

# Retirement Step-by-Step Guidebook



IP Benefits You

INTERNATIONAL  PAPER

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## Retirement Step-by-Step Guidebook

Completing your retirement paperwork can be a complex task. You are being asked to make important decisions about how you will receive your benefits from International Paper. This booklet is provided to help guide you through the process. It highlights each section of the forms package and points out areas that may deserve special attention.

This booklet contains two sections: a checklist summarizing the steps needed to complete your retirement paperwork and a more detailed step-by-step guide. Even if you do not think you need to use the step-by-step guide, use the checklist to verify that you have completed all of the required forms and that you have provided all of the required documentation.

Your retirement benefits cannot begin until all of your forms and other documentation are received by International Paper. Following the steps laid out in this booklet will help ensure the timely commencement of your benefits.



## The Checklist

In order to begin your retirement benefits from International Paper, you will need to complete the forms that accompany this package and provide certain other documents. The following checklist is provided as a summary of all of the items you will need. Please be sure that you have included all of the items indicated when you return your retirement paperwork to the Employee Service Center (ESC).



### INTERNATIONAL PAPER RETIREMENT CHECKLIST

1. Copies of the following documents must be remitted with your final retirement package:

Proof of your age *and if applicable, beneficiary's age.* The following are acceptable, if the date of birth is shown:

- ONE OF THE FOLLOWING**
- Birth Certificate
  - Certificate of Infant Baptism
  - Physician's Statement of Birth
  - Hospital's Statement of Birth
  - Passport

OR

- TWO OF THE FOLLOWING**  
(Both must show date of birth)
- Driver's License
  - Elementary, high school or college records
  - Insurance Policy
  - Marriage Record
  - Military Record
  - Voting Registration

- Marriage Certificate (if you are married)
- Proof of divorce (if applicable)
- Proof of change of name (if name different than name on proof of age)
- Proof of termination from buyer dated after actual termination date (if applicable)

**IF YOUR MARITAL STATUS HAS CHANGED SINCE YOU CAME TO WORK FOR INTERNATIONAL PAPER, PLEASE PROVIDE SUPPORTING DOCUMENTATION, SUCH AS MARRIAGE CERTIFICATE, DIVORCE DECREE OR SPOUSE'S DEATH CERTIFICATE.**

2. Election of Form of Payment must be completed and returned with your final retirement package (please make a copy for your records):

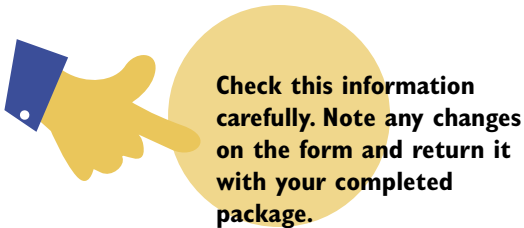
- Option selected (please check only one box)
  - Beneficiary Designation completed (if applicable)
  - Spouse's consent signed and notarized (if applicable)
- If you are married, you must complete the Spousal Consent section including witness by a Notary Public. (Spousal consent is not required if 50% Joint and Survivor Annuity Option is elected and spouse is the designated beneficiary.)
- Certification of Marital Status and Payment Option
  - Your signature

**Step 1**

**Check your data**

Your retirement package contains a form entitled PARTICIPANT INFORMATION FORM. This form contains personal information such as your date of hire, your birth date and your anticipated retirement date. A separate section shows your work history with International Paper. This information is used in determining your benefits. If any of it is incorrect, the benefit amounts shown elsewhere on the form may be incorrect.

Check this information carefully. Note any changes on the form and return it with your completed package. If the corrections result in changes to your benefit amounts, you will be notified.



**Please note:** If you are married, the participant information section includes your spouse's birth date. The joint and survivor annuity options are calculated assuming your spouse is your beneficiary. The value of the joint and survivor annuity options will change if you decide to select someone other than your spouse as your beneficiary.

Some formulas under the Retirement Plan of International Paper Company use a person's earnings to determine the benefit from the plan. If your benefit formula uses your earnings, you will see your pensionable earnings in this section along with the computation of final average earnings used in determining the benefit amounts shown in the package. Remember that pensionable earnings may differ from your taxable or W-2 wages, as some expense reimbursements, bonuses and pay received in lieu of vacation are not considered eligible compensation for determining your pension.

