2014 Total Rewards Guide

Important Benefits Enrollment
Information Inside
Welcome to the 2014 Total Rewards Guide

Your health coverage and other benefits are important elements of your “Total Rewards” package, and we want to ensure you can easily access the details. This guide provides an overview of available benefits and offers the information you need to make informed decisions during this year’s Annual Enrollment.

In addition to information about 2014 plan updates and enrollment instructions, you’ll find the latest on Health Care Reform and how it affects you. You’ll also find details about the services offered through our health and wellness campaign, Accelerating a Better You, which kicked off this year. From on-site wellness centers to free flu shots, the campaign is focused on helping you reach your health goals.

I encourage you to take a few minutes to review this guide to learn more about these services and your total rewards package. The value of your career at Lockheed Martin includes more than your paycheck – it includes comprehensive benefits that range from keeping you and your family healthy to planning for your financial future.

John Lucas
Senior Vice President, Human Resources and Communications

What’s New for 2014

This year there are several important changes that may benefit you and your family. The following two pages will provide you with information about what’s new for 2014.

Medical Plan Changes
Changes to the LM HealthWorks Plan for 2014 include adjustments to deductibles and coinsurance to better align with the current market and in preparation for new rules associated with the Affordable Care Act (Health Care Reform). Refer to the benefits summary (http://www.lmhwplan.com/benefits/2014) for coverage details.

Also, you will see a change in the way the out-of-pocket maximum is displayed on your benefits summary. Today, the out-of-pocket maximum listed on the benefits summary excludes the annual deductible. Starting in January 2014, the out-of-pocket maximum will include the annual deductible and a combined figure will be shown to represent your true out-of-pocket cost for medical. Prescription drug expenses will continue to be excluded from the out-of-pocket maximum.

Note: As a result of recent legal changes, you can cover your same-sex spouse and not be subject to Federal imputed income if you are lawfully married. See the insert entitled Defense of Marriage Act (DOMA) Information.

New Well-Being Assessment
A new and improved health assessment is now available to LM HealthWorks Plan members—the Well-Being Assessment™ (WBA). Remember that taking the assessment during 2013 (before Nov. 30) can earn you $100 in your HealthFund. Spouses or same-sex domestic partners can also earn $100 for taking the assessment. If you’ve already taken the Personal Health Assessment this year, please keep in mind that LM HealthWorks will only credit one HealthFund Healthy Action incentive per year for the assessments, no matter how many times you choose to take them. Visit www.lmhwplan.com to learn more about 2013 and 2014 Healthy Actions you can complete to earn HealthFund credits.
What’s New for 2014

Health Care Reform
The Patient Protection and Affordable Care Act—more commonly known as health care reform—was signed into law March 23, 2010. The law requires all Americans to have health insurance beginning in 2014 or pay a penalty tax.

The law is a set of health insurance reforms that began in 2010 and elements of the law will continue to roll out in 2014 and beyond. Health care reform was created to protect uninsured and under insured, assist unemployed with insurance and provide incentives to employers to provide adequate insurance.

All Lockheed Martin plans are fully compliant with health care reform laws and exceed federal mandates. Individuals, including those with access to affordable employer-provided health care plans like Lockheed Martin’s, can choose to purchase insurance through Health Insurance Marketplaces available in their area. If you choose to purchase health insurance other than from Lockheed Martin, Lockheed Martin will not make any contribution to your premium or out-of-pocket cost. All health care costs will be your responsibility and you should consider all information available before making any decisions on coverage.

For more information, visit:
• Lockheed Martin Website: http://www.lockheedmartin.com/us/employees/healthcarereform.html
• Government Website: www.healthcare.gov

Dental Plan Changes
Starting in 2014, Lockheed Martin will cover dental implants in the Delta Dental Comprehensive Dental and Comprehensive Plus Dental plans under Major Services.

Special Accident Plan Changes
For Special Accident Insurance, we are adding the following benefits effective Jan. 1, 2014:

• Surgical Reimplantation Benefit—if a limb is surgically replanted (25% of the amount which would have been paid if the limb was lost)

• Monthly Mortgage Payment Benefit—to surviving spouse for monthly mortgage payment after accidental death for up to six months (cost of mortgage payment up to $1,000 per month if spouse is co-borrower)

• Loss of Life as a Result of Motorcycle Accident While Wearing Safety Equipment Benefit—an additional benefit for accidental death if person wore specified safety equipment (10% up to $10,000)

• Hearing Aids and Prosthetic Devices Benefit—for accidental loss that results in need for hearing aid or prosthetic device (cost of device up to 5% or $5,000, whichever is less)

