

# Retirement Education Webinar

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For U.S. associates transitioning from the BD cash balance benefit to embecta retirement benefits

**Hosted by Total Rewards**

March 2022

This presentation and the retirement program kit include information for illustrative purposes only and are not a guarantee of future benefits.



## What we'll be covering today

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1 What to expect on April 1—  
transitioning to embecta retirement  
benefits

2 Helping you understand your Total  
Retirement Income Statement

3 Understanding retirement benefits at  
embecta

4 Taking the next step with financial  
planning resources



# What's changing

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# What to expect on April 1

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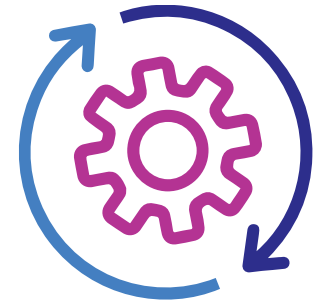
## BD retirement savings plans

- BD Cash Balance account pay credits stop; interest credits continue as long as you retain your balance with BD
- BD Restoration Plan benefits (if applicable) will be paid out
- Health Savings Account funds are yours to keep

## Embecta 401(k) Plan:

- Deferral elections, plan assets, and loan repayment schedules roll-over (accounts will be available by the week during the week of April 3)
- Matching contributions (same as BD)
- **New!** Annual 3% non-elective contribution
- **New!** Temporary multi-year supplemental transition benefit
- No change to the 401(k) record-keeper - Fidelity!

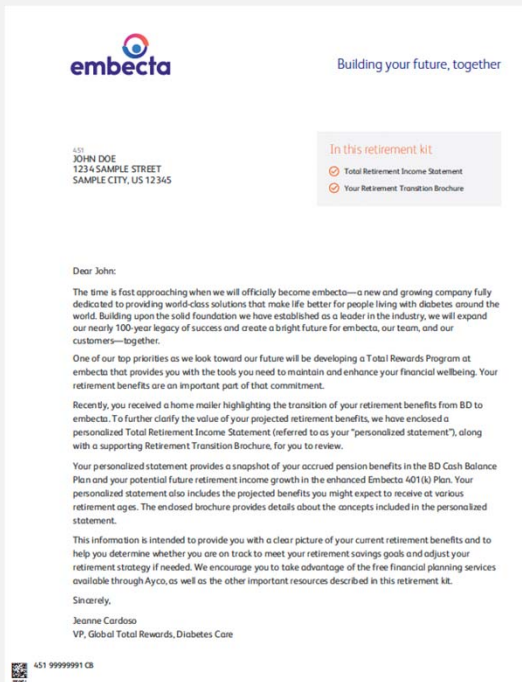
Embecta Deferred Compensation Plan deferral options continue (if applicable)



### Reminder:

- You will continue to earn service credit in the BD cash balance benefit as you remain continuously employed by embecta

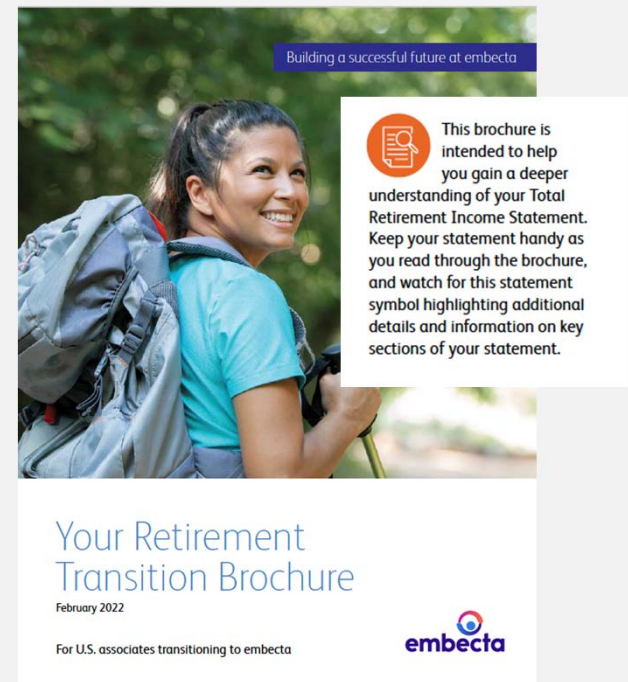
# Your retirement program kit



Cover letter



Total Retirement Income Statement



Your Retirement Transition Brochure



# Helping you understand your Total Retirement Income Statement

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# Understanding your estimates