**PARTICIPANT INFORMATION FORM**

The figures shown on the enclosed **Benefit Election Form** are based on information contained in company records and/or information you provided in your request as follows:

<u>Participant Information</u>			
Participant Name:	JOHN DOE	Date of Birth:	1942/10/18
Original Date of Hire:	1980/01/28	Latest Date of Hire:	1980/01/28
Last Day Worked:	2000/11/30	Retirement Date:	2000/12/01
Vesting Service:	20.8333 years	Credited Service:	20.8333 years
Marital Status:	Married	Beneficiary Date of Birth:	1941/12/19
Type of Retirement:	Early Retirement		
<u>Work History</u>			
<u>Plan</u>			
Traditional Salaried Plan	<u>Start Date</u>	<u>End Date</u>	
	1980/01/28	2000/11/30	

## Step 2

### Select an annuity payment option

The Retirement Plan of International Paper Company offers you the choice of how you want to receive your pension benefits. You may select only one form of payment. The benefits payable under each option shows the amount paid to you while you are alive, and the amount payable to your beneficiary after your death. Generally, if your beneficiary dies before you, no additional benefits are payable to another beneficiary.

There are four types of payments from which to choose:

#### Single Life Annuity

Under the single life annuity, your full benefit is paid to you over your lifetime. After your death no further benefits are payable, even if you are survived by a spouse or other beneficiary.

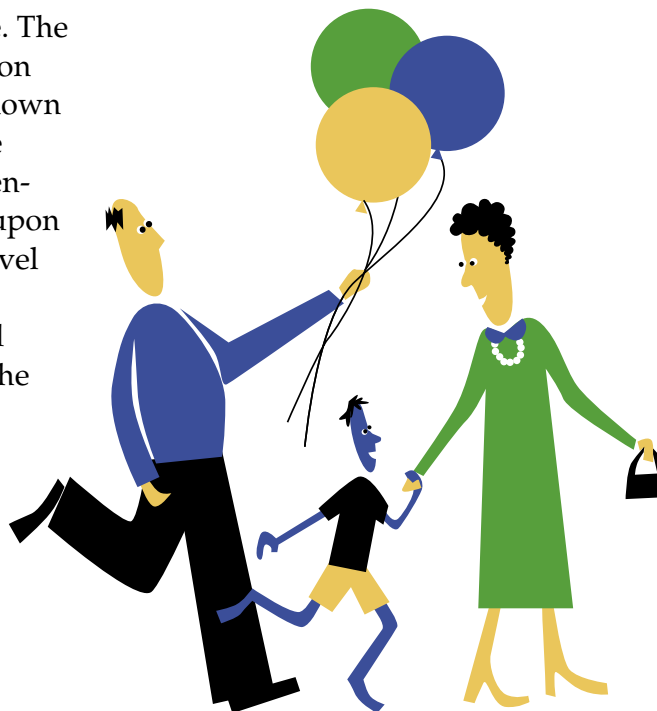
#### Joint and Survivor Annuities

Joint and survivor annuities provide you with a monthly benefit while you are alive and a further benefit to your spouse or other beneficiary after your death for his or her lifetime. The amount of the survivor benefit depends upon which of the options you choose. Each is shown on the form. The benefit paid to you will be reduced in order to provide the survivor benefit. The amount of reduction will depend upon your and your beneficiary's ages and the level of survivor benefit you choose. Generally speaking, the younger your beneficiary and the larger the survivor benefit, the greater the reduction.

**Please note:** If you are married, the normal form of benefit under the Retirement Plan of International Paper Company is the 50 percent joint and survivor option, with your spouse as beneficiary. If you select any of the options other than the 50 percent joint and survivor option, your spouse must consent, in writing before a notary public, to your choice.

#### Years Certain and Life Option

Years certain and life options provide a benefit for your lifetime but include a guarantee of a minimum number of payments of your pension. The term of the guarantee can be 5, 10, 15 or 20 years. Your benefit will be reduced to provide the guarantee; the longer the guarantee period, the greater the reduction. If you die before the end of the guarantee period, the remaining payments are made to your beneficiary or your estate. If you die after the end of the guarantee period, no further benefits are payable to either your beneficiary or your estate.

