It is possible to receive Retiree Medical benefits and delay the start of your pension.

Terminated Vested Participant
If you are 55 to 65 years of age on your last day of employment with at least five but less than 10 years of vesting service, you are eligible to start your Hess pension at age 65. However, you are not eligible for Retiree Medical benefits.
Here is a quick look at the eight steps you must take to get the process going and begin receiving your benefits. Turn to page 10 for more details about each step.

1. Start Planning Page 6
   You’ll want to start planning at least six months in advance of the day you wish to retire.

2. Share Your Plan Page 10
   At least three months before your retirement date, share your plan with your manager, your HR representative and The Benefits Center.

3. Request Your Benefit Commencement Package Page 10
   You’ll need to complete some paperwork to start the retirement process.

4. Continue Your Medical Coverage Page 12
   Understand your options for medical coverage in retirement.

**TOOLS AND RESOURCES**

Take advantage of the tools and resources to help plan your retirement:

- Visit usbenefits.hess.com or call 1-877-511-4377
- Visit aycofn.com or call the Ayco AnswerLine® at 1-888-741-2474
Consider Applying for Social Security Page 13
You can begin receiving your full Social Security benefits at age 65, 66 or 67, or opt for a reduced benefit as early as age 62.

Sign Up for Medicare Page 13
You may want to sign up to receive Medicare beginning at age 65.

Understand How Your Benefits Change Page 14
Be sure that you get the full picture well in advance.

Decide When to Receive Your Savings Plan Balance Page 16
You can request a lump-sum payment from your Savings Plan account right away, move your money to another account or leave it in the account.

tip
RETIREMENT PAPERWORK
Return forms and documents to The Benefits Center no later than the first day of the month before the month in which you want to retire. For example, if you want to retire July 1, send in your paperwork before June 1.
RETIREMENT PROCESS TIMELINE

6 MONTHS BEFORE Retirement
- Start planning
- Confirm Pension Plan and Retiree Medical eligibility
- Think about a retirement date
- Model payout options
- Moving to a state without income tax? Establish residency and notify Hess of your new address

3 MONTHS BEFORE Retirement
- Notify your manager and HR representative
- Request your Benefits Commencement Package from The Benefits Center online or by phone
- Understand how your benefits change at retirement

2 MONTHS BEFORE Retirement
- Review your Benefit Commencement Package
- Complete and return paperwork with required documents

YOUR LAST DAY at Work
- “Active” employment ends
- Coverage ends for:
  - Long-Term Disability (LTD)
  - Employee Assistance Program (EAP)
  - Family Accident Insurance
1 TO 2 WEEKS AFTER Retirement
- Your last paycheck including pay for any unused vacation
- Health Savings Account (HSA) contributions end

1 MONTH AFTER Retirement
- Coverage ends for:
  - Dental
  - Life insurance plans
- Decide whether to convert:
  - Life insurance plans
  - Family Accident Insurance

FIRST DAY OF MONTH AFTER Retirement
- Pension begins
- First check retroactive to retirement day may not arrive until two months after you retire

1 TO 2 MONTHS AFTER Retirement
- You can request your Savings Plan lump-sum payment
- You can elect COBRA coverage within 30 days of receiving your packet:
  - Medical (unless eligible for Retiree Medical or Medicare)
  - Dental (COBRA dental applies to all retirees)
Understand Your Options

You can choose among a variety of pension payment options to meet your personal retirement needs. Payment options are grouped into “normal” and “optional” forms.

Think about the normal form as the default based on your marital status when you retire (unless you choose an optional form of payment).

If you are single when you retire, you can choose any form of payment. If you are married and want to choose an optional form of payment, your spouse must agree in writing.

After reviewing your payment options, be sure to go online and see what your monthly payments will be under each option. Consider your decision carefully because you cannot change the form of payment after payments begin.

**Please note:** If you have a Merit or Triton pension benefit, please refer to the Hess Corporation Employees’ Pension Plan Summary Plan Description (SPD) for additional information about your payment options.

Normal Forms of Payment

**Single Life Annuity**

If you are single when benefits begin, the normal form of payment is a single life annuity that provides monthly payments for your lifetime. When you die, no further benefits are payable to anyone else.

**Qualified Joint and Survivor Annuity**

If you are married when your benefits begin, the normal form of payment is a Qualified Joint and Survivor Annuity with your spouse at the time of your retirement as your joint annuitant. This form pays you a reduced benefit during your lifetime so that when you die, your spouse, if he or she survives you, will receive 50 percent of the benefit you were receiving for the rest of his or her life.