## Understanding your estimates

The estimated projected benefits in this statement are based on the personal information shown below and certain assumptions (listed on page 4). You'll notice different "as of" dates included in your personal information. Your estimated benefits in the BD Retirement Plan (also called the Cash Balance Plan) are as of April 1, 2022, the date of the Embecta spinoff. Your BD 401(k) balance and deferral elections are as of November 30, 2021 and do not include election changes made after that date.

**Attention!** To get the most out of your statement, be sure to read "Assumptions we used" on page 4 before reviewing the estimates on pages 2 and 3. Assumptions and examples are used for illustration purposes only and are not a guarantee of future benefits. Your actual benefit amounts may differ from the estimates shown.

### Eligible earnings

Your eligible earnings include your regular salary, overtime, bonuses, commissions, and sales incentives. Note that your actual future salary increases, overtime, bonuses, and/or sales incentives may vary.

### Embecta 401(k) Plan

- **New! Non-elective contribution**  
Under the Embecta 401(k) Plan, you will receive an annual 3% non-elective contribution in your account, subject to the plan's eligibility requirements. This annual company-provided contribution is in addition to company matching contributions you receive when you contribute to the plan. For 2022, your contribution will be based on your eligible earnings for the entire year.
- **New! Temporary supplemental transition benefit**  
If you are an active participant in the BD Cash Balance Plan as of April 1, 2022, you may receive a temporary multi-year supplemental transition benefit in your Embecta 401(k) account. The supplemental transition benefit will be based on your job group as of 12/31/2021 and deposited as a single contribution annually for 2022, 2023, and 2024, subject to the plan's eligibility requirements.

### Your personal information

If any of the information below is incorrect, please call the BD Associate Service Center (ASC) at 855.234.3577.

| General Information   |           |
|---|-----------|
| Year of birth   | 1976      |
| Hire date <sup>1</sup>  | 11/2/2016 |
| BD Cash Balance Plan participation date <sup>1</sup>  | 11/2/2016 |
| Eligible earnings (12/1/2020 – 11/30/2021)  | \$54,087  |
| Estimated pension benefits as of 4/1/2022 <sup>2</sup>  |           |
| Normal retirement date (age 65)   | 11/1/2041 |
| Estimated total years of service  | 5,417     |
| 2022 BD cash balance pay credit percentage  | 5%        |
| BD cash balance account <sup>3</sup>  | \$12,274  |
| Savings benefits as of 11/30/2021   |           |
| Your 401(k) plan contribution rate  | 11%       |
| Your 401(k) account balance (includes your contributions, company matching contributions and investment returns) <sup>4</sup> | \$34,534  |
| New Embecta 401(k) Plan benefits as of 4/1/2022   |           |
| Embecta 401(k) Plan non-elective contribution rate  | 3%        |
| Estimated Embecta 401(k) Plan temporary supplemental transition benefit:  |           |
| • 2022 benefit  | \$2,228   |
| • 2023 benefit  | \$1,148   |
| • 2024 benefit  | \$1,182   |

<sup>1</sup>This date is adjusted if you have had a break in service from any legacy company at BD.  
<sup>2</sup>Please see the assumptions on page 4 for more information.  
<sup>3</sup>Your final cash balance account will be based on your actual eligible earnings as of your last day of employment with BD.  
<sup>4</sup>Includes outstanding loan balances as of 11/30/2021, if applicable.

