The ExxonMobil Savings Plan— Roth 401(k) Accounts

ExxonMobil

An opportunity to build tax-free retirement income.

Who might benefit from a Roth 401(k)?

Do you think your tax rate will be higher by the time you retire and take distribution? Can you afford to make after-tax contributions? Are you fine with not having in-service access to funds? Do you plan to leave your money in the Savings Plan for at least five years and take distribution after age 59½? If so, Roth 401(k) contributions may make sense for you. Read on to learn more.

Roth Account Options

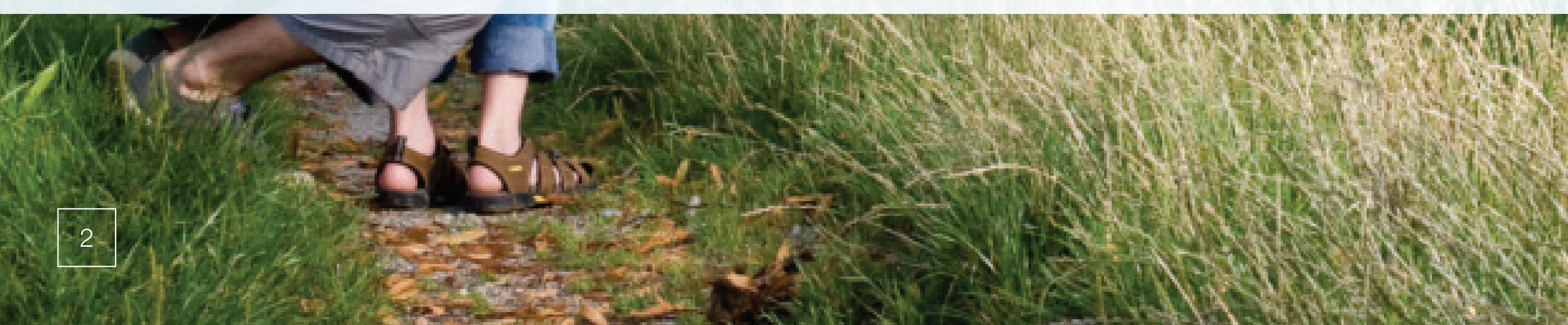
New accounts have been added the ExxonMobil Savings Plan. You now have three new ways to participate in the Savings Plan for the opportunity to have tax-free income in your retirement years.

- **Roth 401(k) Account** – contains employee Roth 401(k) contributions, including Roth catch-up contributions
- **Roth Rollover Account** – contains rollover contributions from other eligible Roth 401(k) plans (e.g., from former employers)
- **Roth Conversion Account** – contains assets you elect to convert from existing Savings Plan accounts

These new Roth accounts have been added to the following existing ExxonMobil Savings Plan accounts:

- **Before-Tax Account** – contains employee before-tax contributions, including catch-up contributions
- **After-Tax Account** – contains post-1986 employee after-tax contributions
- **General Account** – contains the company match and rollover contributions from other eligible plans
- **Stock Match Account** – contains the pre-2007 company match provided in the form of ExxonMobil stock.

This brochure will help you learn more about the new Roth accounts.



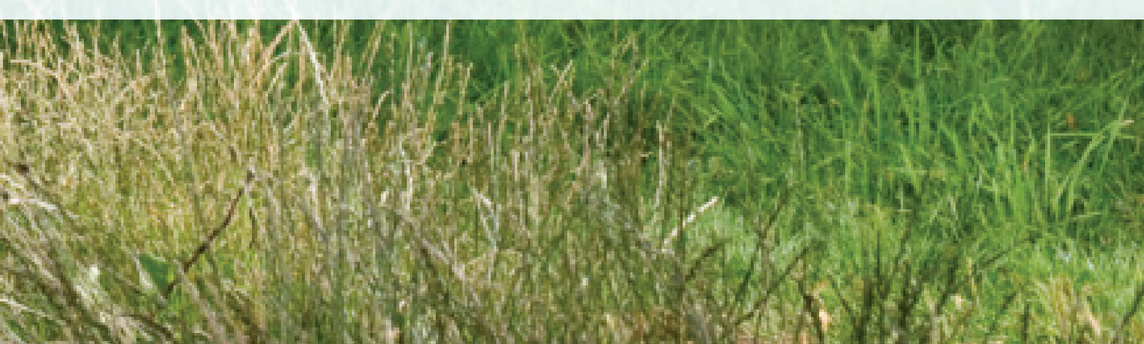
How do the new Roth accounts differ from the existing Savings Plan accounts?

