RETIREMENT IS A MAJOR MILESTONE!

We know making the transition to retirement is something that takes careful planning. If you’ve already set a date for retirement, you’ve probably started thinking about what’s involved.

This interactive guide is intended to assist you in making a smooth transition from employment into retirement. It is important to give yourself enough time before you retire to review your retirement payment and health care options so you can make the choices that are best for you.

This guide provides valuable information and a suggested timeline intended to help you plan for a successful retirement. Simply read through the document or jump to a particular section of interest by clicking on the links in the Table of Contents below. You’ll also find links throughout the piece that will take you to various websites for further information.

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GETTING STARTED—ACTION STEPS TIMELINE.

Nearing retirement? Use this handy timeline to help you plan for this exciting new phase of your life. You can access many of the below websites directly from [ITWemployee.com](http://ITWemployee.com). You can also reach these resources by calling the ITW Employee Service Center at 1.866.ITW.2468 (1.866.489.2468).

<table>
<thead>
<tr>
<th>WHAT</th>
<th>WHEN</th>
<th>HOW</th>
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<tbody>
<tr>
<td>Notify your supervisor and HR of your intention to retire</td>
<td>At least 90 days prior to retirement (ideally)</td>
<td>Contact your supervisor and HR representative</td>
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<tr>
<td>Request your “Start My Benefit Kit”</td>
<td>Within 90 days prior to retirement</td>
<td>Go to the ITW Retirement Plans website through <a href="http://ITWemployee.com">ITWemployee.com</a> or call the ITW Employee Service Center at 1.866.489.2468, Option 3. See page 6 for more on how to “Start My Benefit”</td>
</tr>
<tr>
<td>Apply for Social Security benefits</td>
<td>90 days before you want to begin receiving benefits (no earlier than age 62)</td>
<td><a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a> 1.800.772.1213</td>
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<tr>
<td>Apply for Medicare benefits Note: you will be enrolled in Medicare Parts A and B automatically as you turn 65. You must pay a premium for Part B coverage. (See Medicare on page 9)</td>
<td>90 days prior to reaching age 65 (You can sign up for Medicare even if you do not plan to retire at age 65)</td>
<td><a href="http://www.medicare.gov">www.medicare.gov</a> 1.800.633.4227 Go to this website for more information concerning the initial enrollment period for Part B and other special enrollment situations</td>
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<td>Assess your Benefit Options • Review Pension/401(k) distribution options • Consider ITW Retiree Health Care (if eligible) vs. COBRA</td>
<td>60 days prior to retirement</td>
<td>Review “Start My Benefit” and health care options (included with your Kit)</td>
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<tr>
<td>Choose your pension plan distribution option, if eligible</td>
<td>At least 45 days prior to payment</td>
<td>Return completed paperwork to the ITW Employee Service Center at address provided in paperwork</td>
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<td>Return any company property that has been issued to you (laptop, cell phone, key fob, etc.)</td>
<td>Last date worked</td>
<td>Contact your supervisor and HR representative</td>
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<td>• Enroll in ITW Health Care, if eligible and so desired*, or • Enroll in COBRA coverage (if you choose not to enroll in ITW Health Care initially)</td>
<td>• Upon retirement, but no later than 31 days after (ITW Health Care) • Within 60 days following your retirement date (COBRA)</td>
<td>ITW Health Care/COBRA: contact the ITW Employee Service Center at 1.866.489.2468, Option 2</td>
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<tr>
<td>Choose your distribution option from the ITW 401(k) Plan (or whether you wish to keep your balance in the Plan)</td>
<td>At any time 30 days following your retirement date; you must start taking distributions once you reach age 70½</td>
<td>Go to the ITW Retirement Plans website through <a href="http://ITWemployee.com">ITWemployee.com</a> or call the ITW Employee Service Center at 1.866.489.2468, Option 3. See page 5 for how to request a 401(k) distribution</td>
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<tr>
<td>Elect life insurance conversion (if desired)</td>
<td>No later than 31 days following retirement</td>
<td>Contact your HR representative</td>
</tr>
<tr>
<td>Submit for reimbursement any outstanding flexible spending account receipts for expenses incurred prior to the last day of the month you retired</td>
<td>Prior to March 31 of year following retirement</td>
<td>Fax or mail to ITW Employee Service Center using options provided on Reimbursement form</td>
</tr>
<tr>
<td>Report any address changes</td>
<td>Any time you move or reside at a different address for part of the year</td>
<td>While active, contact your HR representative if you have an address change. After retirement, call 1.866.489.2468, Option 3</td>
</tr>
<tr>
<td>Review and update your beneficiary information: • Life Insurance • 401(k) Plan • Pension Plan</td>
<td>At any time</td>
<td><a href="http://ITWemployee.com">ITWemployee.com</a></td>
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* Note: If Medicare eligible, you need to be enrolled in Part B to obtain maximum benefits from the ITW Medical Plan.
Decisions regarding your retirement assets are among the most important you’ll need to make. The average American lives 20 or more years after retirement. Therefore, it’s important that you plan carefully so that your retirement income will last. You are also encouraged to speak with your financial or tax advisor to fully understand the tax implications of each income source. Following are answers to questions that you may have concerning your ITW retirement benefits.