## Your personal information (page 2)

- 1 BD Cash Balance Plan—account balance as of April 1, 2022
- 2 401(k) contribution rate and account balance as of November 30, 2021

Deferred Compensation Plan (DCP) deferral rate and account balance as of November 30, 2021, (as applicable)

- 3 Estimated temporary supplemental transition benefit

## Assumptions we used in estimating your FUTURE benefits (page 4)

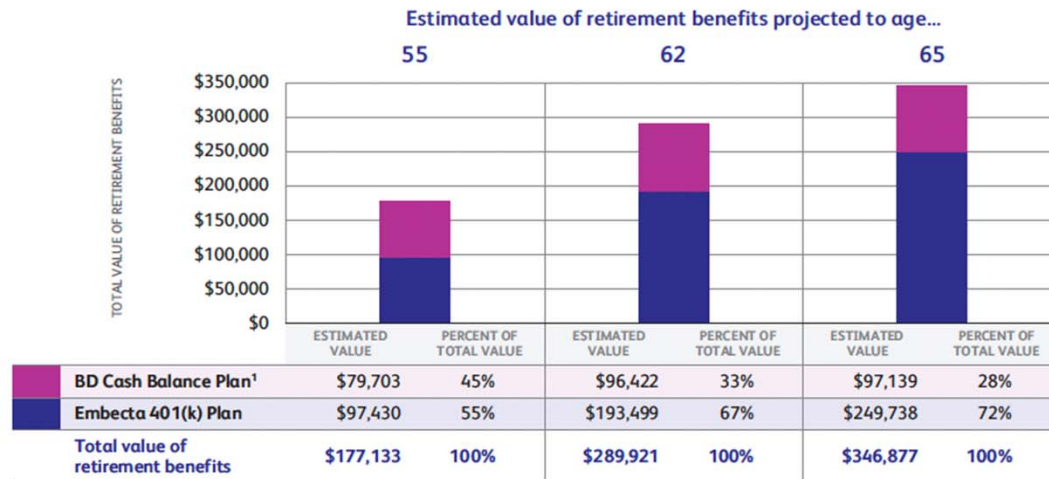
- Pay increases 3% annually
- No distributions before retirement
- You keep saving at the same rate, and your savings earn a 6% return per year\*

\*Historical performance data represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. You may lose money on your investments. Current performance may be lower or higher than the historical performance and will depend on a number of factors, including the particular investment mix chosen.

# A look at your retirement benefits

## A look at your retirement benefits

The estimates below show the amount you may expect to receive from all your retirement benefits combined if you retire from embecta at certain ages, including benefits earned under the 401(k) plan that transfer to the embecta plan following the spinoff. Of course, the amount you receive when you retire will depend on your actual compensation and years of service at the time your employment ends, as well as your actual 401(k) contributions and investment returns. See the accompanying Retirement Transition Brochure for detailed information about how retirement benefits are determined.



<sup>1</sup>The benefits shown include the value of the benefit you accrued under the final average pay formula.

- Review the total value of your retirement benefits
- Understand the value of those benefits at different retirement ages



## Total annual retirement income you can expect

This chart estimates the annual retirement income you can expect:

- Based on all your benefits combined, including estimated Social Security benefits
- By taking the total amounts shown on the previous slide and converting them to lifetime annual income  
(**For illustration only** - Your 401(k) benefit is payable only as a lump sum)

|   | Estimated lifetime annual income payable at age... |                 |                 |
|---|--|-----------------|-----------------|
|   | 55   | 62              | 65              |
| Annual equivalent of the total value of retirement benefits | \$8,780  | \$16,786        | \$21,757        |
| Social Security benefits                                    | N/A <sup>2</sup>                                   | \$20,160        | \$27,216        |
| <b>Total</b>  | <b>\$8,780</b>                                     | <b>\$36,946</b> | <b>\$48,973</b> |

<sup>1</sup> Using the interest rates and mortality tables currently in effect.

<sup>2</sup> If you retire from embecta at 55, embecta's contributions to Social Security will end when your employment ends, and you will not be eligible to start receiving your Social Security benefit until you turn 62.

## How much income you'll need

Experts say you'll need **70% to 90%** of your pre-retirement income when you retire.