Optional Forms of Payment

You may select one of the following optional forms of payment instead of your normal form. However, if you are married when you retire, your spouse must consent to your election in writing.

**Single Life Annuity**

This is the same as the normal form of payment for a single person. It provides monthly benefits during your lifetime only, with no benefits payable to anyone else after your death.

**50%, 66 ⅔%, 75% or 100% Joint and Survivor Options**

These options provide reduced monthly benefits during your lifetime so that after your death your designated beneficiary receives a percentage of your reduced monthly benefit for the rest of his or her life. The larger the percentage for your survivor, the less you will receive during your lifetime.

**Period Certain and Life Options (Five or 10 Years)**

These options provide reduced monthly benefits during your lifetime. If you die before receiving all of your payments during the guaranteed period (five or 10 years), your beneficiary will be paid the same amount you were receiving for the remainder of the guaranteed period. After all the guaranteed payments are made, payments to the beneficiary will stop. The longer the guaranteed period, the greater the reduction in your benefit.
Know Your Numbers

Visit The Benefits Center at usbenefits.hess.com to estimate what your monthly pension benefit will be with different retirement dates and payment options. Follow the steps outlined in How Much Will Your Hess Pension Provide? You can find this brochure online at myHR or HessBenefits.com. You can also request a printed copy from Human Resources.
ADDITIONAL BENEFITS

If you are a higher income earner, you may have additional sources of retirement income. Be sure to understand your options and think through the financial consequences of your decisions.

Your Pension Restoration Plan Benefit

If you are a higher income earner, you are likely eligible for the Pension Restoration Plan (PRP), which provides pension benefits above compensation limits set by the IRS. (Participation is automatic if your annual pay exceeds the IRC section 401(a)(17) limit in any given year.)

IRS rules are very strict about what is considered a termination of employment (including retirement). If you receive payment of your PRP benefit and return to work for the company on more than a very limited basis (i.e., less than 20 percent of the average time you were spending on the job for the 36 months before your employment ended) as an employee, independent contractor or consultant, your employment will be considered continuous and you will be treated as if you received a payment during employment.

You may be responsible for paying:

- Immediate taxes on your PRP lump-sum benefit
- An additional 20 percent tax penalty
- Retroactive premium interest, back to when you first became a participant in the plan or, if later, 2005

The income tax, tax penalty and interest penalty can easily equal or exceed the amount of the PRP benefit.

If you are a PRP participant and thinking of leaving Hess and returning as an employee, consultant or independent contractor, be sure to talk with your tax advisor and your HR representative. It may make sense for you to delay your termination of employment with Hess.

<table>
<thead>
<tr>
<th>If you …</th>
<th>Years of Vesting Service</th>
<th>Your lump-sum PRP benefit will be paid automatically …</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are age 55 or older</td>
<td>10 or more</td>
<td>On the first of the month following six months after your retirement date per IRS regulations</td>
</tr>
<tr>
<td>Are age 65</td>
<td>1 or more</td>
<td>When you turn age 55 or six months after your retirement date, whichever is later</td>
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<tr>
<td>Leave before age 55</td>
<td>10 or more</td>
<td>When you reach age 65</td>
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<tr>
<td>Leave before age 55</td>
<td>Less than 10</td>
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</table>
Your Deferred Compensation Plan

Your decision to retire also initiates payment from the Deferred Compensation Plan. (Participants are notified each year of their eligibility.)

Your account balance will be paid to you six months after your last day of work, and will be in the form of payment you chose (lump-sum or annual installment payments over five or 10 years) when you made your deferral elections.

If you chose to receive your distributions in installment payments, the first payment will be made on the first of the month six months following your last day of work. For example, if you retire May 15, you will receive your first payment December 1. After that, remaining payments will be made based on your distribution schedule. Please refer to the Deferred Compensation website at https://acsnqt.benefitsweb.com to review your distribution schedule. Deferred compensation payments are taxed at ordinary income rates.

If you participated in the Pre-2005 Deferred Compensation Plan, your Pre-2005 account balance will be paid to you as soon as administratively possible after your last day of work. You will be paid in a lump sum or annual installment payments over five years in accordance with your deferral elections prior to January 1, 2005.