▶ ***Roth 401(k) Contributions vs. Before-Tax Contributions***

Before-tax contributions are made from before-tax funds; taxes are deferred on contributions and earnings until you make a withdrawal. Roth 401(k) contributions are made from after-tax funds. However, earnings on Roth contributions are tax-free if you hold funds in the Roth 401(k) Account for at least five years and do not withdraw them until you are at least 59½ years old. In other words, qualified distributions from the Roth 401(k) Account are not subject to any additional taxes.

If you expect to be in a higher tax bracket in retirement than you are today, you may benefit from paying taxes on Roth contributions today and building tax-free income for retirement. Conversely, if you expect to be in a lower tax bracket in retirement, you may prefer to make before-tax contributions today and defer paying taxes until you withdraw the money in retirement.

Be sure to carefully consider the impact on your take home pay before you elect to make Roth 401(k) contributions, which will result in a larger amount being taxed and withheld from your paycheck compared to before-tax contributions.



A qualified distribution is a withdrawal or distribution made after a 5-year period of Roth participation and made after you turn 59½ years old (or upon death or disability). Your 5-year period of Roth participation generally begins on January 1 of the year in which you first make a Roth contribution into the Savings Plan and ends at the end of the fifth consecutive year.

How much can you contribute to a Roth 401(k) Account?

In 2011, your Roth 401(k) and before-tax contributions have a combined limit of $16,500 (or $22,000, if you are 50 or older). For example, if you contribute $10,000 to your Before-Tax Account, you can also contribute up to $6,500 to your Roth 401(k) Account. If you are 50 or older, you can make additional catch-up contributions of up to $5,500 (before-tax catch-up contributions, Roth catch-up contributions, or a combination of both) for a combined total of $22,000. *See page 5 for 2012 contribution limits.*

What are the key advantages of each contribution type?

Before-tax

- *Reduces current income tax, resulting in higher take home pay; defers tax on contributions and earnings until distribution*
- *If you expect to be in a lower tax bracket in retirement, deferring tax until distribution in retirement may be beneficial*

After-tax

- *Defers tax on earnings until distribution. If you expect to be in a lower tax bracket in retirement, deferring tax until distribution in retirement may be beneficial.*
- *Allows two withdrawals per year for access to funds (taxes apply)*
- *Provides opportunity for additional retirement savings by allowing contributions beyond the IRS before-tax and Roth 401(k) contributions limit, up to the lesser of $49,000 or 27% of your eligible pay in 2011. See page 5 for 2012 contribution limits.*

Roth 401(k)

- *Reduces future income tax; earnings are tax-free for qualified distributions*
- *If you expect to be in a higher tax bracket in retirement, paying tax on contributions now to build tax-free income later may be beneficial*

▶ *Roth 401(k) Contributions vs. After-Tax Contributions*

In both the After-Tax Account and the Roth 401(k) Account, contributions are made on an after-tax basis. However, in the After-Tax Account, taxes on earnings are paid upon withdrawal. In a Roth 401(k) Account, withdrawal of earnings is tax-free if the withdrawal is a qualified distribution.

Another key difference is in the access to funds. The Savings Plan allows you to take two in-service withdrawals per calendar year from your After-Tax Account. However, as an active employee, you can only access your Roth 401(k) contributions in cases of pre-defined hardship.

Be sure to consider accessibility of funds when determining whether and how much to contribute to the Roth 401(k) Account.

Additional Roth 401(k) Features

The Roth accounts have the same basic features as the other accounts in the Savings Plan. For example, the investment options are the same. The Company provides an employer match on minimum employee contributions. And you can still take loans against account balances and receive dividends on investments.

