



# **Sprint 401(k) Plan**

## **Summary Plan Description**



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•This Summary Plan Description incorporates, by reference, certain other documents which contain additional information about Sprint and the Plan and explains how you can obtain copies of the documents at no cost.

# Answering your needs

The Sprint 401(k) Plan (Plan) is an important part of your total retirement program. It enables you, with the help of Sprint Corporation (the “Company”), to add to the retirement benefits provided by the Company’s contributions to Social Security and other personal sources of retirement income. The Plan gives you, with help from the Company, the opportunity to build financial security for your future through:

- Employee pre-tax contributions,
- Employee Roth contributions,
- Employee after-tax contributions,
- Employee catch-up contributions,
- Company matching contributions,
- Investment fund choices,
- Tax-deferred growth,
- Tax-free growth.

## A quick look at the Plan

The Plan is designed to encourage you to invest regularly — primarily to provide added income for retirement. Here are some of the major provisions of the Plan:

- If you are age 18 or older, you are eligible to join the 401(k) Plan upon your date of hire.
- You can make pre-tax, after-tax and Roth contributions up to an aggregate of 80% of your eligible pay, subject to IRS limitations, through convenient payroll deductions.
- If you leave the Company for any reason, regardless of your years of service, you will receive 100% of your Company matching contributions made after Jan. 1, 2006.
- You are eligible to receive Company matching contributions to the Plan upon your date of hire. The matching contribution is equal to 100% of your pre-tax and Roth contributions (combined) up to 3% of your eligible compensation and 50% of your pre-tax and Roth contributions (combined) on the next 2% of your eligible compensation.
- You can invest your contributions and the Company’s matching contributions in a diversified portfolio of investment funds.
- You may increase or decrease the amount you contribute by logging into NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint).
- You do not pay federal income tax on your pre-tax contributions, Company matching contributions, or investment earnings, until you actually receive a distribution or withdrawal from the Plan (in most cases, state and local taxes are assessed in the same manner as federal income taxes).
- You may borrow from your Plan account.
- Under certain circumstances, you may withdraw money from your account while you are still working.
- You can elect to receive a distribution of your contributions and their earnings if you leave the Company for any reason.

### Helpful Numbers

**401(k) Plan Service Center**

**800-877-4015**

[www.netbenefits.com/sprint](http://www.netbenefits.com/sprint)

# Who can join the 401(k) Plan

## Eligibility

You are eligible to join the Plan upon your date of hire. As an employee of the Company, you may join the 401(k) Plan unless you:

- Are a non-resident alien,
- Work for a non-participating employer (a company not included in the list of participating employers),
- Are covered by a collective bargaining agreement that does not specifically provide for participation in the plan,
- Are a leased employee,
- Are an independent contractor, or
- Are under the age of 18.

## Enrollment

Once you are eligible, you may begin participating in the Plan by logging on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or calling the 401(k) Plan Service Center at 800-877-4015 to enroll. You will need to:

- Indicate the total percentage of your base compensation you wish to contribute each pay period,
- Indicate the total percentage of your short-term incentive or monthly commission compensation you wish to contribute from your annual short-term incentive or monthly commission check,
- Make your investment election (if you do not make an investment election at the time you enroll, your funds will automatically be allocated into the qualified default investment alternative as designated by the Employee Benefits Committee of the company),
- Ensure that your election is correct on your paycheck. If there is any discrepancy, you must notify the Plan Administrator within 45 days of making your election, otherwise the amount shown on your paycheck will be deemed correct, and
- Designate a beneficiary.

Allow up to two pay periods for your enrollment to take effect.

## Accessing your plan account

There are many ways to manage your Plan account. When changing your contribution percentage, redirecting your fund allocations, requesting a loan, or requesting a distribution from the Plan, you can access your account virtually 24 hours a day — just decide which of these services is most convenient for you.



## Naming beneficiaries

When you become a participant, you should name a beneficiary to receive payment of your Plan account in the event of your death. You can name anyone as your beneficiary. However, if you are married, your spouse will be your sole primary beneficiary unless he or she gives notarized consent to another beneficiary designation in the manner required by IRS rules.

You can designate or change the beneficiary of your account by logging on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint), or you may call the 401(k) Plan Service Center at 800-877-4015 to request a beneficiary designation form.

The beneficiary designation becomes effective when received by the Trustee (Fidelity Management Trust Company). If you do not have a Beneficiary Designation on file at the time of your death, or your designated beneficiary dies before you, your account will be paid in the following sequence: 1) your spouse; 2) your children; 3) your parents; 4) your estate.