401(k)—ITW Savings and Investment Plan

What are my distribution options? Do I have to take my money out of the 401(k) Plan when I retire?

If your account balance is $1,000 or greater, you have several options:

• Leave the money in the 401(k) Plan—however you must generally begin taking distributions once you reach age 70½.
• Take your money in monthly, quarterly or annual installment payments.

CONTACT INFORMATION FOR THE ITW EMPLOYEE SERVICE CENTER

Mail: ITW Employee Service Center
PO Box 24848
Jacksonville, FL 32241-4848

Online: ITW Retirement Plans website at ITWemployee.com

Phone: You may call the ITW Employee Service Center at 1.866.489.2468, Option 3. Participant Services Representatives are available from 7:00 a.m. to 7:00 p.m. Central time excluding stock market holidays.
• Roll over the balance to another qualified 401(k) plan, 401(a) plan, 403(a) plan, 403(b) plan, governmental 457 plan or IRA.
• Take part of the money in cash—called a partial lump-sum distribution. The remainder of the balance would continue to be invested according to your investment elections and would be available for distribution at any point in the future.
• Take all of the money in a lump-sum distribution. Your balance in the Plan would be paid to you.
• If you have a balance in the ITW Common Stock Fund, you may elect a distribution in shares.

If your account balance is less than $1,000, you will receive a lump-sum distribution by the end of the quarter following your retirement date if you do not make a distribution election. You must wait 30 days following your termination date to request a distribution or direct rollover through the ITW Retirement Plans website or ITW Employee Service Center. To request a 401(k) distribution, go to ITWemployee.com, select the Retirement tab then click on Withdrawals (under Review My Account).

What happens to my 401(k) Plan loans?
If you have outstanding loans, you will need to continue making monthly loan repayments until your loan is completely paid off or pay your loan balance in full by the end of the calendar quarter following your retirement date. Otherwise, your loan will be treated as a taxable distribution. You must set up automatic withdrawal (ACH) from a bank account in order to continue monthly repayments after you retire. This election must be made by the end of the calendar quarter following your retirement date and prior to taking any distributions.
If the entire loan balance is not paid and automatic payments are not set up by the end of the calendar quarter following your retirement date, the outstanding loan balance becomes taxable.

Do I have to sell the ITW Common Stock I have in the 401(k) Plan?
If you elect a lump-sum distribution of your account balance after you retire, you may elect to receive any portion of your account that is invested in the ITW Common Stock Fund either in whole shares of Company stock or in cash. If you wish to receive whole shares of Company stock, you must call the ITW Employee Service Center.

Distributions from investments in the other funds will be made only in the form of cash.

What are the tax consequences if I take a 401(k) distribution?
Generally, distributions paid to you (rather than a direct rollover to an IRA or other qualified plan) are taxable when received. The tax consequences of taking a distribution are dependent on many variables.
Please refer to the Special Tax Notice included with your paperwork or available under the Forms section of the ITW Retirement Plans website or contact your financial planner or tax advisor.

If I leave my account in the plan, how do I update my beneficiary designations?
You can review and update your 401(k) Plan beneficiary information through ITWemployee.com. From the home page, go to View/Change My Beneficiaries.

How can I get more information?
More information on these topics is available on ITWemployee.com or by calling the ITW Employee Service Center at 1.866.489.2468 and selecting Option 3 to speak with a Participant Services Representative.

SOCIAL SECURITY

When can I begin receiving Social Security benefits?
You can start receiving Social Security benefits at any time after age 62. Your benefit is reduced if it is paid before your full retirement age (typically age 65-67 depending upon your year of birth). If you start your Social Security benefits before your full retirement age, your benefit will be reduced for each month before your full retirement age.

How do I apply for Social Security benefits?
You should plan to apply for Social Security benefits three months before you want to start collecting benefits. The Social Security Administration website can help you estimate your benefits and provides instructions on how to apply for benefits. Contact information for the Social Security Administration is located on page 3.
How do I determine the amount of my pension benefit?
It’s easy to estimate your future pension benefit at any time through ITWemployee.com. To model different retirement dates and compare payment options, click on the Retirement tab then Benefits Estimate (under Review my Pension Information).