Your Long-Term Incentive Plan

Because your choice of early or normal retirement will affect the treatment of unvested stock awards you may have under the Long-Term Incentive Plan, you’ll want to understand the implications as you plan for retirement. (Selected participants are notified each year of the amount and type of grant awarded.)

Restricted Stock

At normal retirement* (with at least five years of service) your shares of restricted stock will vest immediately, which means you are eligible to receive them as shares or sell them and keep the proceeds, regardless of the original terms.

At early retirement* unvested restricted stock will be forfeited and cancelled.

Stock Options

At normal retirement* all stock options vest and remain exercisable for the remainder of the option term (up to 10 years).

At early retirement* all unvested stock options are forfeited and cancelled. Any vested options remain exercisable for the remainder of the option term (up to 10 years).

Performance Share Units (PSUs)

At normal retirement* (with at least five years of service) PSUs will vest and be paid based on actual performance following the end of the performance period.

At early retirement* all unvested PSUs are forfeited and cancelled.

Please refer to your award agreements for complete details about the terms and conditions regarding retirement and termination.

* As defined in the Hess Corporation Employees’ Pension Plan Summary Plan Description.

TAX CONSIDERATIONS

Want Hess to withhold state income tax from your PRP benefit payments?

Complete and return a state withholding election form, which will be sent to you from The Benefits Center, for your PRP benefits. (This is separate from your regular pension benefit payment withholding election.) Hess will not automatically withhold state income tax for you.

Moving to a state without state income tax?

If you are moving to Alaska, Florida, Nevada, New Hampshire, South Dakota, Texas, Washington or Wyoming when you retire, establish residency in your new home state and notify The Benefits Center at least six months before you retire. Consider discussing partial-year state tax filing considerations with your tax advisor well in advance of your move.
Now that you’ve seen the big picture and have a better idea of when you want to retire, here are the details you need to know to secure a smooth transition to retirement.

1. Start Planning
Deciding when to retire is an important decision that requires planning and consideration. Start planning at least six months before your retirement date, and know that you need to notify The Benefits Center three months (90 days) in advance. Both you and The Benefits Center need time to prepare for the transition and process the paperwork for your retirement.

Confirm Your Pension Eligibility
You are eligible to retire under the Hess Pension Plan if you are:

- Age 55 to 65 and have at least 10 years of vesting service with the company (early retirement)
- Age 65 with at least one year of vesting service (normal retirement)
- Age 60 with at least 10 years of vesting service (unreduced benefit)

You may also start a pension benefit if you are:

- Totally and permanently disabled (with 10 or more years of vesting service and at least age 55 or 65), and your employment ends or you receive a Social Security disability award

Look at Possible Retirement Dates
You can project your monthly retirement income using various retirement dates and payment options at usbenefits.hess.com. Click on Pension Plan and then Benefit Projection. You can also request a pension estimate by calling The Benefits Center at 1-877-511-4377.

2. Share Your Plan
At least three months (90 days) before you want your retirement to begin, notify your manager and HR representative. You must also contact The Benefits Center by calling 1-877-511-4377. Representatives are available Monday through Friday, 7:30 a.m. through 5:30 p.m. CT. A dedicated representative will help guide you through the retirement process.

TELL YOUR MANAGER
- You are responsible for telling your manager and HR representative of your plan to retire.
- Your manager must process your separation from the company, which enables The Benefits Center to calculate your final pension benefit.

3. Request Your Benefit Commencement Package
This package will contain everything you need to make a smooth transition from active employment to retirement, including a description of your benefits, forms that must be completed and returned, required documentation and other forms that are optional. See the chart to the right for more information.
### Benefit Commencement Package