# Plan contributions

## Your own contributions

When you join the Plan, an individual account is set up in your name. Through convenient payroll deductions, you can contribute up to 80% of your Eligible Pay in either pre-tax, after-tax or Roth contributions or a combination of the three types of contributions, each payroll period. Be sure to review the definition of eligible pay. If you do not make an election when you are first eligible to participate, you can begin participating in the Plan at any time in the future by making an election.

You may also make a separate election for your annual short-term incentive payment or your monthly commission in the amount of up to 80% of your Eligible Pay in either pre-tax, after-tax or Roth contributions or a combination of the three types of contributions.

Internal Revenue Service (IRS) rules limit the amount of pre-tax and Roth contributions that may be made annually. The maximum annual elective contribution per person is \$17,500 for 2014. This amount may increase for later years. In addition, a participant may be eligible to make catch-up contributions as described below. Compliance with the average deferral percentage test and the average contribution percentage test may limit the amount of contributions that can be made to the Plan.

## Catch-up contributions

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) gives certain participants the opportunity to make "catch-up" contributions to their 401(k) Plan.

Catch-up contributions are additional pre-tax or Roth contributions to a retirement plan account. An employee who will reach age 50 (or older) by the end of a plan year (Dec. 31) and who is making the maximum elective pre-tax or Roth contribution for the year may continue to make pre-tax or Roth contributions up to the IRS maximum for catch-up contributions noted below.

Your catch-up contributions will be allocated to the same investment options as your regular pre-tax or Roth contributions. Catch-up contributions are matched by the Company as described in the Company Matching Contribution section.

Your maximum annual catch-up contribution is limited to \$5,500 for 2014. This amount may increase in future years.

## Company matching contributions

The Company will match your pre-tax and Roth contributions up to 4% of your eligible pay. The Company matching contribution is equal to one dollar for each pre-tax or Roth dollar you contribute on the first 3% of your eligible pay and fifty cents for each additional pre-tax or Roth dollar you contribute on the next 2% of your eligible pay, calculated and determined on an annual basis. The matching contribution is invested in the same funds in which your contributions are invested at the time the Company match is funded to your account.

Total contributions to the Plan may be limited by the IRS maximum annual addition limitation.

Company matching contributions are calculated and made annually during the first quarter following the end of the Plan Year for all employees who made pre-tax or Roth contributions during the Plan Year, even if you are no longer employed by the Company. No matching contribution is made on pre-tax or Roth contributions exceeding 5% of eligible pay or on after-tax contributions.

You may contribute more than 5% of your eligible pay into your Plan account. Contributions in excess of 5% of your eligible compensation have the same advantages of deferred tax and investment options, but are not matched by the Company contribution.

The table below shows the different possible pre-tax or Roth contributions with a Company matching contribution of 100% of the first 3% of eligible pay and 50% of the next 2% of eligible pay during one calendar year for an employee, under age 50, with a pay level of \$26,000.

<b>Contribution Example</b>				
<b>If Pre-Tax or Roth Contributions Are This % of Pay</b>	<b>For Annual Contribution</b>	<b>Company Match Will Be</b>	<b>For Combined Savings Contribution For That Year of</b>	
0	\$0	\$0	\$0	
1	\$260	\$260	\$520	
2	\$520	\$520	\$1,040	
3	\$780	\$780	\$1,560	
4	\$1,040	\$910	\$1,950	
5	\$1,300	\$1,040	\$2,340	
6	\$1,560	\$1,040	\$2,600	
10	\$2,600	\$1,040	\$3,640	
20	\$5,200	\$1,040	\$6,240	
30	\$7,800	\$1,040	\$8,840	
40	\$10,400	\$1,040	\$11,440	
50	\$13,000	\$1,040	\$14,040	

The matching contribution formula may be changed at any time upon notice to employees.

### **Vesting of company matching contributions**

If you leave the Company for any reason, including but not limited to, retirement, disability or death, the Company matching contributions made to the 401(k) Plan on and after Jan. 1, 2006 are 100% vested. Matching contributions made before Jan. 1, 2006 may be subject to the vesting schedules as described in the Appendices.

### **Voting rights**

The Plan grants voting rights to participants in connection with shares of Sprint common stock. Shares allocated to participants' accounts are voted by the Trustee in accordance with instructions from participants.

