

401(k) Plan

Birth and Adoption Withdrawal Provision

October 11, 2021

Your BNSF 401(k) plan at Vanguard now allows parents to withdraw up to \$5,000 out of their 401(k) account following the birth or adoption of a child without paying the 10% early withdrawal penalty. As always, you may want to consider consulting a professional tax advisor before you decide to withdraw funds from your retirement plan.

What you need to know

- You may withdraw up to \$5,000 for each birth or adoption.
- This withdrawal is considered regular income. This means that you'll owe income tax on the amount that you withdraw.
- You won't have to pay a 10% early withdrawal penalty that would otherwise apply, even if you're younger than age 59½.
- You must ask for this withdrawal within one year of the date of birth or the date the legal adoption is finalized.
- You may only withdraw money for an adoptee who is under age 18 or an adoptee 18 or older who is physically or mentally unable to support themselves.
- You can't use this withdrawal to cover the expenses for adopting a spouse's child.
- If you need to withdraw money for more than one person, you must make a separate request for each one.

How to request a withdrawal

To request this withdrawal, call Vanguard at **800-523-1188**.

You may be able to repay this money to your plan

To get more information about your plan's rollover rules and how they could affect this withdrawal, please call Vanguard at **800-523-1188**.

Questions?

If you have questions about this new withdrawal, contact **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

This document is provided as a Summary of Material Modifications (SMM) to the BNSF Railway Company Non-Salaried Employees 401(k) Retirement Plan and the BNSF Investment and Retirement Plan. It is a summary and does not contain all plan details. The full provisions of the formal Plan documents as they exist now, or may exist in the future, will always govern. Read and keep this Notice with your material describing the Plan. If you have any questions, contact Vanguard at 1-800-523-1188.