Allstate provides benefits-eligible employees with Choice Dollars. You can use this money to help pay for most employee benefits. 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.

**How can I use my Choice Dollars?**
- **Pay for health care coverage**, including medical, dental and vision plan premiums
- **Make your health care dollars go further** by contributing to tax-favored accounts like health savings accounts and flexible spending accounts
- **Save for the future** with 401(k) contributions
- **Pay other types of health care expenses** with supplemental group plans like critical illness and accident indemnity and hospital insurance
- **Protect yourself, your loved ones and your identity** with long term disability, life and AD&D insurance, group legal and identity protection
- **Repay student loans more quickly** through the student loan repayment program
- **Purchase additional paid time off**

Enrollment in any of these benefits is subject to the eligibility requirements and terms of the benefit plan, program or policy.

**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?**
**All employees** receive $2,000 for 2020. If you begin employment after Jan. 1, 2020, your 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 remaining 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 AllstateGoodLife.com, you will see the amount of Choice Dollars you have on the top of the enrollment page. After you make your elections for 2020, you will see the total cost followed by any surcharges and credits (which includes medical subsidy and Choice Dollars), and then the amount you owe, if any, as shown below:

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>Next Year’s Benefits 1</th>
<th>Your Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Premium Prices and Contributions</td>
<td>$1,127.65</td>
</tr>
<tr>
<td></td>
<td>Surcharges</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Credits</td>
<td>-$2,000.00</td>
</tr>
<tr>
<td></td>
<td>Remaining Choice Dollars</td>
<td>$872.35</td>
</tr>
<tr>
<td></td>
<td>Your Cost</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Remaining Choice Dollars</td>
<td>$872.35</td>
</tr>
<tr>
<td></td>
<td>Pre-Tax 401(k)</td>
<td>$872.35</td>
</tr>
</tbody>
</table>

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 can enroll in any benefits you wish. You will pay any costs that exceed your Choice Dollars via payroll deduction.

What if I don’t make any benefits elections for 2020 or I have Choice Dollars remaining after making my benefit elections?
Your Choice Dollars will be deposited into your pre-tax 401(k) account, if eligible. If you don’t want to contribute your Choice Dollars to your 401(k) account, you must opt out of Choice Dollars 401(k) default deposits during the benefits enrollment period on AllstateGoodLife.com. You can do so by selecting “Opt Out of Choice Dollars 401(k) Default” located under “Other Benefits” in the “I Want To…” list. You can also opt out by calling the Allstate Benefits Center at (888) 255-7772 before December 19, 2019. Any election you made last year to opt out of the default deposit will not continue for 2020.

Beginning January 1, 2020, you can stop or change Choice Dollars deposits to your 401(k) account by going to AllstateGoodLife.com and selecting “Change Choice Dollars 401(k) Deposits” which you can find under “Savings & Retirement” in the “I Want To…” list. You can also stop/change the deposits by calling the Allstate Benefits Center at (888) 255-7772. Please note that any Choice Dollars contributed before the date of the change cannot be refunded to you.

If you opt out, change or stop your Choice Dollars deposits, you will receive any unallocated Choice Dollars as earned income on your regular paychecks, subject to all applicable federal, state and local income taxes and Social Security (FICA) taxes.
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 Annual Enrollment. If you do not make an election, the Choice Dollars will be deposited into your Pre-tax 401(k) Account.

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 five 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) default 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) default 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 Repayments, 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 five 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.

I currently make contributions to my 401(k) account each paycheck. If I elect to deposit Choice Dollars into my 401(k) account, will it change my current contribution election?

No. They are two different elections; one does not affect the other.

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, you cannot deposit Choice Dollars to your 401(k) account if you are on an unpaid leave of absence.
**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.

**Other**

**How will Choice Dollars be allocated to my benefits?**

1. Your Choice Dollars will first be allocated towards the cost of any combination of the following pre-tax benefits* you elect during Annual Enrollment, up to $2,000 maximum for the year:
   - Medical
   - Health Savings Account (HSA) contributions
   - Dental
   - Vision
   - Flexible Spending Account contributions
   - PTO Buy
   - Accidental Death and Dismemberment (AD&D)
   
   *These benefits are part of what is officially called the “Allstate Cafeteria Plan”

2. Any remaining Choice Dollars will be allocated to any combination of the following benefits you elect during Annual Enrollment:
   - To any 401(k) Choice Dollars deposits you elected (pre-tax and/or Roth 401(k)); and/or
   - Any combination of the following after-tax benefits:
     - Group Legal
     - Group Critical Illness
     - Group Accident Insurance
     - Group Hospital Insurance
     - Student Loan Repayment
     - Identity Protection
     - Long Term Disability
     - Life Insurance
     - Spouse Life
     - Child Life

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 2020 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/ae20. 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.