The Plan also grants voting rights to participants in connection with shares of mutual funds held as investment funds in the Plan.

### **Rollover contributions**

If you participated in a qualified retirement plan with a previous employer and received a distribution from that plan, you may be permitted to transfer part or all of that distribution to your Plan account. Pre-tax, Roth and after-tax contributions are eligible for rollover. If you wish to roll over a distribution from another qualified plan, call the 401(k) Plan Service Center at 800-877-4015 for further information.

### **Changing or stopping your plan contributions**

You may change your contribution rate — either increase or decrease — at any time. To make these changes, contact the 401(k) Plan Service Center at 800-877-4015 or log on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint). Allow up to two pay periods for your change to take effect. (If you take an approved unpaid leave of absence, your contributions will automatically stop.)

Keep in mind that since your contributions are based on a fixed percentage of your eligible pay, the dollar amount of your contributions will change whenever your eligible pay level changes.

## Tax advantages

Your pre-tax contributions are not considered part of your federal (and in most cases, state and local) taxable income for the calendar year in which the contributions are made. Income taxes are deferred on this money until you take it out of your account later on. You and the Company do pay Social Security and Medicare taxes on your pre-tax contributions.

Income taxes are deferred on the Company's contributions to your account. You do not pay income tax on Company contributions until you actually receive them.

Roth contributions are taxable to you when made to the Plan and are not taxed to you when distributed from the Plan. Earnings on Roth contributions are not taxable to you when distributed from the Plan. Certain requirements must be met for this treatment of Roth contributions.

Your after-tax contributions are taxable to you when made to the Plan and are not taxable to you when distributed from the Plan. Earnings on the after-tax contributions are taxable to you when distributed from the Plan.

Another tax advantage under the Plan is that investment earnings on your pre-tax, Roth, after-tax contributions and Company matching contributions are tax-sheltered while in the Plan. Your pre-tax, after-tax and Company matching earnings are taxable to you when distributed from the Plan.

## Investing your account

### Your investment election

Your contributions and any Company matching contributions will be invested by the Plan Trustee in the investment funds you select.

When you make your investment election it is your responsibility to ensure the election is correct on the Plan's records. If there is any discrepancy, you must notify the Plan Administrator within 45 days of making your investment election; otherwise what is shown on your record will be deemed correct.

You have a choice of various investment funds and portfolios. The Plan's investment funds are established and discontinued at the discretion of the Employee Benefits Committee. You may invest your contributions in one fund, or divide them among the various funds in increments of 1%.

To view investment options available in the Plan, access NetBenefits by logging on to [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or contacting the 401(k) Plan Service Center at 800-877-4015.

### Performance record of investment funds

For the most updated performance record of the investment funds offered, access NetBenefits by logging on to [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or by contacting the 401(k) Plan Service Center at 800-877-4015.

### Changing your investments

Investment changes can be made by contacting the 401(k) Plan Service Center at 800-877-4015 or logging on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint).

In addition, you can change the way your existing account is invested on any Valuation Date. You elect a percentage (in increments of 1%) or a specific dollar amount of your existing account in one or more of the specific investment funds to be transferred to one or more of the other investment funds. Your requests for transfer among funds which are received by the Trustee before 3 p.m. Central Time on any business day and subject to available liquidity is sufficient to honor the trade after the hierarchy rules for the Company Stock Fund specified below are applied. Requests received after

3 p.m. Central Time will be processed on the following Valuation Date subject to available liquidity for such day after application of specified hierarchy rules.

When you change your existing investment election it is your responsibility to ensure the election is correct on the Plan's records. If there is any discrepancy, you must notify the Plan Administrator within 45 days of making your investment election; otherwise what is shown on your record will be deemed correct.

## Short-term trading

Short-term, or “excessive,” trading can negatively affect fund performance by increasing transaction costs, which can result in a lower investment return of the fund for all participants who invest in the fund. Plan participants involved in short-term or excessive trading of mutual funds may be subject to a 3-month suspension of their trading privileges. This suspension is intended to protect the interests of all shareholders from activities that are disruptive to the fund. It is important that you understand the terms and conditions of investing in a mutual fund by carefully reading each fund’s prospectus and fund information for investment funds that are not mutual funds. To request a prospectus for any of the mutual funds in the 401(k) Plan, please call the 401(k) Plan Service Center at 800-877-4015 or log on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint). Information regarding excessive trading can also be found in the “Exchanging Shares” section of a fund’s prospectus.