Did You Know?
Lockheed Martin is adding the additional Special Accident Plan benefits at no additional cost to you.
Your Benefits

Through LM HealthWorks, medical coverage is integrated with health and wellness programs to help you feel the best you can—at home and on the job. We provide a comprehensive suite of resources and information to make it easier for our employees to make positive choices for their health, including:

- Medical, dental and vision coverage
- Incentives for healthy lifestyle choices
- Tobacco cessation support
- Free flu shots
- Free, confidential personal health screenings
- Nutritious food options in cafeterias
- Trusted, online health information available 24/7
- Free Health Coaching and Condition Management Coaching
- A physical activity program to help you meet your personal fitness goals
- On-site Wellness Centers, walking paths, fitness centers, and weight management groups at many locations

While specific benefits will depend on your work location, the following pages detail some of the benefits that may be offered. You can view your 2014 options by logging on to the Lockheed Martin Employee Service Center (LMESC) on your wave start date.

Medical Coverage
Medical coverage can help you get the care you need, stay healthy and provide a safety net that guards against the high cost of health care. LM HealthWorks, an Aetna preferred provider organizations (PPO) plan, covers preventive care at 100 percent, prescription drug benefits and an out-of-pocket maximum to help protect you financially in the event of a serious injury or illness. And, you can earn additional credits for your HealthFund by completing Healthy Actions.

Coverage Tiers for You and Your Family
When you enroll in health coverage – medical, dental or vision – you choose between four categories of coverage based on the dependents you enroll, if any. The coverage levels, or tiers, are:
- Employee Only;
- Employee + Spouse/Same-sex Domestic Partner;
- Employee + Child(ren); or
- Employee + Family.

Did You Know?
A new and improved health assessment is now available to LM HealthWorks Plan members—the Well-Being Assessment™ (WBA), which replaced the Personal Health Assessment (PHA). Remember that taking the assessment during 2013 (by Nov. 30) can earn you $100 in your HealthFund. Spouses or same-sex domestic partners can also earn $100 for taking the assessment (Note: HealthFund credit is given to only one assessment per year).

Express Scripts Prescription Benefit Program
Express Scripts is the prescription drug administrator for the LM HealthWorks Plan. Take advantage of the mail-order service for additional savings. On the Express Scripts website you can also look up medications and compare costs. (www.express-scripts.com)

Healthy Actions
Lockheed Martin is committed to employee wellness and offers incentives for taking steps to better your health. The LM HealthWorks Plan provides a HealthFund that employees can build by completing certain healthy actions, including:

- Completing the Well-Being Assessment (formerly the Personal Health Assessment): $100 for you and $100 for your spouse/same-sex domestic partner.
- Participating in the Virgin Pulse (formerly Virgin HealthMiles) physical activity program: Up to $600 for you and $200 for your spouse/same-sex domestic partner.
- Getting preferred preventive care: $200 for you and $200 for your spouse/same-sex domestic partner.
- Taking advantage of Health Coaching or Condition Management as applicable: $100 for you and $100 for your spouse/same-sex domestic partner.
- Registering yourself or a spouse/same-sex domestic partner in the Beginning Right® maternity management program in the first or second trimester during 2014 can earn a $150 HealthFund credit.

If you are an LM HealthWorks Plan member, don’t forget to take advantage of building your 2014 HealthFund before it’s too late. Learn more at www.lmhwplan.com.
Your Benefits (continued)

**Life and Accident**
Lockheed Martin offers Employee Term Life, Group Universal Life and Special Accident insurance. Depending on the option you choose, benefit amounts may be a multiple of your annual base pay or a choice of coverage tiers. Group Universal Life insurance provides benefits above the Employee Term Life coverage. Special Accident insurance is additional coverage that pays a benefit if a covered individual dies or suffers certain losses in an accident.

**Disability**
Disability insurance replaces a portion of your income while you are unable to work. Lockheed Martin provides short-term disability coverage to you automatically at no cost, subject to eligibility requirements. You may also elect long-term disability insurance during Annual Enrollment, subject to eligibility requirements.

**Business Travel Accident Insurance**
This insurance pays a benefit if you die or are seriously injured as a result of an accident while traveling on company business. Lockheed Martin automatically provides Business Travel Accident insurance to you at no cost, subject to eligibility requirements.

**Employee Assistance Program**
LifeMatters, the corporation’s employee assistance program, can help you manage many aspects of your life. LifeMatters continues to offer confidential consultations for stress, relationship issues, financial concerns and more. Visit LifeMatters at www.mylifematters.com (password: LMC1).

