

Thrift Plan Tax Limit Frequently Asked Questions

The Marathon Oil Company Thrift Plan is a 401(k) plan, also known as a “defined contribution” plan. 401(k) plans are subject to contribution limits and other IRS regulations. See below for frequently asked questions concerning these limits.

How much am I able to contribute to the Thrift Plan in 2018?

	2017	2018
Maximum Percentage of Pay You Can Contribute to the Thrift Plan (excluding catch-up contributions)	<ul style="list-style-type: none"> • 43% total, up to dollar limit • 25% pre-tax and Roth, up to dollar limit • 18% after-tax, up to dollar limit 	<ul style="list-style-type: none"> • 43% total, up to dollar limit • 25% pre-tax and Roth, up to dollar limit • 18% after-tax, up to dollar limit
Limit on Dollars You Can Contribute to the Thrift Plan (excluding catch-up contributions)	<ul style="list-style-type: none"> • \$54,000 total • \$18,000 pre-tax and Roth 	<ul style="list-style-type: none"> • \$55,000 total • \$18,500 pre-tax and Roth
Maximum Percentage of Pay You Can Contribute as Catch-Up Contributions (in addition to the above contribution percentages)	50% up to dollar limit	50% up to dollar limit
Limit on Catch-Up Contributions to the Thrift Plan (in addition to the above dollar limits)	\$6,000	\$6,000
Maximum Compensation Recognized under the Thrift Plan*	\$270,000	\$275,000

Please note: Contributions are based on your total eligible pay which generally includes base pay, bonuses, overtime, and shift differentials.

* Upon reaching this limit, you will no longer be able to make any contributions to the Thrift Plan — which includes, pre-tax, Roth, after tax, pre-tax catch-up, and Roth catch-up.

What happens if I reach the pre-tax and Roth limit?

If you reach the \$18,500 pre-tax and Roth contribution limit, your elected pre-tax and Roth contribution percentage will be switched to an after-tax basis — but only to the extent that your total after-tax contribution does not exceed the 18% maximum. However, you are free to make adjustments to your deferrals at anytime.

For Example...

Here’s what would happen to your contributions upon reaching the \$18,500 limit.

If Your Contribution Election Was...	After Reaching the Limit Your Contributions Would Change to...
10% pre-tax/2% Roth/2% after-tax	0% pre-tax/0% Roth/14% after-tax
10% pre-tax/2% Roth/10% after-tax	0% pre-tax/0% Roth/18% after-tax
10% pre-tax/2% Roth/18% after-tax	0% pre-tax/0% Roth/18% after-tax

What happens to my current 2018 elections, if I had reached the pre-tax and Roth dollar limit in 2017?

If you reached the \$18,000 pre-tax and Roth contribution limit in 2017, your elected pre-tax and Roth contribution percentage was switched to an after-tax basis as described above. Beginning with your first paycheck in 2018, your elected pre-tax, Roth, and after-tax contribution percentages again resume unless a new election is made.

What happens if I reach the \$55,000 contribution limit in 2018?

Under Section 415 of the Internal Revenue Code (IRC), the maximum “annual addition” that may be made to your Thrift Plan account(s) in 2018 is \$55,000.

As a result of your inability to make contributions to the Thrift Plan due to IRC limitations, the Company will pay benefits, upon separation or retirement, from the Excess Benefit Plan in the amount of the Company Contributions that would have been otherwise made to the Thrift Plan. Such excess amounts are accounted for as though they had been contributed to the Plan and invested in the Marathon Stable Value fund until distribution. Upon your separation, a payment will be made from the general assets of the Company and will be paid to you in a lump sum. Excess Benefit Plan payments are a general obligation of the Company outside the Company’s qualified plans and related trusts.

You can access your Excess Thrift Plan account information by contacting The Marathon Oil Company Benefits Service Center at Fidelity at 1-800-841-0213 or through www.netbenefits.com/marathonoil. Your Excess Thrift Plan contributions and earnings will be recorded in the Excess Benefit Plan and identified as Marathon DCP/Excess.

What happens if I reach the \$275,000 compensation limit in 2018?

Under Section 401(a)(17) of the Internal Revenue Code (IRC), the annual compensation limit for 2018 that is used to determine contributions to the Thrift Plan is \$275,000. Upon reaching this limit, you will no longer be able to make any contributions to the Thrift Plan — which includes, pre-tax, Roth, after tax, pre-tax catch-up, and Roth catch-up.

As a result of your inability to make contributions to the Thrift Plan due to IRC limitations, the Company will pay benefits, upon separation or retirement, from the Excess Benefit Plan in the amount of the Company Contributions that would have been otherwise made to the Thrift Plan. Such excess amounts are accounted for as though they had been contributed to the Plan and invested in the Marathon Stable Value fund until distribution. Upon your separation, a payment will be made from the general assets of the Company and will be paid to you in a lump sum. Excess Benefit Plan payments are a general obligation of the Company outside the Company’s qualified plans and related trusts.

You can access your Excess Thrift Plan account information by contacting the Marathon Oil Company Benefits Service Center at Fidelity at 1-800-841-0213 or through www.netbenefits.com/marathonoil. Your Excess Thrift Plan contributions and earnings will be recorded in the Excess Benefit Plan and identified as Marathon DCP/Excess.



Am I eligible to make catch-up contributions in 2018?

Utilizing catch-up contributions will allow you to contribute up to an additional \$6,000 in 2018 on a pre-tax and/or Roth basis for a total of \$24,500 rather than the \$18,500 generally permitted by tax rules. Catch-up contributions must be made prior to reaching the \$275,000 compensation limit. These catch-up contributions are made on a pre-tax and/or Roth basis from your paycheck, are NOT matched by the Company, and are not considered when determining your limits on how much you can otherwise contribute to the Plan. If you are already age 50 or will reach age 50 in 2018, you can make catch-up contributions effective January 1, 2018, of up to 50% of your compensation (up to the 2018 maximum of \$6,000). The only prerequisite (other than age) for electing a catch-up contribution is an elected pre-tax or Roth contribution percentage of at least 7%. This is intended to ensure that maximum Company match is being utilized since pre-tax and Roth contributions are matched and catch-up contributions are not matched.

Note: When making a catch-up contribution election, please take into account deductions already being withheld from your check so that the ability to continue those withholdings will not be jeopardized as a result of your catch-up contribution election. Catch-up contributions will be limited to amounts remaining after all other required withholdings from wages, such as federal income taxes, payroll tax withholdings, benefit premiums, etc.

What happens to my current 2018 elections, if I had reached the catch-up dollar limit in 2017?

If you reached the \$6,000 catch-up contribution limit in 2017, catch-up contributions ceased at that time. Similar to pre-tax and Roth contributions, beginning with your first paycheck in 2018, your elected catch-up contribution percentage will again resume unless a new election is made.

How can I make a change to my elected payroll contributions?

To make payroll contribution changes or for more information regarding the Thrift Plan, contact the Marathon Oil Company Benefits Service Center at Fidelity at 1-800-841-0213 or through www.netbenefits.com/marathonoil.