## Transfers from the Company Stock Fund

- Loans, withdrawals and distributions will be aggregated and placed first in the hierarchy. If available liquidity is sufficient for the aggregate of such transactions, all such loans, withdrawals and distributions will be honored. If available liquidity is not sufficient for the aggregate of all transactions, then such transactions will be suspended, and no transactions requiring a sale of Company Stock Fund units will be honored for that day.
- If available liquidity has not been exhausted by the aggregate of loans, withdrawals and distributions, then all remaining transactions involving a sale of units in the Company Stock Fund (exchanges out) are grouped on the basis of when such requests were received, in accordance with standard procedures maintained by the Trustee for such grouping as they may be amended from time to time. To the extent of available liquidity, groups of exchanges out of the Company Stock Fund will be honored, by group, on a “first in, first out” basis. If available liquidity is insufficient to honor all exchanges out within a group, then none of the exchanges out in the group will be honored, and no exchanges out in a later group will be honored.
- Transactions not honored on a particular day due to insufficient available liquidity will be honored, using the hierarchy specified above, on the next business day on which there is available liquidity.

The Trustee requires that a participant electing to transfer all or part of his existing balance of any fund into another fund must transfer a minimum of \$250. However, if the existing balance of any fund from which a transfer is made is less than \$250, the Trustee requires a minimum transfer of the entire balance of the fund, and the entire balance may be transferred into only one fund. Finally, there may be additional limitations on transfers described in the prospectuses for certain investment options.

# Compliance with Section 404(c) of ERISA

The Plan is intended to comply with section 404(c) of Employee Retirement Income Security Act of 1974 as amended (ERISA). (See the “Plan and ERISA” for a discussion of ERISA). The Employee Benefits Committee believes that the manner in which the Plan’s investment funds were selected, the diversity of choice which they represent, the frequency in which participants are permitted to make investment changes among those funds and the manner in which the Plan is administered, fully comply with section 404(c) and the Department of Labor regulations describing the requirements of that section. Therefore, the Plan’s fiduciaries cannot be held liable for any financial losses you may incur as a result of adverse fund performance or personal investment decisions.

## Loans from your account

If you need money while you are working for the Company, you may borrow from your pre-tax, Roth, after-tax and rollover contributions. You are allowed to have only two loans outstanding at a time.

The minimum loan is \$1,000. The most you can borrow depends on the vested value of your account. The maximum loan available is the lesser of:

- 50% of the vested value of your account, or
- \$50,000 less the highest outstanding balance of any other loan you had during the one-year period ending on the date the loan is made, or
- The value of your pre-tax, Roth, after-tax, and rollover accounts.



To apply for a loan, you can log on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or call the 401(k) Plan Service Center using procedures established by our Plan's recordkeeper, Fidelity, and the Plan Administrator. Contact the 401(k) Plan Service Center at 800-877-4015.

All loans are approved based on non-discriminatory rules and regulations. A new loan cannot be approved for any participant who is in default on any loan from the Plan.

All loans will bear a reasonable interest rate as reported as the prime rate of interest in the *Wall Street Journal*. The interest rate is updated monthly.

If a loan is approved, you will receive the requested funds within two weeks following the date you apply for the loan. Any amount you borrow will be transferred to a special "loan fund." The loan will be taken proportionally from each of your investment funds. Your loan payments of both principal and interest will be allocated to your pre-tax, Roth, after-tax, and rollover contributions (in that order), and to the investment funds in the same proportion as your ongoing contributions. These may or may not be the investment funds from which your loan was taken.

There will be a \$100 fee charged in connection with the establishment and maintenance of a loan.

You repay the loan, plus interest, to your account through convenient payroll deductions. You have up to five years to repay your loan or 25 years (one loan only) if the loan is used to purchase your primary residence. You may prepay all or any portion of the loan balance by means of:

- Cash payment, or
- An eligible withdrawal of your after-tax contributions or vested Company contributions (see "Withdrawals While You Are Still Working" in the following section) as long as the unpaid loan balance is not greater than one-half the value of the vested amounts remaining in your Plan account after the withdrawal.

If you pay off your loan early, you must wait five business days before requesting a new loan.

If you leave the Company before your loan is repaid, you must immediately repay the entire outstanding loan balance. If you do not do so within 60 days, the loan will be deemed defaulted and the outstanding loan balance will be reported to you as a distribution and to the IRS on a Form 1099-R. If you receive a full distribution before you repay the loan, your outstanding loan balance is deducted from your distribution. The amount of the distribution will be reported to you and the IRS on a Form 1099-R.