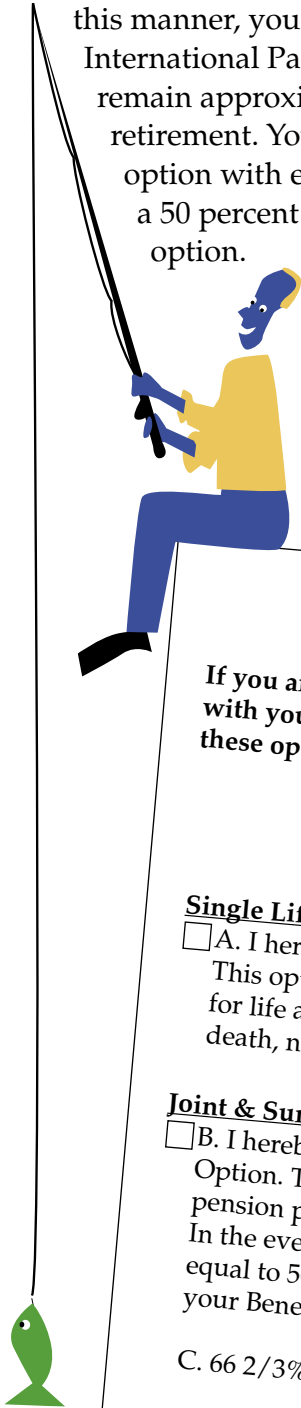


**Level Income Option**

Under the level income option, you can choose to have a higher benefit paid to you before you reach age 62 and a reduced benefit after age 62. By receiving your benefits in this manner, your combined income from International Paper and Social Security will remain approximately level throughout your retirement. You can choose the level income option with either a single life annuity or a 50 percent joint and survivor annuity option.

Once you decide which option you want, indicate your selection by placing your initials in the box next to that option on the BENEFIT ELECTION FORM. You also must complete page 4 of the BENEFIT ELECTION FORM. Read the certification information at the end of the description of each of the forms. Be sure to indicate your marital status, sign and date the form where indicated. Your form cannot be processed if you have chosen more than one option or if you have not completed page 4.

**Please note: Choose carefully! Once you make an election, you cannot change it after your retirement benefit begins. You may want to consult a financial advisor before making your selection.**



**BENEFIT ELECTION FORM (Page 1 of 5)**

If you are married and you elect any option other than the 50% Joint and Survivor (J&S) Option with your spouse as beneficiary, the enclosed Spousal Consent Form **MUST** be completed. Of all these options listed, **PLEASE INITIAL ONE BOX ONLY ON PAGES 1-3 OF THIS FORM.**

**Single Life Annuity Option**

A. I hereby elect the Single Life Annuity Option. This option provides a pension payable to you for life after retirement. In the event of your death, no benefits will be payable to anyone else.

Your Monthly Benefit	Beneficiary's Monthly Benefit
\$426.62	\$0.0

**Joint & Survivor Annuity Options**

B. I hereby elect the 50% Joint & Survivor Annuity Option. This option provides a reduced monthly pension payable to you for life after retirement. In the event of your death, a monthly benefit equal to 50% of your benefit will be continued to your Beneficiary for his or her lifetime.

\$396.76	\$198.38
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C. 66 2/3% Joint & Survivor Annuity:  
Not Available.

--N/A--	--N/A--
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D. I hereby elect the 75% Joint & Survivor Annuity Option. This option provides a reduced monthly pension payable to you for life after retirement. In the event of your death, a monthly benefit equal to 75% of your benefit will be continued to your Beneficiary for his or her lifetime.

\$383.53	\$287.65
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**Step 3**

**Complete the beneficiary information**

You may select the beneficiary of your choice to be the recipient of benefits from the plan in the event of your death. However, if you are married at the time of your retirement, your spouse must agree to your selection of a beneficiary other than him or her. You may select only one beneficiary if you are choosing one of the joint and survivor options. Remember that the amount of your benefit under the joint and survivor options of the plan is dependent upon your and your beneficiary’s ages. The younger your beneficiary, the greater the actuarial reduction in the benefit you receive.

Take a look at the following example: Mr. Jones and Mr. Smith are the exact same age, started working for International Paper on the same day and are retiring on the same day. Mr. Jones’ beneficiary is 5 years younger than Mr. Jones. Mr. Smith’s beneficiary is 10 years younger than Mr. Smith. The table below shows how the beneficiaries’ ages affect the monthly benefits payable to Mr. Jones and Mr. Smith under different payment options.

	Mr. Jones	Mr. Smith
Single life annuity	\$900	\$900
50% joint and survivor survivor benefit	\$805	\$791
100% joint and survivor survivor benefit	\$729	\$705



The benefits shown on your retirement forms are based on the assumption that your spouse, if you are married, will be your beneficiary. If you select someone other than your spouse, your benefit will be recalculated and the new benefit amount will be sent to you.

Multiple beneficiaries are permitted only for the years certain and life options. If you wish to name multiple beneficiaries for one of the years certain and life options, list the beneficiaries on a separate page. Be sure to list the name, address, Social Security number and the percent of the benefit each beneficiary is to receive.

