



August 3, 2023

Subject: **Important information about the U.S. BD Retirement Plan**

Dear Associate:

Over the last several years, and following a few significant acquisitions, BD has been on a journey to provide a unified benefits program for our U.S. associates. We provide a comprehensive benefit offering that includes health and welfare plans, well-being resources, time off and retirement benefits.

While we have made great strides in simplifying our benefits approach across our varied population, how we deliver retirement savings opportunities at BD still reflects differences depending on an associate's legacy company and date of hire. To provide a consistent and fair approach to retirement savings for all U.S. associates, we now intend to freeze the BD Retirement Plan (also called the "cash balance plan") and transition future retirement accruals for associates who are currently participating in that plan over to the BD 401(k) Plan. With this change, future retirement benefits for all U.S. associates, regardless of legacy company or when they joined BD, will be aligned under a single benefit approach providing parity across our U.S. population.

Utilizing the 401(k) defined contribution plan as the central source of employee retirement benefits is the most common approach to providing retirement savings benefits among large U.S. employers. In fact, the vast majority of employers have shifted away from providing retirement savings benefits through defined benefit plans like the BD Retirement Plan and other traditional pension plans. Instead, they now provide retirement benefits through defined contribution-type plans, like 401(k) plans. And most of BD's peers have already transitioned to making 401(k) plans the central source of employee retirement benefits.

#### **What is the difference between the BD 401(k) Plan and the BD Retirement Plan?**

The BD 401(k) Plan is a defined contribution (DC) plan, and the BD Retirement Plan is a defined benefit (DB) plan. DC and DB plans are retirement plans that provide benefits differently.

A DC plan, like the BD 401(k) Plan, is an account-based retirement plan where you and the company contribute to your plan account, and typically you manage the investment of the account. In DC plans, the benefit is based on how much you and the company contribute to your plan account and the growth of that money over time. The value of the benefit in a DC plan can go up or down, depending on investment performance, so associates must take an active role in managing their savings and investments to ensure they meet their goals.

In a DB plan, like the BD Retirement Plan, the plan is typically comprised of only employer contributions, and the plan provides a defined lifetime monthly benefit when you retire. The benefit is determined by a formula that may be based on your salary history and total service when you leave the company or retire. With DB plans, the company shoulders the entire responsibility of providing the benefits—typically making all the contributions and managing all the investments for the plan.

To briefly summarize the changes that we intend to make:

**1. Your cash balance account will stop earning new monthly pay credits effective September 30, 2024**

Benefit accruals under the BD Retirement Plan will freeze effective September 30, 2024. However, cash balance accounts will continue to earn interest credits until the benefit is paid out to you at retirement.

**2. You will become eligible for the BD-provided annual non-elective contribution into your BD 401(k) Plan account effective October 1, 2024**

When you become eligible for the **401(k) Plan non-elective contribution**, each year BD will make a contribution to your account equal to 3% of your eligible earnings, assuming that you continue to meet the BD 401(k) Plan's eligibility requirements. This annual non-elective contribution is intended to be a pension-like contribution that is in addition to 401(k) matching contributions. You do not need to contribute to the BD 401(k) Plan to receive the non-elective contribution each year.

**Important note for participants in the BD Restoration Plan**

The BD Restoration Plan is an “excess” retirement plan and is applicable to associates affected by the federal IRS limits on qualified retirement plans, such as the BD Retirement Plan. Similar to the changes in the BD Retirement Plan, there will be no new pay credits earned in BD Restoration Plan accounts after September 30, 2024. Affected associates will continue to earn interest credits in the BD Restoration Plan and will be eligible to receive the vested benefit they have earned, including interest credits, when they leave the company.

**3. There will be no change to the total BD-provided retirement savings contribution level you receive until after September 2025**

Although your benefit accruals in the cash balance plan will cease as of September 30, 2024, the amount you will receive as your 401(k) Plan non-elective contribution for the next 12-month period (from 10/1/2024 through 9/30/2025) will be determined using your last pay credit percentage under the cash balance plan. As a result, if your cash balance pay credit percentage is between 4–7%, you will not experience any change to your benefit level until after September 30, 2025. If your cash balance pay credit percentage is equal to 3%, you will not experience a change to your benefit level—even after September 30, 2025.

**4. You are 100% vested in the BD Retirement Plan and the BD 401(k) Plan**

**BD Retirement Plan:** As a current participant in the BD Retirement Plan, you are 100% vested in your benefit under that plan. Any pay credits you have accrued or will accrue through September 30, 2024 are yours to keep.

**BD 401(k) Plan:** You are 100% vested in current and future company contributions (including both matching and non-elective contributions) made to your 401(k) account.

**Planning for the future**

As described earlier, BD Retirement Plan accruals will cease effective September 30, 2024, and for the period through September 30, 2025, you will receive annual non-elective retirement contributions

into the BD 401(k) Plan based on your last cash balance plan pay credit percentage. With no change to benefit levels until September 2025, this two-year advance notice period will give you ample time to understand these changes and determine whether you need to make adjustments to your savings and investment strategy.

We know your retirement benefits are an important part of your financial well-being as you prepare for the future. We have planned a thoughtful approach to how and when this change will occur, taking into consideration how associates will be affected. BD will support you in your retirement planning efforts by providing comprehensive communications on how your retirement benefits will work. You will also have access to resources to help you make the most of your retirement benefits and understand what you can do to achieve your personal retirement goals.

### When you'll learn more

In early 2024, you'll hear much more, starting with a home mailing that will provide additional information about the changes to your retirement benefits described in this letter and available resources. In spring 2024, you'll receive a personalized retirement program kit designed to give you a comprehensive view of the retirement income you can expect in the future. You will also have the opportunity to attend a retirement planning education webinar where you can learn more about the retirement benefits and planning resources available to you through BD.

We encourage you to make full use of the resources available to gain the most personal value from our benefit plans. We appreciate your patience as we work to ensure the materials and resources that we make available will provide you with everything you need to know.

#### Questions?

If you have any questions about your benefits under the BD Retirement Plan, please contact Benefits Direct by calling 800.234.9855 or visiting [bd.com/benefits](https://bd.com/benefits). For no cost financial planning, call Ayco at 800.334.0823 or visit [ayco.com/login/bd](https://ayco.com/login/bd).

Sincerely,

Kristi Payne  
SVP, Global Total Rewards

*This communication highlights certain provisions of the benefit plans available to eligible employees of Becton, Dickinson and Company and its affiliates ("BD"). It is meant to provide only a brief overview of these benefits and anticipated changes to those benefits. Should any questions ever arise about eligibility or the nature and extent of these benefits, or should there be a conflict between the plan document and this communication, the formal language of the plan documents as construed and interpreted by the plan administrator will govern. BD reserves the right to amend, modify, suspend or terminate these plans, in whole or in part, at any time and for any reason by action of BD to the extent permitted by applicable law and the plan. Note that the changes described herein will not be final until a formal plan amendment has been adopted, and therefore this describes changes that BD intends to make to the plans, but may be subject to change unless and until a formal plan amendment is adopted. This communication and the benefits described within do not imply any guarantee and are not an employment contract.*