However, if you are involuntarily separated without cause or terminate service under the Voluntary Separation Plan and have an outstanding 401(k) loan, you are allowed to continue making monthly loan payments directly to the Trustee. The Trustee will contact you concerning these payments or you may contact the 401(k) Plan Service Center at 800-877-4015.

As an employee, if you miss any of your loan payments, your loan may be re-amortized and your payment may increase. Failure to make a timely payment may result in your loan being in default and treated as a taxable event. You may also send missed loan payments directly to the Trustee. Contact the 401(k) Plan Service Center at 800-877-4015 to obtain the mailing address to submit your loan payment.

## Withdrawals while you are still working

There will be a \$25 fee charged in connection with the processing of an in-service or hardship withdrawal.

### In-service withdrawals

While you are still employed by the Company, or if you are a retired employee, you may withdraw vested Company contributions except those deposited to your account in the current or two previous calendar years. If you made after-tax contributions to your account, those contributions and attributable earnings must be withdrawn first.

Withdrawals may be made twice during a calendar year. If you are an active employee, you can continue to make contributions to the Plan even though you have made a withdrawal. The minimum withdrawal is the lesser of:

- \$1,000, or
- 50% of the maximum amount you have available to withdraw, but at least \$100.

You may be able to convert to a Roth account the amount of your account balance which may be withdrawn. Contact the 401(k) Service Center at 800-877-4015 or [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) for additional information.

## Hardship withdrawals

If you have withdrawn your after-tax contributions, if any, and allowable Company contributions, and taken all permissible Plan loans from your account, you may also withdraw pre-tax contributions in case of a financial hardship. A financial hardship withdrawal amount is limited to the pre-tax contributions you have made to the Plan.

If you had pre-tax contributions prior to Dec. 31, 1988 earnings on those amounts can also be withdrawn as a hardship withdrawal.

“Financial hardship” refers to a substantial and immediate financial need where other funds you may have are not immediately available to you. Withdrawals cannot exceed the amount needed to meet the expense involved. However, the amount withdrawn may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated as a result of the withdrawal.

Here are the situations that qualify for financial hardship:

- Purchase of your primary residence,
- Prevention of eviction from or foreclosure of your residence,
- Post-secondary education tuition and related educational fees for the next 12 months, for you, your spouse, children or dependents, and your named Primary Beneficiary
- Unreimbursed family medical expenses, including those incurred by your named primary beneficiary,
- Funeral expenses for you or your named Primary Beneficiary’s deceased parent, spouse, child, or dependent,
- Expense to repair damage to your principal residence that would qualify for a casualty loss deduction under the Internal Revenue Code, and
- Any other need designated as “financial hardship” for this purpose by the Internal Revenue Service.

The determination regarding the existence of a financial hardship will be in accordance with federal guidelines. The withdrawal is made on a pro rata basis from each of the Plan’s investment funds in which you have an account balance at the time. If you make such a withdrawal:

- You will not be able to contribute to the Plan for six months. At the end of the suspension period, your previous contributions will automatically start again.
- You must receive your dividends in cash as described in the “Dividend Payout Feature” in Appendix D.
- If you are participating in the Sprint Employees Stock Purchase Plan (ESPP), your contributions will stop and you will receive a refund of the contributions you made for the current quarter. You will not be permitted to enroll in a new offering for six months, and
- Your annual pre-tax contributions limit for the following year will be reduced by the amount you contributed during the year of withdrawal.

## Other withdrawals

After age 59-1/2 or if you become disabled, you may withdraw all or part of your pre-tax, Roth and rollover contributions once every three years even if you are not experiencing a financial hardship.

TRASOP and Centel ESOP balances can be withdrawn at any time (see Plan History section).

Keep in mind that you will be responsible for the tax consequences of any withdrawal.

# Plan distributions

## Your own contributions

You are entitled to the account value of your own contributions when you leave the Company for any reason, regardless of your age or length of service when you leave.

## Company matching contributions

You qualify for the full account value of Company contributions made after Dec. 31, 2005 if you leave the Company for any reason.

Matching Contributions made before Jan. 1, 2006 may be subject to the vesting schedule as described in the Appendices.