**Dental Coverage**
A wide range of medical problems including diabetes, heart disease, bronchitis and headaches can be traced to teeth and gum disease. Prevention is powerful, so see your dentist and keep your mouth healthy.

**Vision Coverage**
Vision coverage is available to help with the cost of eye exams, prescription lenses, frames and contact lenses for you and your covered dependents.

**Flexible Spending Accounts**
Flexible Spending Accounts (FSAs) are a valuable consumer tool that help you save money on taxes. There are two types of accounts:
- Health Care Spending Account
- Dependent Care Spending Account

**Savings Plan**
Most employees are eligible for a 401(k) Savings Plan. Consider contributing as much as you can to your future. Visit the Lockheed Martin Savings Plan Web Tool at https://www.lmpeople.com>Pay and Benefits>Savings Plan.

**Employee Discounts Program**
Lockheed Martin employees can receive discounts on products and services through offers from companies participating in our Employee Discount Program. Take advantage of discounts on computers, flowers, furniture, vacation packages, and much more. Visit https://www.lmpeople.com>Pay and Benefits>Employee Discounts Program.

**Commuter Assistance Program**
If you are commuting to work using mass transit, this program enables you to use a pre-tax payroll deduction to pay for eligible transit, vanpool and parking expenses or transportation passes. To enroll, visit https://www.lmpeople.com>Pay and Benefits>LM Employee Service Center>Commuter Assistance Program. Or, you may call the LMESC at 866-562-2363.

**Did You Know?**
If your spouse/same-sex domestic partner is also a Lockheed Martin employee, you cannot be covered as both an employee and a dependent for Group Universal Life insurance and any other supplemental life plan (e.g. Dependent Optional Term Life) made available through the company as an optional benefit for employees to elect. You may only cover your spouse/same-sex domestic partner as a dependent if he or she is not enrolled in any company-sponsored optional life insurance plan. In addition, only one employee can cover your eligible dependent children, so either you or your spouse/same-sex domestic partner may cover each dependent.
HEALTHY ACTIONS = A Healthy You

$100
Complete the Well-Being Assessment
Understand your health status and earn $100 in your HealthFund if you are an LM HealthWorks Plan member. Spouses and same-sex domestic partners (SSDPs) in the LM HealthWorks plan can earn $100.

$200
Get Preventive Care
Have a routine physical exam or certain age-appropriate screenings and employees and spouses/SSDPs in the LM HealthWorks Plan can each earn $200 in the HealthFund.

Up to $600
Get Active!
All employees can earn $600 - LM HealthWorks Plan subscribers in their HealthFund and non-LM HealthWorks Plan members in their paychecks. Spouses/SSDPs in the LM HealthWorks Plan can earn $200 in their HealthFund.

$100
Get Health Coaching or Help With a Chronic Condition
Employees and their spouses/SSDPs in the LM HealthWorks Plan can earn $100 in their HealthFund for completing an assessment session and 5 coaching calls.

$150
Give Your Baby a Healthy Start
Pregnant employees or their pregnant spouse/SSDP in the LM Healthworks Plan who enroll in the Beginning Right Maternity Management program in the 1st or 2nd trimester earn $150 in their HealthFund.

For more information please go to:
www.lmhwplan.com or
LM People > Employee Service Center

ACCELERATING A BETTER YOU

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Lockheed Martin’s goal is to have the healthiest workforce in the Aerospace and Defense industry. We offer a number of services to all employees—regardless of health plan—to help you stay well throughout the year.

**Fall Back to Fitness**
We are committed to your well-being and want to help you achieve your health goals. This fall and winter—and all throughout 2014—you will find more programs and resources to help you stay motivated. We’ll celebrate Daylight Saving Time when we Fall Back to Fitness, offering plenty of ideas for ways to use your extra hour.

There are also plenty of opportunities to commit to participating in an event in your community that will get you out and moving for causes our Corporation supports, including a new addition in the Jingle Bell Run/Walk, a 5k to benefit the Arthritis Foundation. We also support the American Cancer Society’s Relay for Life, the American Diabetes Association’s Tour de Cure and the American Heart Association’s Heart Walk. Try something new in 2014 to Accelerate a Better You.

**Flu Shots**
Every fall, more than 100 Lockheed Martin sites host events in which employees may receive a free seasonal flu shot to stay well throughout flu season. Employees without access to on-site flu shots may apply for a flu shot care card online, visit their doctor or make an appointment at their nearest on-site Wellness Center. Sign up today at LM People>Health and Wellness.