<table>
<thead>
<tr>
<th>INFORMATION to review before making your decision</th>
<th>REQUIRED FORMS AND DOCUMENTS* to return before your benefit can be calculated and begin</th>
<th>OPTIONAL FORMS to complete and return at any time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefit Commencement Cover Letter</strong> defines the steps you need to take and timing to begin your pension benefit</td>
<td><strong>Pension Election Form</strong> to choose how and when you want your benefit paid – if married, certain elections require spouse's written consent</td>
<td><strong>Direct Deposit Authorization Form</strong> to have your pension benefit deposited on a monthly basis directly to the personal bank account you choose</td>
</tr>
<tr>
<td><strong>Retirement Benefit Administrator Notice</strong> introduces the Retirement Benefit Administrator who will guide you through the retirement process</td>
<td><strong>Post Retirement Beneficiary Designation Form</strong> if you are choosing any payment form other than a Single Life Annuity</td>
<td><strong>W-4P</strong> to elect federal income tax exemptions for your pension benefit payments other than the default of married with three exemptions</td>
</tr>
<tr>
<td><strong>Retirement Benefit Statement</strong> provides a preliminary calculation of your pension benefit and a description of your payment options</td>
<td><strong>Lump-Sum Death Benefit Beneficiary Designation Form</strong> to name a beneficiary for your benefits should you be unmarried and die before benefits are scheduled to begin</td>
<td><strong>State Income Tax Withholding Form</strong> to have state income tax withheld from your pension benefit payments</td>
</tr>
<tr>
<td><strong>Explanation of Pension Plan Payment Options</strong> describes each pension payment option in more detail</td>
<td><strong>Proof of age for yourself</strong> which can be a birth certificate or passport</td>
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</tr>
<tr>
<td><strong>Coverage Continuation Notice</strong> describes your benefit coverage options once retired</td>
<td><strong>Proof of age for your spouse</strong> if applicable, which can be a birth certificate or passport</td>
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</tr>
<tr>
<td><strong>Employee Savings Plan (ESP) Distribution Information</strong> explains your options for withdrawing money if you have an account</td>
<td><strong>Marriage certificate</strong> if applicable</td>
<td></td>
</tr>
<tr>
<td><strong>Special Tax Notice Regarding ESP Payments</strong> provides information to “roll over” your balance to another account if you have a Hess Savings Plan account</td>
<td><strong>Divorce decree</strong> if applicable</td>
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</tr>
<tr>
<td></td>
<td><strong>Spouse’s death certificate</strong> if applicable</td>
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</table>

* Return forms and documents to The Benefits Center no later than the first of the month before the month in which you want to retire. For example, if you want to retire July 1, send your paperwork in before June 1.
4. Continue Your Medical Coverage

If eligible, you may continue your medical coverage under Retiree Medical coverage for yourself and your enrolled dependents. You are eligible for Retiree Medical coverage if you meet the following requirements for early retirement:

- You are at least age 55, but less than age 65
- You have at least 10 years of vesting service with the company

Premiums for coverage are deducted from your monthly pension check. However, if you don’t elect to begin your pension, you will be billed directly for Retiree Medical coverage.

If you start Retiree Medical mid-year, claims that have been applied to your deductible and out-of-pocket accumulations in your current Hess Medical Plan will carry over and apply to Retiree Medical.

Coverage ends when you become eligible for Medicare. If you and your spouse/domestic partner become eligible for Medicare before your children reach the maximum age for coverage, the children’s Retiree Medical coverage will end. Your children will be eligible to continue coverage under the government’s COBRA provisions for up to 36 months.

If you wish to decline Retiree Medical coverage, do so online at usbenefits.hess.com or call The Benefits Center at 1-877-511-4377. If you decline Retiree Medical, you can enroll in the future if you have a qualifying life event before you reach age 65.

COBRA

You will receive a COBRA election package, within six weeks after your employment ends.

- If you are eligible for Retiree Medical benefits, you should not elect to continue your current coverage under COBRA.
- If you are not eligible for Retiree Medical coverage when you leave the company, you may elect COBRA to continue coverage under your current Medical Plan for yourself and your covered dependents for up to 18 months. In this case, be sure to complete and return COBRA paperwork within 30 days of receipt.

Tip

RETIRING WHILE ON SEVERANCE

- If you receive severance benefits after your employment with the company ends, you may elect to retire at the end of your severance period.
- If you are enrolled in a Hess Medical Plan when receiving severance and you are eligible for Retiree Medical coverage, your Retiree Medical benefits will start at the end of your severance period.

Tip

RETIREE MEDICAL

- Remember, you only have one chance to enroll dependents in Retiree Medical.
- If you don’t enroll in Retiree Medical when you retire, you can only enroll at a later date if you have a qualifying life event.
- Retiree Medical ends when you or your spouse/domestic partner becomes eligible for Medicare, regardless of whether or not you sign up for Medicare.
5. Consider Applying for Social Security
Social Security benefits are paid to you in addition to your pension. Full Social Security benefits start at either age 65, 66 or 67, depending on the year you were born. If you start your benefits after normal Social Security age, your benefit amount will be higher. You also may request to receive Social Security benefits as early as age 62; however, your benefit will be reduced. Social Security benefits also are payable if you become totally and permanently disabled.