## How your plan account is paid

After you leave the Company and request a distribution, you will be paid the value of your contributions and vested Company matching contributions in a single lump sum. Any non-vested Company matching contributions in the Plan will be forfeited.

If the value of your account is \$1,000 or less, you will receive payment as a single lump sum only.

If the value of your account is over \$1,000, you may defer receipt of your distribution to a later time, but no later than April 1 following the calendar year in which you reach age 70-1/2.

If you have an account balance in the Plan, and you are still actively employed with the Company, you will receive a yearly Minimum Required Distribution (MRD) beginning by April 1 following the calendar year in which you reach age 70-1/2. The minimum distribution is based on your life expectancy.

When you terminate employment, your MRD will stop and you will be required to take a full distribution of your remaining account balance.

To request a distribution, log on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or call the 401(k) Plan Service Center at 800-877-4015.

## Tax rules on plan payments

### Income tax

Generally, payments you receive from your Plan account are subject to income tax unless they are rolled to an IRA, another qualified plan or are Roth contributions and earnings on Roth contributions. This includes your pre-tax contributions and Company matching contribution, as well as all accumulated investment earnings on your account.

All distributions made to a participant from the Plan are eligible for rollover except for:

- Distributions which are made in a series of payments over 10 years or more,
- Distributions which are required because you have reached age 70-1/2,
- Amounts treated as distributions due to a loan default by an active employee,
- Hardship distributions,
- Distribution of any after-tax contributions, and
- Dividends not reinvested but paid out in cash.

### Additional tax

Keep in mind that the favorable tax treatment provided to Plan participants under federal law is designed to encourage long-term savings. IRS rules provide that if you receive a payment from the Plan before you are age 59-1/2, you may have to pay a penalty equal to 10% of the amount that is paid from the Plan (in addition to regular income tax). This tax would also apply to hardship withdrawals before age 59-1/2. Specifically, you will have to pay the 10% penalty on any Plan payment you receive prior to age 59-1/2 unless:

- You are disabled,
- The payment is made to your beneficiary in the event of your death,
- You roll over or transfer your distribution within 60 days to a qualified employer plan or an IRA,
- You elect to receive dividends paid to you in cash,
- You have separated from service after reaching age 55,
- The payment is used to pay for certain medical expenses, or
- The payment is made on account of an IRS levy.

# Prohibition of assignment and Qualified Domestic Relations Order (QDRO)

For protection of your interest and those of your dependents, your benefits under this Plan cannot be assigned and are not subject to garnishment or attachment, except in certain circumstances. One circumstance is a Qualified Domestic Relations Order (QDRO). QDRO's are processed by the recordkeeper, Fidelity. There is a charge for QDRO processing. For QDRO fees, please review the QDRO procedures.

QDRO procedures can be obtained by logging on to <https://qdro.fidelity.com> or contact the 401(k) Plan Service Center at 800-877-4015.

## Fees and expenses

The Plan incurs fees and expenses in connection with its operation and administration. Each of the investment funds incurs an internal management fee (also known as an expense ratio). This fee is assessed to the investment fund as a percentage of its assets. A portion of the investment management fee may also be used to pay administrative fees in connection with the expenses of the Plan. Information concerning the investment management fee may be obtained through [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or by calling the 401(k) Plan Service Center at 800-877-4015.

Administrative fees incurred in the operation of the Plan may be paid by the Plan Sponsor or the Plan. If paid by the Plan, the administrative fees may be paid from Plan Assets and may be assessed to each participant's account.

Administrative fees for participants who are not employees of the Company will be assessed an administrative fee of \$37.00 per year, payable and deducted from such participants' accounts automatically quarterly in arrears (following the end of the quarter).

Transfer fees assessed with participant transfers such as QDRO determinations, in-service withdrawals and loans may be assessed to the account of the participant requesting the transaction.

## If you leave the company and are later rehired

If you leave the Company and are later rehired, there are special rules about credit for the service you earned before you left.

Your service with the Company before you left will count as vesting service and service for determining eligibility, unless you were previously employed by the Company for less than five years and are rehired five or more years after you left the Company. In addition, if you are rehired within one year after you leave the Company, your vesting service and service for determining eligibility will include the period between the day you left the Company and the day you are rehired.

You may join the 401(k) Plan upon satisfying the eligibility requirements.

All Company matching contributions made to your Plan account after you are rehired will be vested according to the service vesting schedule based on combined service time.

If you were an employee before Jan. 1, 1987, and were gone at least five years before being rehired, any Company matching contribution you forfeited when you left will be restored if you repay the full amount of your distribution within 12 months of re-employment.