Pre-retirement income = income in the year before you retire

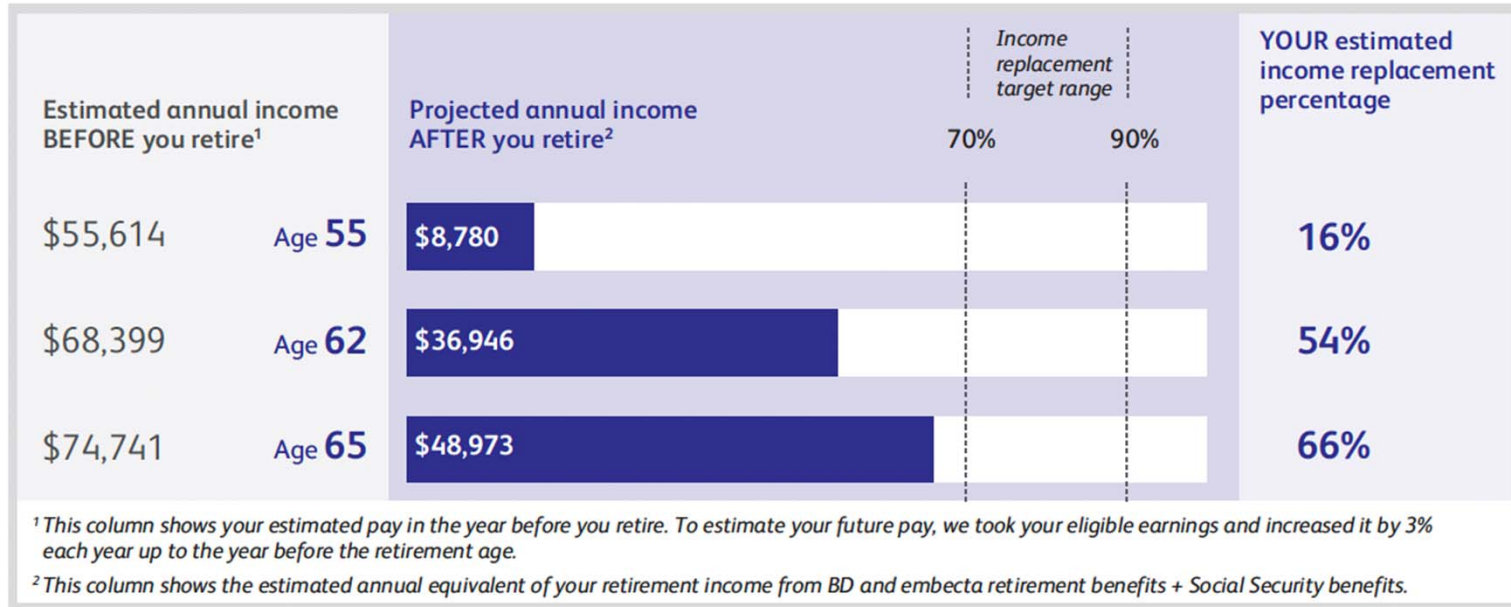
### How much money will you need when you retire?

The general rule of thumb is that when you retire you'll need between 70% and 90% of your pre-retirement annual income. For example, if your pay before retirement is \$50,000, you might aim for \$40,000 (80% of \$50,000) a year after you retire to maintain your standard of living.

| If your income before you retire is... | Your income replacement target might be... |                          |
|--|--|--------------------------|
| Annual pay                             | 70%<br>(Annual pay x .7)                   | 90%<br>(Annual pay x .9) |
| \$50,000                               | \$35,000                                   | to \$45,000              |
| \$100,000                              | \$70,000                                   | to \$90,000              |
| \$200,000                              | \$140,000                                  | to \$180,000             |
| \$300,000                              | \$210,000                                  | to \$270,000             |

# So, how are YOU doing?

This chart shows whether you're on track to meet your retirement income goals





# Understanding your embecta retirement benefits

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# Transitioning from the BD Cash Balance Plan

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## Transitioning from the BD Cash Balance Plan



- Your vested BD cash balance benefit is **yours to keep**
- After you leave BD, you have 3 choices for what to do with your account balance:
  1. Leave the money in the account
  2. Roll it over
  3. Cash it out (cash out is automatic if you're 65+ as of April 1, 2022)
- In lieu of a pension plan, you will be eligible for the Embecta 401(k) Plan's annual 3% non-elective contribution and the temporary multi-year supplemental transition benefit

### embecta shifts primary source of retirement benefits to the 401(k) plan

- More flexible investment and tax management options
- Good growth opportunities, historically yielding a 6% annual growth rate\* (vs. a 3.79% interest rate under the BD Cash Balance Plan)

\* Historical performance data represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. You may lose money on your investments. Current performance may be lower or higher than the historical performance and will depend on a number of factors, including the particular investment mix chosen.