You must apply to receive Social Security benefits. They are not paid automatically. Contact your local Social Security office about three months before you want your benefits to begin. You also can request an estimate of your benefits by calling the Social Security Administration at 1-800-772-1213.

6. Sign Up for Medicare
Three months before you or your spouse reach age 65, apply for Medicare coverage online at medicare.gov or by calling 1-800-MEDICARE. When you or your spouse become eligible for Medicare (whether or not you enroll), your Hess Retiree Medical coverage ends.

SOCIAL SECURITY
- Remember, you must apply to the U.S. government to receive Social Security retirement benefits. They do not start automatically. Visit ssa.gov/pgm/retirement.htm to complete the online application.
- If you are thinking about working part-time after retirement, you may want to calculate ahead of time the effect on your Social Security payments.

MEDICARE
- Remember, you must apply for Medicare coverage. It does not start automatically.
- Medicare & You, the official guide to getting the most out of Medicare, is available at medicare.gov or by calling 1-800-MEDICARE.
- You can sign up for Medicare three months before you turn age 65 and up to three months after the month in which you turn age 65. If you don’t enroll during that time, you can sign up between January 1 and March 31 each year. Your coverage will begin July 1, and you may pay a higher premium for Part B. (See Retirement Planner at ssa.gov/retire2/justmedicare.htm for more information.)
7. Understand **How Your Benefits Change**

Here’s an overview of what happens to the other benefits you have when you retire.

**Health Savings Account (HSA)**
- Before-tax payroll deductions end with your last paycheck.
- You may continue to contribute to your HSA on an after-tax basis until you enroll in Medicare, as long as you are covered by a high deductible health plan and have no other medical coverage.
- You will need to send any after-tax contributions directly to the HSA custodian, BNY|Mellon. After-tax HSA contributions can be deducted on your federal income tax return.
- You may continue to use your HSA funds for qualified medical expenses, such as deductibles, coinsurance, and dental and vision expenses. You may also use your HSA to pay certain insurance premiums, such as Medicare Parts B and D, a Medicare HMO or qualified long-term care insurance. HSA funds cannot be used to purchase Medigap or Medicare supplement policies.
- If you use your HSA to pay for expenses that qualify, you may take money from your account tax free.
- If you use the funds for expenses that don’t qualify, that money is taxable and subject to a 20 percent penalty if you are under age 65.

**Dental**
- If you are enrolled in dental coverage when you retire, you may choose to continue this coverage under COBRA for up to 18 months; otherwise coverage will end 30 days after your employment ends.
- You will receive a COBRA election package at your home address on file within six weeks after your employment ends.
- Be sure to complete and return COBRA paperwork for dental coverage within 60 days of receipt.

**Long-Term Disability (LTD)**
- If you are enrolled, coverage ends on the last day of active employment.

**Basic Life and Optional Life Insurance**
- Coverage for you and any enrolled dependents ends one month after your last day of employment.
- You may convert basic life and optional life insurance coverage to an individual policy within 31 days of retirement without needing to provide evidence of insurability.

**Family Accident Insurance**
- Family Accident Insurance ends on your last day of active employment.
- You may convert Family Accident Insurance to an individual policy before age 70 within 31 days of retirement without evidence of insurability.

**Vacation**
- You will be paid for any unused vacation you have earned, based on our vacation policy when you retire.
- You cannot extend the last day of your active employment by taking vacation before retirement.
Hess Employee Savings Plan

■ Whether your savings are paid automatically when your employment ends depends on the value of your account:
  - If the value of your account is $1,000 or less, the money will automatically be distributed within three months of your termination date, unless you request it sooner.
  - If the value of your account is more than $1,000, you may choose to receive it soon after you retire or wait until April 1 following the year in which you reach age 70½.

■ If you have an outstanding loan when your employment ends, please contact The Benefits Center at 1-877-511-4377 for important information.

MORE INFORMATION

For additional details on the benefit plans described in this guide, please refer to the appropriate Summary Plan Description (SPD) available online at usbenefits.hess.com:

■ Health & Welfare Plan SPD
■ Pension Plan SPD
■ Savings Plan SPD
■ Retiree Medical SPD
8. Decide When to Receive Your Savings Plan Balance

If you want to leave your funds in the Savings Plan until later, you don’t need to do anything. If you plan to withdraw your money right away, you may request a distribution.