What are my distribution options? Do I have to begin receiving my pension immediately following my retirement?
If the value of your total benefit is $1,000 or more, the Pension Plan offers you several options on how you may receive your benefit:

• You can take a lump sum (which can be taken in cash or a direct rollover into your ITW 401(k) account/IRA/other qualified plan).
• You can elect to receive an annuity that provides fixed monthly payments (as described on the right).
• You may choose to defer receiving your pension benefit until a later date.

* Please note that if you are married, you must select one of the joint and survivor annuity forms of payment unless your spouse signs a consent form in the presence of a notary public. If you are married and you choose the joint and survivor option with a survivor other than your spouse, your spouse must consent to the person you name.

If the value of your total benefit is less than $1,000, you will receive a lump-sum distribution.
Details on these and other distribution options will be provided in your pension paperwork or can be obtained on ITWemployee.com.

When and how do I start receiving my pension?
Ninety days prior to your actual retirement you may request pension paperwork online through the Start My Benefit feature of ITWemployee.com (under the Retirement tab) and by calling the ITW Employee Service Center.

Once you have made your decisions, return your completed pension paperwork to the address provided with your paperwork.

Payment timing depends on several factors: when your properly completed paperwork is returned, when your last day of work is updated with the provider and pension payroll processing schedules. This is why we recommend requesting paperwork 90 days prior to the first of the month following your retirement date. The earliest payment date is typically the first of the 2nd month following your retirement date. You must begin receiving your benefit by the calendar year that you reach age 70½.

If you elect to defer receiving your pension at the time you retire, you may contact the ITW Employee Service Center when you are ready to begin receiving your pension and request that paperwork be sent to you.

PENSION DISTRIBUTION OPTIONS
Pension calculations are based on the ages of you and your spouse (or beneficiary) at the time payments begin. Therefore, because the benefit is calculated based on your lifetime(s), your payment election cannot be changed once payments begin, even in the event of divorce, death of your spouse, or your remarriage.

Lump Sum Distribution
Allows you to receive your vested pension benefit as one single sum.

Single Life Annuity
Allows you to receive a monthly benefit that begins upon retirement and is paid for your lifetime only. All payments end upon your death. You may elect monthly payments immediately following your retirement, or in the case of early retirement defer payment to age 65 or later.

Joint and Survivor Annuity
Allows you to receive a reduced monthly benefit and, upon your death, pays a monthly benefit to your surviving spouse or designated beneficiary over their lifetime. You can choose a Joint and 50%, 75% or 100% Survivor Annuity.

Which payment option should I elect?
The decision regarding which payment option you should elect is a personal decision. It is an important decision and you should consult with your personal tax or other trusted advisor.
HEALTH CARE BENEFITS WHEN YOU RETIRE.

Your health care benefits are a very important piece of your retirement. You should know what health care benefits you are eligible for, what your plan covers and your financial responsibility. To be eligible for the ITW Medical and Dental Plans at the time of retirement you must be at least age 55 and have 10 years of eligibility service.

ITW MEDICAL AND DENTAL PLANS

After I retire will I continue to have access to the ITW health care plans currently available to me?
When you retire, your “active” employee coverage is effective through the end of the month in which you retire. For example, if your last day of employment is October 1, your active coverage will end October 31.

Employees who are retirement eligible (55 years or older with at least 10 years of eligibility service as of retirement date) may elect retiree coverage under the ITW Medical and Dental Plans available at your business unit, but the cost to you will change. If your active medical plan isn’t available to you as a retiree (such as a local HMO) then you can choose from the plans available to you.

When can I enroll in the ITW Medical and Dental Plans as a retiree?
You can enroll within 31 days of your retirement or during open enrollment. The open enrollment period will occur in late fall each year. Any changes made during the open enrollment period will be effective January 1st following the open enrollment period.

Can I continue to cover my dependents?
You can cover your eligible dependents as defined under each plan.

Will my surviving spouse be able to continue coverage under the ITW Medical and Dental Plan following my death?
Yes, your surviving spouse can remain on ITW coverage following your death. Additionally, if there are any dependent children at the time of your death, they can continue coverage with your surviving spouse until they become ineligible, your spouse remarries, your child turns age 26 or dies, whichever occurs first. Your spouse and dependent children who are no longer eligible for coverage will be offered health care continuation under COBRA.