# How the Embecta 401(k) Plan works

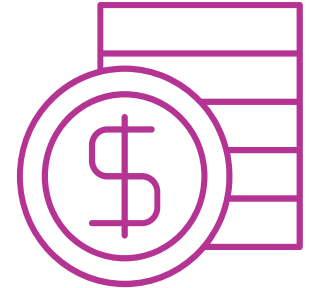
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# The Embecta 401(k) Plan at a glance

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1. **Convenient payroll deductions**
2. **Save from 1% to 60% of eligible pay:**
  - Pre-tax/Roth: up to \$20,500 in 2022
  - Catch-up: up to \$6,500 in 2022
  - After-tax contributions
3. **embecta's matching contribution:**  
\$0.75 on the dollar, up to 6% of your eligible pay
4. **New! Annual 3% non-elective contribution**
5. **New! Temporary multi-year supplemental transition benefit**
6. **Investment control**
7. **Flexibility**



**Don't leave free money on the table!**

Contribute at least 6% of pay to maximize the embecta match.



## Making the most of the match

**Sydney's salary:** \$50,000

**embecta match:** 75% of every dollar, up to 6% of pay

| If Sydney contributes | ...3%          | ...4%          | ...5%          | ...6%          |
|-----------------------|----------------|----------------|----------------|----------------|
| Sydney adds           | \$1,500        | \$2,000        | \$2,500        | \$3,000        |
| <b>embecta adds</b>   | <b>\$1,125</b> | <b>\$1,500</b> | <b>\$1,875</b> | <b>\$2,250</b> |
| Total:                | \$2,625        | \$3,500        | \$4,375        | \$5,250        |

Try your own scenarios on [netbenefits.com](https://netbenefits.com)

**To view your 401(k) plan modeling tool**

Visit Fidelity NetBenefits® at  
**[netbenefits.com](https://netbenefits.com)**

- Go to “Your financial wellness journey”
- Select “Retirement milestone”



If you don't contribute, look at what you're missing!

# Transitioning your 401(k) benefits



## BD 401(k) accounts

- Balances will be transferred to the Embecta 401(k) Plan as soon as administratively possible after April 1, 2022.
- Have a loan? Loan balances will also transfer, and payments will continue, following the same loan repayment schedule.

## Embecta 401(k) Plan

- Same plan administrator (Fidelity); NO change to the vesting schedule
- Will offer investment options similar to the BD 401(k) Plan
- Service accrued at BD counts toward vesting in the Embecta 401(k) Plan.

### Designate your beneficiary...again

Your beneficiary information from the BD 401(k) Plan will NOT transfer to the Embecta 401(k) Plan. So be sure to designate a beneficiary for your account. Visit [netbenefits.com](https://www.netbenefits.com) or call Fidelity at 800-835-5095.

# Embecta 401(k) Plan Investment Line Up



**Your BD 401(k) investments will be mapped (transferred) to the Embecta 401(k) Plan when the market closes on March 31, 2022**



**One-time grant of embecta common stock** - If you're invested in the BD Common Stock Fund, you will receive a one-time grant of one share of embecta common stock for every five shares in the BD Common Stock Fund



**BD Common Stock Fund and Embecta Common Stock Fund will be closed to new investments** - Once the blackout period ends:

- You will not be able to invest additional funds in the BD Common Stock Fund or the Embecta Common Stock Fund (you can make transfers out)
- You can make investment changes in all other options

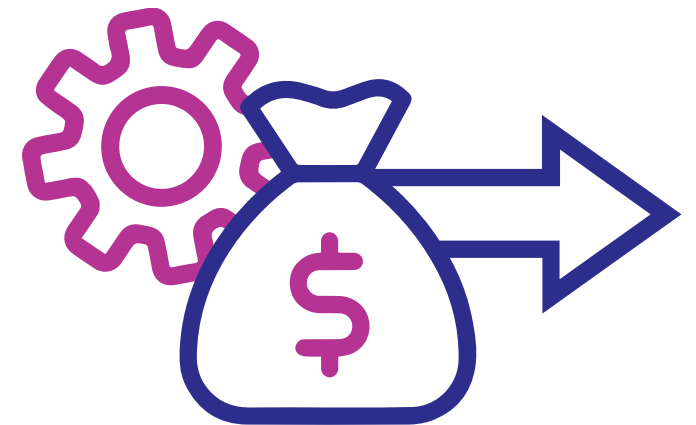


**Company shares will eventually be sold.** Any BD and embecta shares still in your 401(k) account on March 31, 2023, will be sold and the cash will be invested in the plan's Designated Default Fund – we will send you a reminder before this occurs