Comparing contribution options: three paths to long-term investing

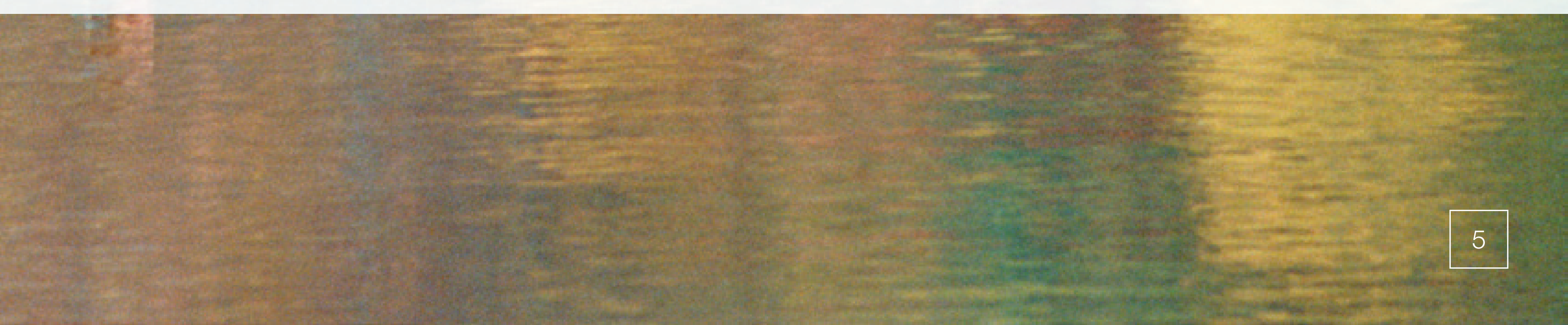
You can contribute to the Savings Plan using any combination of these options. Here's a look at the benefits and restrictions of each contribution type.

Comparison of employee contributions in current ExxonMobil Savings Plan Accounts and new Roth 401(k) Account

	Current ExxonMobil Savings Plan		
Contribution Type	**After-Tax**	**Before-Tax**	**Roth 401(k)**
Tax Treatment of Contribution	Taxes paid upfront	Taxed upon distribution	Taxes paid upfront
Tax Treatment of Earnings	Taxed upon distribution	Taxed upon distribution	Not taxed if qualified distribution
Contribution Limits (2011)	Not applicable	$16,500; $22,000 for participants age 50 and older	
	All contributions (including employer match) cannot exceed $49,000 or 27% of salary		
Contribution Limits (2012)	Not applicable	$17,000; $22,500 for participants age 50 and older	
	All contributions (including employer match) cannot exceed $50,000 or 27% of salary		
Employer Match on Minimum contribution	Yes		
Loans Permitted	Yes		
In-Service Withdrawals (Taxable amount may be subject to 10% penalty tax)	Limit 2 per year	Hardship only	Hardship only
Distributions	Required distributions starting at age 70½		

Reminder: Changes to contribution elections will be effective at the beginning of the next full payroll period after your request is processed

Need help with your decision?
Use the Roth Contribution Estimator on the Savings Plan Web site.
It lets you compare how various contributions could affect your take home pay today – and your retirement savings in the future. Access this tool anytime on the Savings Plan Web site at **https://xomsavings.ingplans.com**. Follow the instructions to review your options and determine the best combination of contributions to meet your retirement income goals.



Examples: Roth vs. Before-Tax Contributions

The two types of contributions can impact paychecks and long-term returns in different ways. In these two examples, one employee benefits from Roth 401(k) contributions, while the other is better off staying with before-tax contributions.

William, age 50

- Contributes either $10,000 before-tax to the Before-Tax Account, or alternatively, contributes the equivalent after-tax amount to the Roth 401(k) Account.
- Has a 15% tax rate today and expects to be in a 25% tax bracket at distribution
- Will take a distribution from his account in 10 years when he retires

	Roth 401(k)	Before-Tax 401(k)
Contributions for the year	$8,500*	$10,000
Account value after 10 years (assuming 8% growth)	$18,350	$21,589
Federal tax on distribution (at 25%)	0	($5,397)
Total after-tax value of the one year contribution at distribution	**$18,350**	**$16,192**

* $8,500 is the equivalent of $10,000 on an after-tax basis after 15% tax rate is applied.
This example is for illustrative purposes only. Returns may be more or less depending on actual performance.

William's Roth 401(k) will produce a greater after-tax value at distribution because his tax rate in retirement (25%) is higher than his current tax rate (15%).

Jennifer, age 45

- Contributes either $10,000 before-tax to the Before-Tax Account, or alternatively, contributes the equivalent after-tax amount to the Roth 401(k) Account.
- Has a 33% tax rate today and expects to be in a 28% tax bracket at distribution
- Will take distribution from her account in 15 years when she retires

	Roth 401(k)	Before-Tax 401(k)
Contributions for the year	$6,700*	$10,000
Account value after 15 years (assuming 8% growth)	$21,254	$31,722
Federal tax on distribution (at 28%)	0	($8,882)
Total after-tax value of the one year contribution at distribution	**$21,254**	**$22,840**

* $6,700 is the equivalent of $10,000 on an after-tax basis after 33% tax rate is applied.
This example is for illustrative purposes only. Returns may be more or less depending on actual performance.