Your withdrawal will be made as a lump sum. You will receive additional details in the Savings Plan Distribution Information sheet that The Benefits Center sends as part of your retirement commencement package.

Tax Treatment of Hess Corporation Common Stock

If you decide to withdraw your money from the Savings Plan when you retire, and you own Hess Corporation Common Stock as part of your Savings Plan portfolio, it’s important to know that your company stock can be eligible for special tax treatment. You may want to talk with your personal tax advisor or Ayco so you can make an informed decision before completing your retirement paperwork.

In general, the federal income tax on these stock distributions is based on what the Hess trust paid for the stock – or “trustee’s basis.”

For example, let’s suppose you receive a lump-sum payment from the Savings Plan account comprising $300,000 in cash and 5,000 shares of company stock. The stock has a value on the date of withdrawal equal to $50 per share (or a total value of $250,000). The trustee’s basis is $40 per share.

You would owe tax on the $300,000 in cash plus $200,000 ($40 trustee’s basis x 5,000 shares). The remaining $50,000 (5,000 shares x ($50 value – $40 trustee’s basis)) is called “unrealized appreciation” and is taxable as long-term capital gains whenever the stock is sold.

This allows you to defer taxes on the appreciated value until you sell the shares. When the shares are sold, the appreciation above the trustee’s basis will be taxed at the more favorable capital-gains tax rate. Electing this tax treatment is optional, however. Instead, you may elect to receive the unrealized appreciation as ordinary income in the year of the withdrawal.

There are many decisions to make and each choice has tax, cash flow and investment implications. For more information and to understand the implications of your choices, call the Ayco AnswerLine®. Ayco is staffed by professional financial counselors who are available at no cost to you. Experts are available at 1-888-741-2474, Monday through Friday from 9 a.m. to 5 p.m. ET, with evening appointments available Monday through Thursday until 8 p.m. ET.

TAX CONSIDERATIONS

Moving to a state without state income tax?

If you are moving to Alaska, Florida, Nevada, New Hampshire, South Dakota, Texas, Washington or Wyoming when you retire, establish residency in your new home state and notify The Benefits Center at least six months before you retire. Consider discussing partial-year state tax filing considerations with your tax advisor well in advance of your move.
THINGS TO CONSIDER

Retirement can be a wonderful time in your life. But don’t underestimate the magnitude of the change from working life. Making a smooth transition requires self-reflection and planning well beyond your Hess benefits.

Anticipate a cash flow gap
You’ll want to make sure you plan your cash flow to accommodate the timing gap between your last paycheck as an active employee and your first pension check. This gap can be nearly two months, depending on the date you choose to retire and when your paperwork is processed. Regardless of when you receive your first pension check, know that it will be retroactive to your retirement date. Pension checks are always dated the first of the month.

Seek financial advice
Seek guidance from an investment advisor, tax specialist or attorney. It’s best to get advice well before you retire.

Hess offers financial planning and counseling services to our employees at no cost through Ayco. For information on Ayco resources, log on to aycofn.com or call the Ayco AnswerLine® at 1-888-741-2474, Monday through Friday from 9 a.m. to 5 p.m. ET.

Review and update legal documents
Review and update your will, trust, powers of attorneys and beneficiary designation information in light of your upcoming retirement. Place these documents and other important information in a safe location and let family members know where to find them.

Develop a wellness plan
Taking good care of your mind and body during retirement will enhance your quality of life. Start or continue to exercise regularly and maintain an active lifestyle. Consider your personal need for connectivity and involvement with others as part of your plan for emotional health. Take advantage of lifetime learning opportunities available through local educational institutions.

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ADDITIONAL CONSIDERATIONS

Social Security and Medicare
- The date you start your Social Security benefit doesn’t have to coincide with your retirement from Hess.
- You can start your normal Social Security benefit at your normal Social Security retirement age, which varies from ages 65 to 67, depending on your birth date.
- You can begin your Social Security benefit as early as age 62 and receive a reduced early retirement benefit.
- You can delay your Social Security benefit until after your normal Social Security retirement age to receive a larger benefit.
- Unlike Social Security, everyone is eligible for Medicare at age 65.
- You should start the enrollment process for Social Security and Medicare three months before you want your benefits to begin.
This guide is intended to summarize the retirement process. It does not provide all the details. All benefit plan documents should be consulted for further clarification. The information in this guide describes the process in place at the date of publication. The company reserves the right to amend this guide and plan documents without prior notice.

September 2016

GL2 Employee