If I terminate my ITW medical and dental coverage when I retire, can I re-enroll at a later date?
Currently ITW provides an annual open enrollment period to allow eligible retirees to enroll in available medical and dental plans.
How much is my medical and dental insurance going to cost?
You are responsible for paying the full retiree premium. If you are eligible for a benefit from the ITW Retiree Health Care Contribution Plan, you will receive monthly credits from ITW to help reduce your cost (as described below).

Will I receive company contributions toward my retiree health care costs?
Retirees who are eligible for the Pension Plan and are retirement eligible (55 years or older with at least 10 years of eligibility service as of retirement date) will begin having contributions deposited each month into an ITW Retiree Health Care Contribution Plan account.

How are my retiree health care credits calculated?
The amount of the monthly contribution is based upon your years of benefit service\(^3\) (to a maximum of 35 years) and whether you or your dependent is Medicare-eligible. Contributions will stop for your dependents when they are no longer eligible (for example, through death, divorce, or a child turning age 23). The years of benefit service are multiplied by a pre-determined credit amount, which is adjusted annually. Credits and medical premiums adjust when the retiree or dependents become Medicare-eligible.

The credit amounts for 2011 are:

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<th>RETIREE</th>
<th>IST DEPENDENT</th>
<th>ADDITIONAL</th>
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<tr>
<td>MEDICARE ELIGIBLE</td>
<td>$6.23</td>
<td>$4.13</td>
<td>$4.13</td>
</tr>
<tr>
<td>PRE-MEDICARE</td>
<td>$18.62</td>
<td>$12.39</td>
<td>$4.98</td>
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How can I use my retiree health care contribution credits?
You can use the contributions to be reimbursed for ITW or eligible non-ITW medical or dental premiums (except ITW COBRA), as well as eligible health care expenses. The reimbursements are not taxable. If you are eligible for company contributions for health care, you will receive a sign-up form with your pension paperwork.

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1 Eligibility service generally includes all periods of employment with an ITW company. In addition, if you became an employee as a direct result of ITW’s purchase of a prior employer’s business, service with that employer will be considered in your eligibility service. Special rules apply in the case of periods of leave of absence or layoff or if you leave the company and return after an extended break in service.

2 If surviving spouse later remarries they are no longer eligible for ITW coverage or credits.

3 With certain exceptions, benefit service is years of coverage by the ITW Retirement Accumulation Plan or a predecessor pension plan and is used in calculation of retiree health care credits.
**MEDICARE**

**When should I enroll in Medicare?**

In most cases, you will be enrolled in Medicare Parts A and B automatically as you turn 65. As an active employee, you may have declined Part B coverage; however, as a retiree or COBRA participant, you and your spouse (if applicable) will need to enroll in Part B.

If you are not entitled to Medicare at the time of retirement, you should enroll in Medicare Part A and B three months prior to turning age 65. You can enroll in Medicare coverage at the same time you enroll in your Social Security benefits. If you are entitled to Medicare prior to retirement from ITW and have not yet signed up for Part B coverage, you should contact Medicare three months prior to your retirement to enroll in Part B coverage as of your retirement date as the cost may increase significantly if you enroll at a later date. You are responsible for paying any required premiums for Medicare programs in which you enroll.

When you are retired and entitled to Medicare, Medicare becomes your primary insurer. For that reason, it is important that you are enrolled in both Part A and Part B. Medicare Part D, which offers prescription drug benefits, is also available through Medicare. You should carefully consider Medicare Part D insurance with any other insurance options. Because the ITW Medical Plan offers prescription drug coverage as part of the Plan, if you enroll in Medicare Part D, you will no longer be eligible for the ITW Medical Plan.

**How does Medicare coordinate with my ITW Medical Plan coverage when I retire?**

If you enroll in the ITW Medical Plan as a retiree, Medicare (Parts A and B) will be your primary insurance. The ITW Medical Plan is not a supplement to Medicare. ITW’s Medical Plan benefits and Medicare’s benefits combined will not pay more than the ITW Medical Plan would have paid without Medicare. Please refer to the Retiree Benefits Overview for additional details. The ITW Plan will always pay as though Medicare coverage is primary even if you have not enrolled in Medicare Part B. More information about Medicare benefits is available by contacting Medicare via the website or phone number listed below.

For more information about Medicare benefits, you can visit your local Social Security office, call 1.800.MEDICARE (1.800.633.4227) or visit www.medicare.gov.

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**LIFE INSURANCE.**

**Can I convert my active ITW employee and/or dependent life insurance when I retire?**

If you are enrolled in employee or dependent life insurance, you can convert your coverage to individual policies. For an application to convert your employee or dependent life insurance after retirement, contact your HR representative.