If Jennifer's goal is to accumulate as much money as she can at distribution, she's better off making before-tax 401(k) contributions. That's because she expects to be in a lower tax rate at distribution. In other words, she can save more over time by deferring taxes now (at a 33% tax rate) and paying taxes later (at a 28% tax rate).

If you have less than five years of participation in the Savings Plan, there are restrictions on the amount you can convert. Please refer to the Savings Plan Web site at ***https://xomsavings.ingplans.com****.*

Important: *If you convert ExxonMobil stock held in your existing Savings Plan accounts into the Roth Conversion Account, you will permanently lose the opportunity to use the advantageous tax treatment on any unrealized gain on the stock at the time of conversion through the IRS provisions on Net Unrealized Appreciation (NUA). The EY Financial Planner Line® at 1-866-966-1337 is available to help.*

In-plan Roth Conversion

Once a year, you may also convert money in existing accounts in which you are fully vested into the new Roth Conversion Account. You must request the conversion by December 15 of the year in which you want to convert. There is no minimum or maximum limit on the amount that can be converted.

- **Employees younger than 59½** can convert funds in their After-Tax, General, and Stock Match Accounts to the Roth Conversion Account. However, funds in the Before-Tax Account cannot be converted.
- **Employees 59½ or older** can convert a portion or all of their Savings Plan balance to the Roth Conversion Account.
- **Retirees and terminees** can convert a portion or all of their Savings Plan balance to the Roth Conversion Account.

The in-plan Roth conversion will not count against the two withdrawals allowed per year from the After-Tax Account.

Important considerations for in-plan conversions

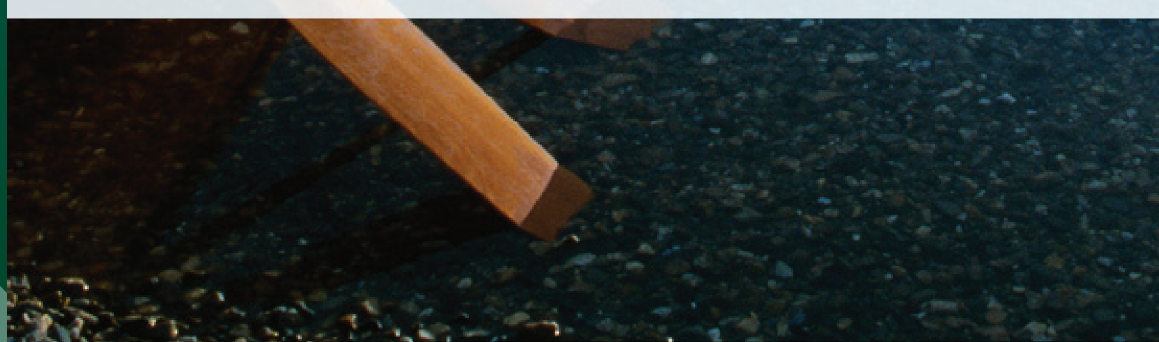
You will need to pay tax on the converted assets as if they were distributed. As always, any tax-paid balance you have could offset the taxable amount of the distribution.

- However, any ExxonMobil stock converted is taxed at the current stock price with no opportunity to use the favorable tax treatment on the Net Unrealized Appreciation (NUA).
- Also, the 10% early withdrawal penalty does not apply at conversion.

There is no tax withholding so you are responsible for estimating and paying the amount of tax owed.

- You may not be able to access Savings Plan funds for the purpose of paying taxes owed or you may incur additional income taxes plus an early withdrawal penalty on any Savings Plan funds you do access.
- You may need to make quarterly estimated payments and/or increase payroll withholding to avoid penalties.

An in-plan Roth conversion is irrevocable, and any tax owed on such conversion is also irrevocable.



The decision to make an in-plan Roth conversion is extremely complex. It is strongly recommended that you consult your financial and tax advisors if you are thinking about making an in-plan conversion.

Think carefully before you decide to make a Roth conversion. The EY Financial Planner Line® is available to help. Call 1-866-966-1337, Monday through Friday (except holidays) from 8:00 a.m. to 7:00 p.m. Central Time.

Need help making your decision? Here's how to learn more.

Webinars: Look for information about Roth 401(k) webinars. These are great opportunities to learn about the pros and cons of your new Roth options. This service is for active employees only.

EY Financial Planner Line: Call 1-866-966-1337, Monday through Friday (except holidays) from 8:00 a.m. to 7:00 p.m. Central Time. Note that these planners will not provide tax advice or recommend specific investments. This service is for active employees only.

