

# OAK RIDGE 401(k) SAVINGS PROGRAM



## IMPORTANT 2014 SAVINGS PLAN INFORMATION

The Internal Revenue Service has announced the amounts and limits as they relate to the Oak Ridge 401(k) Savings Program (the Savings Program). Read on to review these important items and their impact on your Savings Program account. The following items may require your action:

### Contribution Limits on Employee Contributions to a 401(k) Plan (pre-tax), Roth 401(k), and Catch-up Opportunities

The annual limit for employee pre-tax 401(k) and Roth 401(k) contributions for calendar year 2014 will remain \$17,500. For those participants who are 50 years of age or older in 2014 and whose elected contribution percentage will result in contributions in excess of \$17,500, an additional \$5,500 in catch-up contributions is available. For those participants whose contribution percentage will cause them to exceed the annual limit and the catch-up, if applicable, the payroll system will automatically recharacterize the contributions in excess of \$17,500 (without catch-up) or \$23,000 (with catch-up) as after-tax contributions.

You need to have the proper contribution elections to take advantage of these limits. The payroll system does not automatically determine your contribution percentages; you must change them yourself. To do a quick test, divide the \$17,500 or \$23,000 you would like to contribute by your annual compensation. The resulting percentage is the amount you must elect to achieve your target contribution. Make sure the combination of your pre-tax or Roth 401(k) contributions is equal to or greater than the calculated percentage. If you need to change your contribution percentage, please call 1-800-777-4015 or log on to [www.401kaccess.com/oakridge](http://www.401kaccess.com/oakridge). Remember, changes made to the contribution elections will be made in the next available payroll cycle.

### Definition of Highly Compensated Employees

An employee of B&W Y-12, L.L.C. will be considered a "highly compensated employee" (HCE) for 2014 if their gross compensation from the Company for 2013 was greater than \$115,000. This determination will be made by the payroll system and will be reflected in the payroll and Savings Program records, after the final compensation tapes are prepared at year-end.

### Maximum Allowable Contribution Percentage

The maximum allowable percentage (for pre-tax, Roth 401(k) and after-tax contributions) will be 75% of eligible earnings for non-HCEs. The maximum allowable percentage for HCEs remains at 16% of eligible earnings. Schwab Retirement Plan Services Company implements this restriction as you elect your contribution percentage.

### Maximum Allowable Compensation

The annual compensation limit for 2014 has increased to \$260,000. Compensation in excess of this limit is eligible for contributions to the Savings Program but not eligible for matching contributions.



## Maximum Annual Additions

The combined total of employee contributions and matching employer contributions for pre-tax, Roth 401(k) and after-tax contributions has increased to the lesser of \$52,000 or 100% of compensation for the 2014 calendar year. Contributions in excess of the limit will be refunded.

## ADP/ACP Testing Restrictions

### CALENDAR YEAR 2013

The IRS requires that contributions of HCEs be restricted, if necessary, to pass the Actual Deferral Percentage (ADP) and Actual Contribution Percentage (ACP) tests. As of the date of this letter, the Company is projected to pass the tests at year-end without having to restrict HCE contributions to the pre-tax/Roth accounts. If the year-end results indicate that an adjustment is in order, it will be necessary to refund the excess contributions made during 2013. This will affect the 2014 taxable income of an HCE who has some contributions refunded.

### CALENDAR YEAR 2014

Based on our current projections, there will be no initial restrictions on the HCE contributions for 2014. All HCE participants may elect to contribute the maximum plan limit of 16%. To determine your current election or to make a change, please call Participant Services at 1-800-777-4015 or log on to the Savings Program's website at [www.401kaccess.com/oakridge](http://www.401kaccess.com/oakridge) (you will need your Login ID and password).

If you have any questions about these or other Savings Program matters, please contact Participant Services at 1-800-777-4015, Monday through Friday from 8:00 a.m. to 10:00 p.m. Eastern time (you will need your Login ID and PIN).

Access to Electronic Services may be limited or unavailable during periods of peak demand, market volatility, systems upgrade, maintenance, or for other reasons.

Schwab Retirement Plan Services Company provides recordkeeping and related services with respect to retirement plans.  
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