**Is there a retiree life insurance benefit?**

Retirees who are eligible for the Pension Plan and are retirement eligible will be provided a retiree life benefit. The amount of retiree life benefit is based on years of benefit service as follows:

- 5 – 9 years $2,500
- 10 – 14 years $5,000
- 15 – 19 years $7,500
- 20 or more years $10,000

More information about Medicare benefits is available by contacting Medicare via the website or phone number listed below.

For more information about Medicare benefits, you can visit your local Social Security office, call 1.800.MEDICARE (1.800.633.4227) or visit www.medicare.gov.
COBRA

Can I continue my ITW medical and dental coverage under COBRA when I retire?
If you are entitled to Medicare at the time of retirement, you will have the opportunity to continue health care coverage under COBRA, generally for up to 18 months. While on COBRA, Medicare coverage (Parts A and B) is primary.

If you are not yet entitled to Medicare at the time of retirement, you can continue health care coverage under COBRA generally for up to 18 months or until the 1st of the month that you become entitled to Medicare, whichever occurs first. If your COBRA coverage ends because you become entitled to Medicare, your covered dependents can remain on COBRA until they are no longer eligible.

Please be aware, if you elect COBRA coverage upon retirement you will have limited opportunities to elect ITW Medical and/or Dental Plans. It is also important to note that you cannot use retiree health care credits to pay for COBRA coverage. You can, however, use your credits to pay for other eligible health care expenses.

How do I elect COBRA coverage?
You will receive a COBRA notification in the mail explaining your options for continuing coverage. You must notify the COBRA administrator if you want to continue your medical and/or dental coverage. Your COBRA notification letter will explain your COBRA rights and list important deadlines. Please read your COBRA documents carefully and contact the COBRA administrator if you have any questions.

Electing retiree medical/dental coverage after COBRA coverage.
You will have the opportunity to elect ITW Medical and/or Dental Plan coverage under the following circumstances:

- Within 31 days of a qualified change in status (i.e. spouse ending a job); or
- During open enrollment (held each Fall for a January 1 effective date); or
- Within 31 days of the exhaustion of:
  - ITW subsidized COBRA; or
  - Other subsidized COBRA; or
  - Non-subsidized COBRA

You must contact the ITW Employee Service Center at 1.866.489.2468, Option 2, within the prescribed time to elect retiree medical and/or dental coverage.

FLEXIBLE SPENDING ACCOUNTS

What happens with my health care reimbursement account after I retire?
You may submit claims to your health care reimbursement account for eligible health care expenses incurred before you retire. Expenses incurred after you retire can be submitted only if you continue to contribute on an after-tax basis through COBRA continuation coverage. You have until March 31 of the year following retirement to submit claims for expenses incurred before retirement.

What happens with my dependent care reimbursement account after I retire?
You may no longer make contributions to your dependent care reimbursement account after you retire. You may submit claims for eligible expenses incurred before your retirement (up to the amount of your actual contribution). You have until March 31 of the year following retirement to submit claims for expenses incurred before retirement.
OTHER THINGS TO CONSIDER.

Vacation pay
You will be paid for your unused and accrued vacation days in accordance with your business unit policy. Please see your HR representative if you have any questions on the calculation.

Personal savings and investments
Your investments, including savings and brokerage accounts, IRAs, your home, etc., may also contribute to your retirement income. For help in determining how these assets might affect your income after your retire, use the ING Advisor Service planning tools available through the ITW Retirement Plans website or contact your financial advisor.

Address information and beneficiary designation
It is important to keep your address information and beneficiary designations up to date for your 401(k), pension and life insurance benefits. For address changes, contact your HR representative during your employment. After retirement, make your address changes by calling 1.866.489.2468, Option 3. For beneficiary designations, please go to ITWemployee.com.

Estate planning
An estate plan can help protect and manage your assets in the event of your death, or if you are incapacitated and unable to make decisions. At a minimum, you should have updated beneficiary designations and an up-to-date will. You may also want to consider meeting with an estate attorney to talk about whether it makes sense for you to have such things as:

• a health care proxy—to designate someone to make legal decisions for you in the event that you cannot communicate your wishes;
• a living will—to let your loved ones know how you would like your health care treatment managed in the event that you cannot make decisions on your own;
• a living trust—to manage your assets while you are living and after your death.

Volunteering
As a way to keep your mind and body active after you retire, you may want to consider volunteering for a local charity near where you live. One benefit of volunteer work is that it allows you to continue honing the skills you developed while working at ITW. For more information on volunteering in retirement, visit www.seniorcorps.org.

For more information concerning your ITW benefits, visit ITWemployee.com or call the ITW Employee Service Center at 1.866.489.2468.