Complete the BENEFICIARY DESIGNATION FORM by filling out all of the information requested in this section, even if you want your spouse as your beneficiary. Be sure to include the date of birth and Social Security number.

## Step 4

### Get your spouse's consent

If you are married, your spouse must complete the SPOUSAL CONSENT section if:

- ◆ you name a beneficiary other than your spouse; or
- ◆ you select a benefit option other than the 50 percent joint and survivor annuity without level income.

By completing this section in the presence of a Notary Public, your spouse is indicating that he or she understands the form of payment you have chosen and that he or she may not be the recipient of survivor benefits.

Your paperwork and retirement benefits cannot be processed if this section is not completed properly and you have either chosen a beneficiary other than your spouse or a payment option other than the 50 percent joint and survivor annuity. Remember, once you retire, you cannot change your form of benefit.



**Please note:** The Retirement Equity Act of 1984 established the consent requirement to protect the rights of spouses. Under this law, International Paper cannot start a person's benefit without the appropriate consent.

## Step 5

### Arrange for your direct deposit

Direct deposit is the easiest way to receive your pension benefits. On your payment date each month, your benefit will be deposited directly into the bank account of your choice, saving you a trip to the bank or delays in the mail.

Fill in all of the blanks on the ELECTRONIC DIRECT DEPOSIT FORM, including the bank routing number. The bank routing number can be found at the bottom of your check, in the lower left-hand corner. Be sure to attach either a voided check or deposit slip so that this information can be verified. If you are unsure about any of the items requested on this form, take it to a representative at your bank who can help you complete it.



## Step 6

### Select tax withholding

Although your pension income is subject to federal (and possibly state and local) taxes, you are not required to have taxes withheld from your pension payments. However, you may be required to file and pay quarterly estimated taxes if you elect not to have any withholding. A tax advisor can help you decide the right level of withholding for your situation.

An IRS Form W-4P (Federal Income Tax Withholding Certificate for Pension or Annuity Payments) is included in your forms package for completion. Be sure to include your Social Security number and sign at the bottom of the form.

If you want to have state taxes withheld, and you are at a location serviced by the ESC, forms can be obtained by contacting the ESC. If you are at a location that is not serviced by the ESC, contact your local human resources representative for assistance.

## Step 7

### Review retiree benefit coverage

Some retirees at International Paper have the option of continuing medical coverage under a retiree medical program. Information regarding premiums and available coverage is shown on the RETIREE MEDICAL ENROLLMENT FORM.

In addition, some retirees at International Paper have retiree life insurance coverage. If applicable, the amount of this coverage will be shown on the RETIREE MEDICAL ENROLLMENT FORM. There may be a premium required for this coverage.

Be sure to sign and date this form at the bottom.



## Step 8

### The other documents

Once you have completed all of the forms, you need to collect copies of certain other documents.

- ◆ Proof of your age
- ◆ Proof of your spouse's or other beneficiary's age (if applicable)
- ◆ Proof of your marriage (if applicable)

Under some circumstances, you may also need to provide:

- ◆ Proof of divorce (if you have spouse information shown on your forms)
- ◆ Proof of change of name (if your, your spouse's, or your beneficiary's name is different from what is shown on your proof-of-age documentation)

## Step 9

### Return the forms

You are now ready to return your completed forms package and other documents. Completed paperwork must be postmarked within 45 calendar days from the date of your retirement package. If you do not return your package by that date, it will expire and the benefit commencement date used in it will no longer

be valid. You will be required to request a new package with a new benefit commencement date. This IRS rule is to ensure that you and your beneficiary have current information to make your retirement election. You may wish to make a copy of the forms to keep for your records; your package will not be returned to you. Send the completed forms to:

#### Regular mail

International Paper Company  
Employee Service Center – Pension Services  
P.O. Box 4887  
Chesapeake, VA 23327-4887

#### Other shipments

International Paper Company  
Employee Service Center – Pension Services  
1434 Crossways Boulevard  
Chesapeake, VA 23320

### What's next?

Your retirement forms and other documents will be checked by a pension administrator. If anything else is needed, you will be contacted. Your benefit will be set up as you elected, and your payments should begin with the first month of your retirement.

If you have questions regarding your benefits after you retire, contact the former employees service team at the Employee Service Center.





**INTERNATIONAL  PAPER**

International Paper is an equal opportunity employer. M/F/D/V

November 2004

Printed on Via Natural, 80 Text, Smooth.

RET\_STPBYSTP\_2004