

Global Pension Funding Update

At 3M, we're proud to offer excellent pension benefits to eligible participants in the United States and other countries. 3M's financial strength and prudent financial management have enabled the company to keep these plans well positioned to pay pension benefits to eligible current and future participants.

In the last five years, 3M has voluntarily contributed \$4.2 billion to solidify our global pension and post-retirement benefit obligations, including \$2.1 billion to the U.S. pension plans. In the U.S., on an accounting basis, the qualified pension plan was 103 percent funded at the end of 2013 and is meeting all funding requirements under the Pension Protection Act.

Future contributions will depend on many factors including financial market environment, business conditions and legal funding requirements.

Some retirees have inquired as to whether there will be a pension increase in 2014 for retirees receiving benefits from the U.S. pension plan. Amid uncertainty within financial markets, our growing pension liabilities, an aging workforce and growing retiree populations, there will be no pension increase under the U.S. pension plan in 2014.

Additional information about our U.S. pension plan is included in the enclosed Annual Funding Notice.

U.S. government pension insurance requirements

Benefits payable by the 3M U.S. pension plan are insured through the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. In 2013, 3M paid \$42 per participant or more than \$3.4 million in annual premiums to the PBGC for more than 82,000 eligible U.S. pension plan participants, including retirees, current employees who have not yet retired and former employees with vested benefits. This premium will increase to \$49 per participant in 2014.

Annual Funding Notice

Enclosed with this issue of *Retiree Connections* you will find a notice that contains information on the funding status of our U.S. pension plan. This notice is required by the government to be provided each year.

This notice is for your information only and you do not need to respond to it in any way.

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Managing Your Retirement Income

Call the Ernst & Young Financial Planner

If you currently have a balance in the 3M 401(k) plan, you can get unbiased, confidential and personalized financial planning assistance on any financial matter, including appropriate allocation for your investment assets, or how to manage your 3M 401(k) plan and other assets in retirement. This service is fully paid for by 3M. Call today at (866) 387-2242 (toll free), Monday through Friday, from 8 a.m. until 7 p.m. CT.

Managing your retirement income is as important as it was to save for your retirement. Everyone has different comfort levels in managing finances, especially when investment fund management is involved. Retirees often consider if they should leave their assets in the 3M Voluntary Investment Plan (VIP)/Savings Plan, 3M's 401(k) plan, or transfer them to an Individual Retirement Account (IRA) or a Roth IRA. If you are thinking about these options, below are some things you should consider:

- The 3M 401(k) plan offers a wide range of investment fund options along with the flexibility to choose how much an individual wants to manage their investment approach, as follows:
 - *LifePath® Portfolios from BlackRock, Inc.:* A diversified set of portfolio options managed by a team of BlackRock investment professionals who manage the asset allocation for each investment portfolio based on a target retirement year.
 - *Eleven professionally managed investment funds in specific individual asset classes:* A variety of categories of investments such as U.S. or international stocks, bonds and short-term investments for investors who want to build and monitor their own investment approach.
 - *Schwab Personal Choice Retirement Account® (PCRA):* A brokerage account for the person who wants greater variety of investment options and has the experience and desire to select and manage their investments.
- All investments are subject to fees. Fees are lower when the investment is passively managed and higher when it is actively managed. Fee disclosure requirements have expanded and as a result, annually in July, a fee disclosure statement is sent to everyone who has a balance in the 3M 401(k) plan, which can also be accessed on the Your Benefits Resources™ website under plan information and in the investment fund summary under investment performance.
- If you take a look at the 3M 401(k) investment options in comparison to other investment alternatives you may be considering, you will likely find that the 3M 401(k) fees are significantly lower.
- Many IRA brokerage accounts have set-up fees, annual maintenance fees, termination fees, or all three. The 3M 401(k) plan does not have any of these fees.
- Distribution flexibility is another factor to ensure that you can easily access your assets when you want or on a scheduled basis. Compare the options available and ask if there are any associated distribution fees.

Before making any decisions on whether you should keep your balance in the 3M 401(k) plan or transfer the assets to an IRA, you should consult with your own financial and/or tax advisor for guidance specific to your situation.

3M Resources at Your Fingertips

It doesn't take up space on your bookshelves and yet it's a library of resources that is open 24 hours a day. The website www.3M.com/us/retiree contains a wealth of information for 3M retirees. Explore and access it whenever you need information on 3M retiree services or want the latest 3M news.

The following gives you the highlights of what's available on the website.

Retiree Benefits. This section provides information related to 3M retiree benefits, including an updated benefits resource guide, access to the Your Benefits Resources™ website, and more.

Spark 3M News. This section links to 3M's new global online news site, called Spark 3M News. Go there for the latest on what's happening around 3M worldwide.

3M Online Store & Merchandise. In this section, you will find a link to the 3M Employee eStore, where you can purchase 3M products online. You can also purchase 3M branded merchandise (items that feature the 3M logo), as well as 3M NASCAR and 3M Championship branded merchandise.

Corporate Discounts. Here you can learn about a variety of items available to you, including:

- **3M Club.** Link to their website listing events in the St. Paul area, discount tickets and clubs.
- **Tartan Park.** Link to Tartan Park's website for golf, recreation and special event opportunities in Lake Elmo, Minn.
- **Additional Discounts.** This includes items pertaining to fitness, Sam's Club membership, vehicles, and HP computers, printers and accessories.

3M News. This section contains links to some of the most recent 3M press releases, from the 3M.com pressroom.

3Mgives Volunteer Alumni. Visit this section if you would like to sign up to receive information on volunteer alumni opportunities and more. You can also learn about the 3M Foundation matching gifts program.

3M's 2014 Annual Meeting moves to Austin, Texas

3M Austin Center has been an integral part of 3M's success since we established our location there in 1988. This year, we're hosting the 3M Annual Meeting in the city of Austin, Texas. The meeting takes place at 10 a.m. on Tuesday, May 13, 2014, at the Austin Convention Center. If you have questions about admission to the meeting, please call 1-800-3M HELPS (1-800-364-3577). If you are unable to attend the annual meeting, you can listen to the live webcast of the business portion of the meeting by going to www.3M.com > About 3M > Investor Relations > Annual Meeting Live Webcast.

Important Legal Information

This document is intended to provide general information and is not intended to provide specific advice to individuals. This document should not be construed and is not intended to provide advice about your health care choices. You should consult with your own advisor for guidance specific to your own situation.

The information in this document is not intended to describe or summarize the terms of 3M benefit plans nor is it the official plan document for those plans. In the event of any conflict, inconsistency or ambiguity between the information in this document and the official plan documents, the terms of the official plan documents will be controlling.

3M reserves the right to modify, amend or terminate its benefits and benefit plans, in whole or in part, at any time and for any reason.

This document is not intended to give rise to any right of employment, continued employment or any benefit with or from 3M. Nothing in this document shall be deemed a promise or guarantee that an individual will be able to retire from 3M. This document shall not be deemed an employment contract.

The benefits plans and programs described in this document may or may not apply to employees joining 3M as a result of an acquisition or those who work for a 3M subsidiary.

This newsletter is prepared for U.S.-based 3M retirees, survivors and their eligible dependents.



Human Resources
3M Center
Building 0225-01-S-15
St. Paul, MN 55144-1000

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