If you were not an employee before Jan. 1, 1987, left, received a distribution of your vested amount which was less than the full amount, and you are rehired, any Company matching contributions you forfeited when you left will be restored if you repay the full amount of your distribution no later than the earlier of:

- Five years after you resume employment, and
- Five years after distribution.
- Repayments may be made in cash or in the form of rollover amounts.

# Applying for benefits

Plan benefits are not paid automatically unless the value of your account is \$1,000 or less. You must apply for them. To request a distribution, log on to:

**NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint)  
or call the 401(k) Plan Service Center at 800-877-4015.**

If your request is denied in whole or in part, you or your beneficiary will receive a written notice from the Plan Administrator. This notice will explain:

- The specific Plan provisions on which the denial is based,
- Any additional information (such as proof of age or information about your spouse) needed to reconsider the application, and an explanation of why this information is needed, and
- The Plan's appeal procedures.

You will receive the written notice within 90 days after you apply for a plan benefit unless special circumstances require more time and the Plan Administrator informs you within the 90-day period in writing of the reason for the delay and the date you can expect to receive the notice.

You may file an appeal with the Benefit Administrative Committee, in writing, within 60 days of receiving a denial notice. Your appeal should request a review of your benefits application by the Benefit Administrative Committee and explain the grounds for your request, along with any relevant facts or comments.

The Benefit Administrative Committee will then reconsider the application and give written notice of the decision. This second notice will be furnished within 60 days, or within 120 days if special circumstances require more time and the Benefit Administrative Committee informs you within the first 60-day period in writing of the reason for the delay and the date you can expect to receive the notice.

The second notice will include the reason for the decision, with special reference to pertinent plan provisions. This decision of the Benefit Administrative Committee will be final.

Written appeals should be sent to:

**Benefit Administrative Committee  
Sprint Corporation  
KSOPHF0302-3B179  
6200 Sprint Parkway  
Overland Park, KS 66251**

## How the Plan is administered

This Plan has been established for employees of Sprint and participating companies as listed in this Summary Plan Description.

The Plan's formal name is the Sprint 401(k) Plan. The Sprint Employee Benefits Committee administers the Plan. The Plan Administrator as defined by ERISA is the Employee Benefits Committee. The Employee Benefits Committee is granted the authority to control and manage the operation and administration of the Plan. The authority includes the discretionary authority to determine eligibility for benefits and to construe the terms of the Plan. The Employee Benefits Committee has delegated day-to-day administrative responsibilities to the Manager, Retirement and Wealth Programs. You may obtain additional information about the Plan and its administrators by writing to the address below or by calling the Employee Help Line at 800-697-6000:

**Sprint Corporation  
Manager, Retirement and Wealth Programs  
KSOPHL0312-3A676  
6500 Sprint Parkway  
Overland Park, KS 66251**

The Employee Benefits Committee has sole discretion in interpreting the terms and provisions of the Plan and carrying out its responsibility in administering the Plan, including but not limited to the following duties:

- Interpreting and construing the Plan,
- Determining any questions concerning an employee's eligibility for participation and benefits under the Plan,
- Appointing local administrators,

- Determining the amounts of Plan benefits,
- Prescribing Plan administrative procedures,
- Requiring any person to furnish information it requests as a condition to receiving benefits under the Plan,
- Preparation of Plan reports,
- The authority to delegate administrative responsibility in connection with the Plan,
- Establishing and determining the investment policy and objectives, as well as the number and type of investment funds for the Trust Fund, and
- Reviewing the performance of the investment funds and appointing or removing the investment managers for the funds.

With routine questions about the Plan, check with the Plan Administrator. Matters of a legal nature relating to the Plan should be directed to the Employee Benefits Committee at the address above. Legal process may also be served on the General Counsel of the company at 6200 Sprint Parkway, Overland Park, KS 66251 or the Plan's Trustee at the address shown below under "Plan Financing." Records are kept on a calendar year basis. For government reporting purposes, the Employer Identification Number of the Company is 48-0457967, and the official plan number is 004. These numbers should be used in any formal correspondence relating to the Plan.

This booklet summarizes the official documents that legally govern the operation and administration of the Plan. Every effort has been made to make sure the information in this summary is clear and accurate. However, in the case of any discrepancy, the provisions of the Plan document will govern.