## New annual 3% non-elective contribution



- Paid to all embecta 401(k) and DCP (if eligible) accounts
- Amount of the contribution is 3% of eligible pay
- During 2022, you'll receive the full 3% contribution based on eligible earnings from January 1, 2022—it is not prorated (except for new hires)
- You receive a contribution, even if you don't contribute
- You must be actively employed with embecta on December 31 to receive that year's contribution



## New temporary supplemental transition benefit

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- We're transitioning from the BD Cash Balance Plan to embecta retirement benefits
- The temporary supplemental transition benefit helps ease the transition from the BD Cash Balance Plan to the Embecta 401(k) Plan
- This benefit will be deposited as a single contribution annually for 2022, 2023, and 2024 in your embecta 401(k) and DCP (if eligible) accounts

### Three years of transition payments

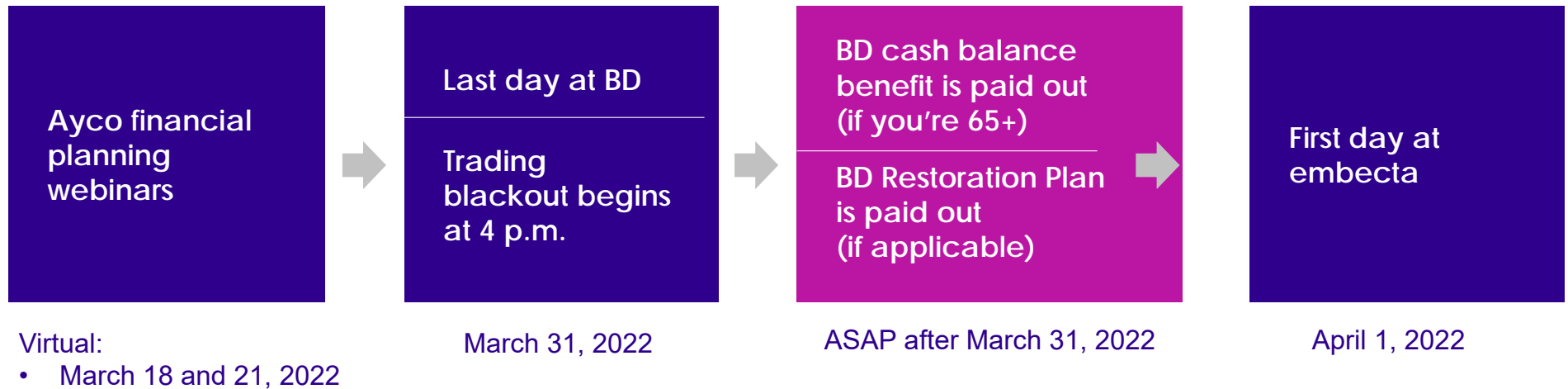
Supplemental transition benefits will be deposited to embecta 401(k) accounts for 2022, 2023, and 2024



## What's coming up

As you enter an exciting new chapter of your career, now is the time to:

- Review your current retirement benefits
- Assess whether you are on track to meet your retirement savings goals.
- Adjust your retirement strategy accordingly



- Holdrege:
- April 26 - 28



Take the next step with financial  
planning resources

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# Retirement savings considerations

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## Factors to consider



Your lifestyle



Your home



Your health



Your family



Expected length of your retirement

## Steps you can take



Review your statement



Attend an Ayco financial planning webinar



Call Ayco for personal financial planning assistance



Review your 401(k) contribution rate



Update your beneficiary designations

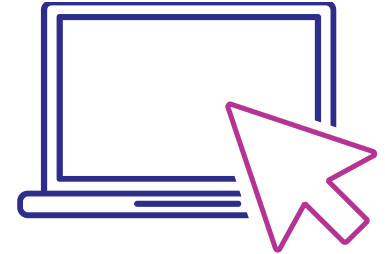
## Attend an Ayco financial planning webinar this month