**Health Screenings**
Many Lockheed Martin sites host free biometric health screenings for employees so that they may know more about their current health status and take action to reduce health risks. Employees can receive checks for blood pressure, triglycerides, cholesterol, glucose, body mass, waist circumference, and body fat and have the opportunity to take their results to their doctor or Wellness Center staff for discussion. Stay tuned for more information on how to sign up in 2014.

**Virgin Pulse (formerly Virgin HealthMiles)**
Looking for ways to be more active? Get moving with Virgin Pulse (formerly Virgin HealthMiles)*—an interactive, web-based physical activity program that can help you increase your daily activity, easily track and monitor your progress and manage all of your fitness information in one place. The program is free for employees and spouses or same-sex domestic partners, regardless of whether you are an LM HealthWorks Plan member, and eligible participants can earn up to $600 in rewards for being physically active! To confirm your spouse or same-sex domestic partner is eligible to participate, visit the LMESC Online and click on My Life>Life Changes & Events>Physical Activity Spouse Elig and follow the instructions.

*Note: VirginHealthMiles is transitioning to Virgin Pulse and details will be provided directly to participants.

**Quit For Life® Program**
If you or your eligible dependent is a tobacco user, you and/or your eligible dependents can enroll in our free Quit for Life® tobacco cessation program. You will get your very own Quit Coach, a personalized quit plan, medication or tobacco cessation aids, and access to online resources and a social support community. To get started, enroll online at www.quitnow.net/lockheedmartin or call 877-266-6046. If outside of the US or Canada, please call 001-206-876-2187.

**Did You Know?**
60% of our employees live within five miles of a Lockheed Martin Wellness Center. Find out if you have a Wellness Center near you by accessing: http://www.lmhwplan.com/page/wellness-center-locations.
When and How to Enroll

Annual Enrollment Waves
With 2014 Annual Enrollment about to begin, now is the time to make sure you educate yourself on your benefit options and how to enroll. On your wave start date, you can log on to the LMESC website for more details on your specific plan options and costs. You can enroll online or by phone.

Wave 1: Oct. 8 - 24
Active employees in all states except California, Georgia, New Jersey, New York and Texas

Wave 2: Oct. 15 - 31
Active employees in California, Georgia, New Jersey, New York and Texas

Expatriates: May enroll during either wave.

Correction Period for All Employees: Nov. 27 - Dec. 6
You will receive information on your coverage options and costs in upcoming communications. Also, remember the elections you make during Annual Enrollment take effect Jan. 1, 2014, and you cannot change them during the calendar year unless you experience a special enrollment event or have an IRS-defined qualifying change in status. If you have a qualified status change, you must report the event and any changes to your elections to the LMESC within 30 days following the event.

How to Enroll
Online
1. During your enrollment wave, access Access LMESC Online through LM People at https://lmpeople.lmco.com from the Intranet or https://www.lmpeople.com from the Internet. Log in to LM People using your NT user name and password.
2. In the Pay and Benefits section, select “LM Employee Service Center” or “Annual Enrollment.”
3. Follow the instructions in the Annual Enrollment message to make your elections.
4. Print a copy of your election summary for your records.
5. Beneficiary Designations — If you haven’t designated a life insurance beneficiary online, you will be prompted to add your life insurance beneficiary before you may complete your online Annual Enrollment.

By Phone
Call the LMESC during your Annual Enrollment wave at one of these numbers:
• 866-562-2363 (toll-free)
• 800-833-8334 (hearing impaired)
• 201-242-4397 (international callers)
Select the prompt for enrollment. Representatives are available 8 a.m. to 8 p.m. Eastern time Monday through Friday (except on holidays). You will need your LM People ID and LMESC PIN.

The Privacy of Your Health Information
Lockheed Martin is firmly committed to protecting the confidentiality of your personal health information and strongly supports the protection provided by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA requires privacy rights for personal health information, as well as protection from improper use and disclosure. It affects how your health information can be used by group health plans sponsored by employers including Lockheed Martin.

Please review the HIPAA Notice in your enrollment kit for important details about the obligations of health plans and your rights regarding your health information.

Availability of Summary Health Information
The health benefits available to you represent a significant component of your total rewards package. They also provide important protection for you and your family. Choosing health coverage is an important decision. To help you make an informed choice, your plan makes available a Summary of Benefits and Coverage (SBC), which summarizes important information about health coverage in a standard format.

SBCs will be posted in place of the health plan reports. A paper copy is also available, free of charge, by calling 866-562-2363, 800-833-8334 (hearing impaired) or 201-242-4397 (international callers).