

Choice Dollars FAQs for 2019 New Hires

Allstate version

In order to distribute the company's benefits dollars across all employees, Allstate provides benefits-eligible employees with Choice Dollars, which are used as a credit towards the cost of the benefits they select during the enrollment period.

In addition to Choice Dollars, Allstate also pays 100% of the cost of the following benefits: 401(k) matching contributions, pension, short-term disability, paid time off (PTO), paid company holidays, employee assistance program, wellbeing programs and workers compensation.

Eligibility

Who is eligible to receive Choice Dollars?

All benefits-eligible employees of the U. S. Allstate Family of Companies, excluding InfoArmor and SquareTrade.

How many Choice Dollars do I receive?

Full-time employees, regular part-time and part-time employees receive \$2,000 for 2019. For new hires, Choice Dollars will be prorated based on your date of hire. Choice Dollars are applied each paycheck toward the cost of your benefits. If the benefits you choose cost:

- More than your Choice Dollars, you'll pay the additional cost via payroll deduction.
- Less than your Choice Dollars, based on your election during the enrollment period, any remaining Choice Dollars will be:
 - Deposited into your Pre-tax 401(k) account;
 - Deposited into your Roth 401(k) account (on an after-tax basis); or
 - Paid to you as earnings via payroll, subject to all applicable federal, state and local income taxes and Social Security (FICA) taxes.

Benefits Enrollment

How will my Choice Dollars be applied during the benefits enrollment period?

When you enroll in benefits on the [Your Benefits Resources™](#) website, you will see the amount of Choice Dollars you have on the top of the enrollment page. After you make your elections for 2019, you will see the total cost followed by surcharges (if any), credits (including a subsidy for the medical benefit and Choice Dollars), and then the amount you owe. Enrollment is subject to the eligibility requirements and terms of the benefit plan, program or policy.

What happens if the total cost of the benefits I enroll in is more than my Choice Dollars?

You will pay any costs that exceed your Choice Dollars via payroll deduction.

What if I'm hired in 2019 and don't enroll in benefits?

Your Choice Dollars will be paid to you as earnings via payroll, subject to all applicable federal, state and local income taxes and Social Security (FICA) taxes.

What if I have Choice Dollars remaining after making my benefit elections?

Based on your election during the enrollment period, any remaining Choice Dollars will be:

- Deposited into your Pre-tax 401(k) account;
- Deposited into your Roth 401(k) account (on an after-tax basis); or
- Paid to you as earnings via payroll, subject to all applicable federal, state and local income taxes and Social Security (FICA) taxes.

How will Choice Dollars be allocated to my benefits?

Your Choice Dollars will first be allocated towards the purchase of pre-tax benefits you elect under the Allstate Cafeteria Plan, including Medical, Health Savings Accounts, Dental, Vision, Flexible Spending Accounts, PTO Buy and Accidental Death and Dismemberment (AD&D).

Any remaining Choice Dollars will be allocated toward any of the following benefits you elect including Group Legal, Group Critical Illness, Group Accident Insurance, Group Hospital Insurance, Student Loan Repayment, Identity Protection, Long Term Disability, Life Insurance, Child Life and Spouse Life, or contributions to the Allstate 401(k) Savings Plan.¹

401(k) Deposits

If I choose to deposit my Choice Dollars into my 401(k) account, when will they be reflected in my account balance?

Just like any other ongoing 401(k) contributions, they will be deducted from each paycheck and deposited into your account as of the close of market on the date you are paid.

Will the deposits be made to a Pre-tax Account or to a Roth 401(k) Account?

Either, depending on your election during the enrollment period.

Will Choice Dollars deposited into my 401(k) account be eligible for the company match?

Yes. The Plan matches 80 cents for every dollar you contribute to your Pre-tax or Roth 401(k) Account up to 5 percent of your eligible compensation. Matching contributions are made on a pre-tax basis and are subject to vesting and eligibility rules.

How will my Choice Dollars 401(k) deposit be invested?

If you are a current 401(k) plan participant, your Choice Dollars 401(k) deposits will be invested according to your current elections. If you do not have a current election on file, until you elect otherwise, your Choice Dollars 401(k) deposits will be invested in the Target Retirement Date Fund that corresponds to your birth date, assuming a retirement and account distribution at age 65.

Are Choice Dollars considered part of my eligible compensation for 401(k) matching contributions?

Any Choice Dollars allocated toward taxable Allstate Cafeteria Plan benefits and benefits offered outside of the Allstate Cafeteria Plan are considered eligible compensation for purposes of the Allstate 401(k) Savings Plan. These benefits include Long-Term Disability, Life Insurance, Child Life Insurance, Spouse Life Insurance, Group Legal, Group Critical Illness, Group Accident Insurance, Group Hospital Insurance, Student Loan Repayment, Identity Protection, or contributions to the Allstate 401(k) Savings Plan. The Plan matches 80 cents for every dollar you contribute to your Pre-tax or Roth 401(k) Account up to 5 percent of your eligible compensation, subject to vesting and eligibility rules.

Can I direct my Choice Dollars to age 55+ catch-up contributions or to my After-tax 401(k) Account? No, however, you can make changes to your catch-up or after-tax 401(k) contributions at any time.

Will Choice Dollars deposited into my pre-tax and/or Roth 401(k) account be subject to the IRS contribution limit?

Yes. If you reach the IRS limit during the year, your 401(k) payroll deductions will end. Any Choice Dollars 401(k) Deposits that remain will be paid to you as earnings through payroll, subject to all applicable federal, state and local incomes taxes and Social Security (FICA) taxes.

Is everyone eligible to deposit Choice Dollars into their 401(k) account?

No, deposits are subject to the Allstate 401(k) Savings Plans' terms and conditions. If you're not a regular full-time or regular part-time employee, you cannot deposit Choice Dollars to your 401(k) account.

HSA Deposits

Can I contribute Choice Dollars to my HSA?

Yes, if you're eligible to contribute to an HSA through the Allstate Medical Plan. You're eligible unless you meet any of the following conditions:

- Enrolled in Blue Advantage HMO or the Kaiser-Hawaii HMO
- Not enrolled in an Allstate Medical Plan option
- Enrolled in Medicare or TRICARE
- Covered by any other health plan that is not a high deductible health plan (HDHP)
- Claimed as a dependent on another individual's tax form

If my Choice Dollars are being directed to my HSA, when will they be reflected in my account balance? Just like any ongoing HSA contributions, they will be deducted from each paycheck and deposited into your account at Optum Bank as soon as administratively possible, which is typically the Monday following the date you are paid.

1: Contributions to the Allstate 401(k) Savings Plan are subject to annual Internal Revenue Code limits and eligibility.

Employees of InfoArmor Inc. and SquareTrade, Inc. are not eligible for Choice Dollars or the other benefits described in this document.

This document presents answers to some of the most commonly asked questions about 2019 Choice Dollars. More complete information about Plans, policies and programs described in this document can be found in the Summary Plan Descriptions and program/policy overviews, which will be made available on AllstateGoodLife.com/ae2019. While every effort has been made to provide accurate information, if there are any discrepancies between the information in this communication and the plan documents, the plan documents will govern. Allstate reserves the right to change, amend, or terminate the Plans at any time for any reason. Participation in the Plans does not constitute a contract or guarantee of employment.

If you have any questions, please contact the Allstate Benefits Center at (888) 255-7772.