### Webinars will discuss:

|   |   |
|---|---|
| Saving and Investing                        | March 18, 8 am ET<br>March 21, noon ET        |
| Planning your retirement                    | March 18, 9:30 am ET<br>March 21, 1:30 pm ET  |
| Introduction to financial wellness          | March 18, 11:30 am ET<br>March 21, 3:30 pm ET |
| The psychology of financial decision-making | March 18, 1 pm ET<br>March 21, 5 pm ET        |



You can access the Ayco webinars from the same web page you used for today's meeting.



Contact Ayco at any time for help with your personal situation.

You can access the Ayco webinars at [growingwithembecta.com](https://growingwithembecta.com).

Can't make it to a webinar? Check back on this site later to view the recording.

## Expert support available for retirement planning



### Speak with your tax and/or financial advisor

- Discuss the transition to embecta, your overall savings portfolio, and the tax options for your personal situation
- One-on-one financial counseling is available through Ayco at no cost to you



**Call Ayco at 800.334.0823.** Financial counselors are available to assist you with your planning, contributions, and investment decisions



Retirement counseling services will also be offered through Fidelity and Benefits Direct



Questions?

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# Thank you

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*This presentation highlights certain provisions of the benefit plans available to eligible associates of Becton, Dickinson and Company and its affiliates ("BD"). It is meant to provide only a brief overview of these benefits as well as benefit plans intended to be made available to eligible associates of embecta. If there is any difference between the benefits as described in this presentation and the formal plan documents, the formal language of the plan documents as construed and interpreted by the plan administrator govern. The benefits described in this presentation are subject to change, and in the case of embecta, not yet adopted, and BD or embecta, as applicable, reserves the right to amend, modify, suspend, or terminate these plans and policies, in whole or in part, at any time and for any reason by action of BD or embecta, as applicable, to the extent permitted by applicable law and the plan. This presentation and the benefits and policies described within do not imply any guarantee and are not an employment contract and should not be considered to be a promise of future benefits.*





# APPENDIX

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## Understanding your estimates (cont'd)

### Assumptions we used

- You must remain continuously employed with embecta to the retirement ages shown on pages 2-3 of this statement.
- 1** • Your eligible earnings included in this statement are based on a 12-month period (12/1/2020 through 11/30/2021) and are assumed to increase by 3% each year beginning in 2022.
- 2** • BD Cash Balance Plan projections assume that you keep your money in your BD cash balance account, and that it continues to earn an annual 3.79% interest credit until the retirement ages shown on pages 2-3 of this statement.
- 401(k) plan and DCP (if eligible) estimated projected benefits assume you do not take distributions from the plans prior to retirement. **3**
- Your 401(k) plan projections are based on your BD account balance and contribution rate as of 11/30/2021 and assume company matching contributions equal to 75% of each dollar you contribute, up to 6% of pay, your account earns annual investment returns of 6%, and all outstanding loans will be repaid at the retirement ages shown. **Note:** Investment returns are not guaranteed. **4**
- The lump-sum and annual income projections in this statement are estimates provided for informational purposes only. The actual amount you may receive, assuming you have a payment start date after 2022, will be based on the interest rates and mortality table in effect at that time and may be different than the amounts shown here.
- Applicable IRS limits on benefit amounts, contributions, and pay have been taken into account for all plan projections. These limits are assumed to increase with annual inflation of 2%.
- If you are divorced and have a qualified domestic relations order (QDRO) associated with your benefits, the amounts shown in this statement may or may not reflect any adjustments to your benefits that may be required under such an order.
- The Social Security benefit estimates shown in this statement assume a full career from age 21 and average annual wage increases in the past based on historical national average wage increases. For a more precise estimate, use the Retirement Estimator on the Social Security website at [www.ssa.gov](http://www.ssa.gov).