Ernst & Young Financial Planning Center Web site: Go to **http://exxonmobil.eyfpc.com**, Company code XOM, Company program FFP, for financial education tools and resources to help you secure a better financial future. This service is for active employees only.

Savings Plan Web site: Learn more about Roth at **https://xomsavings.ingplans.com**

IRS Web site: www.irs.gov

Your tax advisor: Tax considerations for making Roth contributions and/or conversions are complex. You should consult with an independent qualified tax advisor before making a decision.

Your financial advisor: He or she can help you evaluate how the different contribution types may fit within your overall retirement investment strategy and the specific investments for each contribution type.

Frequently Asked Questions

What is a Roth 401(k)?

A Roth 401(k) is a retirement savings account that combines the features of a 401(k) account (or Before-Tax Account in the Savings Plan) with the tax-free growth benefits of a Roth IRA. Contributions to a Roth 401(k) are made on an after-tax basis. Earnings are tax-free if certain criteria are met. See page 3 for more information on requirements for a qualified distribution.

Do I have to contribute to the Roth?

No, Roth contributions are optional.

Do I have to max out my Before-Tax Account before I can contribute to the Roth 401(k) account?

No. Roth contributions can either replace or complement your before-tax contributions. You can contribute up to $16,500 (or $22,000 if age 50 or older) in 2011 on a before-tax, Roth 401(k), or combined basis.

Can I make both Roth 401(k) contributions and after-tax contributions?

Yes. Total contributions of all types – before-tax, Roth 401(k), after-tax, and the employer match – cannot exceed the lesser of $49,000 or 27% of eligible pay in 2011.

How do Roth rollovers work?

You can roll over money from other eligible Roth 401(k) Plans and direct it into the Roth Rollover Account. Once the funds are rolled over, you cannot withdraw the money until you terminate employment.

Into what fund options can I invest my Roth contributions?

Whether you make before-tax, after-tax, or Roth 401(k) contributions, your investment options under the Savings Plan are the same. See the Savings Plan Web site for a list of investment options.

Does an in-plan conversion count as a withdrawal?

Yes, an in-plan conversion is considered a withdrawal and is therefore taxable. However, the conversion does not count against your two allowable withdrawals per year from your After-Tax Account. Learn more about in-plan conversions on page 8.

What if I make an in-plan conversion and change my mind later?

Roth conversions are irrevocable. You cannot transfer funds back to the original accounts.

Can I take out a withdrawal to pay the taxes on an in-plan conversion?

Yes, if you have withdrawal rights. This would be a separate transaction, but be sure to consult your tax advisor. Taxes are due when you file your tax return or submit estimated taxes, if applicable.

Can I access funds in my Roth accounts?

As an active employee, your access to funds in your Roth accounts depends on which Roth account you want to use. For funds in the Roth 401(k) Account, the Savings Plan does not permit in-service access, with the exception of hardship withdrawals.

For funds in the Roth Rollover Account, the Savings Plan does not permit in-service access.

For funds converted to the Roth Conversion Account, you have the same withdrawal rights that you had before the funds were converted.

How is the taxable five-year period calculated?

This period begins on the first day of the calendar year in which you make your first Roth 401(k) contribution or in-plan rollover, and ends after five consecutive calendar years have passed. For example, if you make your first contribution in December 2011, you would receive credit for the entire 2011 calendar year, and your five-year period ends on December 31, 2015.

If you make a Roth rollover contribution into the Savings Plan, your period of Roth participation begins on January 1 of the year in which you first made a Roth contribution to the plan from which you rolled the Roth money, if that date is earlier.

What if I have an emergency and need access to my money, can I make a withdrawal from my Roth 401(k) Account?

Roth 401(k) contributions, but not earnings, are available for hardship distributions. See the Savings Plan Web site for hardship definitions.

Who should I call if I have questions?

You can call the Savings Plan Telephone Service (STS) to speak with a Customer Service Associate weekdays (excluding stock market holidays) from 7:00 a.m. to 6:00 p.m. Central Time. Call 877-XOM-401K (877-966-4015) and press “0”.

Before you make any decisions, make sure you understand how Roth accounts work. If you can answer “yes” to these questions, you’re off to a great start. All the answers are in this brochure.

Do you understand:

- *The differences between the Roth 401(k), Before-Tax, and After-Tax Accounts?*
- *How much you can contribute to each account?*
- *How Roth 401(k) contributions will affect your take home pay?*
- *The definition of a “qualified distribution” from a Roth account?*
- *All the rules and restrictions around converting your non-Roth Savings Plan account funds to the Roth Conversion Account?*

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https://xomsavings.ingplans.com