### Assumptions we used in estimating your FUTURE benefits

- 1** Your pay increases 3% annually
- 2** You keep your money in the BD Cash Balance Plan, and it continues to earn an annual 3.79% interest credit
- 3** You do not take distributions from the BD 401(k) Plan or Deferred Compensation Plan (if eligible) prior to retirement
- 4** You keep saving at the same rate and receiving the company match, and your savings earn 6% return per year

## The BD Cash Balance Plan at a glance

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- Uses a cash balance formula
- Account balance grows monthly through pay and interest credits
- Pay credit is based on age and service
- Interest credit rate is set by the plan each September for the following year, based on U.S. Treasury rates; never lower than 3.79%
- Final benefit is the account balance
- Can leave money in the account, roll it over, or cash it out
- The plan offers a choice of payment options





# How your cash balance account grew

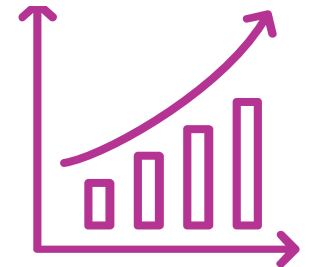
## Pay credits

- Added monthly
- Equal to a percentage of your pensionable earnings
- Based on age and years of service

| If your total age + years of service as of the upcoming December 31 will be... | Your pay credit percentage is... |
|--|----------------------------------|
| Less than 40   | 3%                               |
| 40-49  | 4%                               |
| 50-59  | 5%                               |
| 60-69  | 6%                               |
| 70+  | 7%                               |

## Interest credits

- Added monthly
- Rate was set each September for the following year, based on U.S. Treasury rates
- For 2021, the annual interest rate was 3.79%, or 0.31% per month



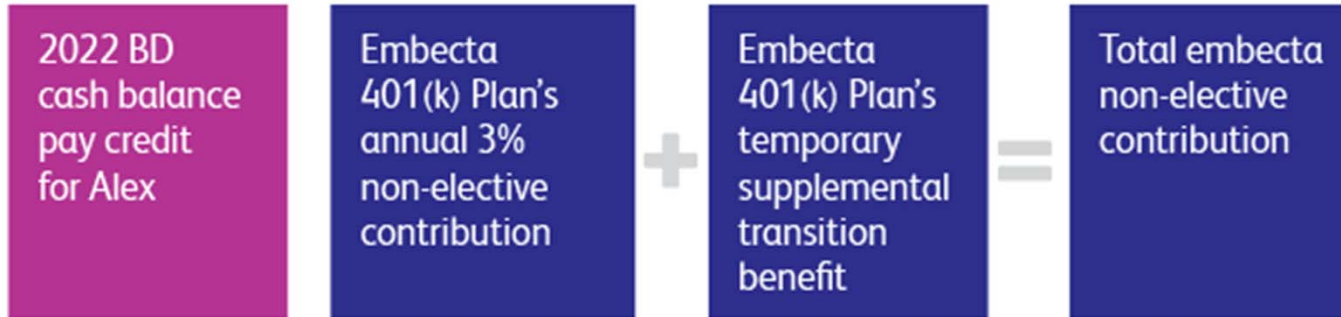
## Let's look at Alex



**Born: February 1969**  
**Age + service: 66.33**  
**Job group: 4**

**Hired: June 2008**  
**Cash balance pay credit: 6%**

embecta will be carefully designing its suite of benefits, including retirement plans, for 2023 and beyond











|     |    | Year |      |      |   |      |
|-----|----|------|------|------|---|------|
| 6%  | 3% | +    | 2022 | 3%   | = | 6%   |
| n/a | 3% | +    | 2023 | 3%   | = | 6%   |
| n/a | 3% | +    | 2024 | 1.5% | = | 4.5% |



# Receiving your BD retirement benefits

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## Your distribution options

|  | BD cash balance account  | BD 401(k) account   |
|--|--|---|
| <b>Lump sum*</b>   |  |  |
| <b>Single life annuity</b>   |  |  |
| <b>Joint and survivor annuity</b><br>(50%, 75% or 100%)                            |  |  |
| <b>Single life annuity with a guarantee</b><br>(Available only at age 55 w/10 YOS) |  |  |

\*You can roll over a lump sum to another employer's eligible retirement plan or an IRA.