Nothing contained in this summary booklet shall give any person the right to be retained in the service of the Company; or interfere with the rights of the Company to discharge any person at any time without regard to the effect such discharge shall have upon rights, if any, under the Plan.

## **Plan financing**

The 401(k) Plan is classified as a defined contribution plan with 401(k) plan provisions qualified under the Internal Revenue Code.

Benefits under the Plan are based solely on the value of participants' contributions and Company matching contributions. Employee and Company matching contributions are deposited in a special trust fund and used exclusively to provide benefits to Plan participants and their beneficiaries and to pay expenses for administering the Plan. Sprint has entered into a formal trust agreement with an independent Plan Trustee for the administration of the trust fund. Currently, the Plan Trustee (referred to in this Summary Plan Description as the "Trustee") is:

**Fidelity Management Trust Company**  
**82 Devonshire Street**  
**Boston, MA 02109**

Under the direction of Sprint, the Trustee is authorized to receive contributions and provide custody and investment services for all trust assets. All earnings derived from investments are reinvested in the trust fund. Company matching contributions forfeited by terminating employees will be used to reduce current Company matching contribution requirements and to pay expenses for administering the Plan.

## **Special rules for "top heavy" plans**

The law also requires that if the Plan should become "top heavy" (under special IRS rules), special Plan rules may apply to the pre-tax contributions and Company contributions in your account. In very general terms, the Plan would become top heavy if the value of the benefits earned by the Company's key employees under the Plan is more than 60% of the value of benefits earned by all employees. It is very unlikely that this Plan will ever become top heavy, but if it does, any resulting changes will be communicated.

## **Future of the Plan**

Sprint intends to continue the Plan indefinitely, but reserves the right to amend or terminate the Plan, or to change the method of providing benefits.

Unless required by law, no amendment will be made to the Plan that would deprive any participant or beneficiary of any rights or benefits credited to him or her prior to such amendment; or that would direct any part of the Plan funds to a purpose other than the exclusive benefit of the participants and their beneficiaries or the payment of the expenses of the Plan. If the vesting

provisions are amended, and you have completed three years of vesting service at that time, you may elect — by notifying the Employee Benefits Committee within 60 days — to have your vesting computed without regard to the amendment.

In the event the Plan is terminated, or if the Company permanently discontinues Plan contributions, participants will be entitled to 100% of their entire account balances, whether or not they have completed five years of service at that time. In this situation, the Company will either distribute account balances in full to all participants, or continue to administer the accounts and make distributions from participants' accounts according to the regular payment rules. The Plan is also subject to the continuing approval of the Internal Revenue Service, and may be modified as needed to make or keep the Plan qualified under the Internal Revenue Code.

As a defined contribution and 401(k) plan, the Plan is not insured by the Pension Benefit Guaranty Corporation (PBGC). This is because the law that established the PBGC provides that only defined benefit plans be covered. These are plans that provide benefits based on a predetermined mathematical formula.

## **The Plan and ERISA**

Like most employee benefit plans, the 401(k) Plan is subject to the provisions of ERISA (the Employee Retirement Income Security Act of 1974, as amended). This is a comprehensive law that sets standards and procedures for employee benefits.

One of the most important aspects of ERISA is the guidelines it established to help employees understand their benefit plans better — how the Plans work and generally what their rights and obligations are for receiving benefits. This booklet provides answers to most of these questions with regard to the Plan. In addition, you have the right under ERISA to get further information about the Plan.

- Examine, without charge, copies of the formal documents, such as the official Plan text and trust agreement, which legally govern the operation of the Plan, as well as various reports filed with the U.S. government. These documents are available for your review during regular working hours at the office of your Plan Administrator.
- You may also purchase personal copies of these documents, for a reasonable charge, upon written request to the Plan Administrator. You may receive the annual financial report of plan operations filed with the Internal Revenue Service.
- Request a statement free of charge — once a year — telling you the value of your Plan account and the extent to which your account is vested.

ERISA also sets legal guidelines for the people responsible for the operation of the Plan. These persons — called “fiduciaries” — must act solely in the interest of the Plan participants and beneficiaries, and must exercise prudence in performing their duties. No one, including your employer, may fire you or otherwise discriminate against you to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

If your claim for a benefit under the Plan is denied, in whole or in part, you will automatically receive a written explanation of the reason for the denial. You also have the right to have the Company review and reconsider your claim. Under ERISA there are steps you can take to enforce your rights under this Plan. For instance, if, after following the appeal procedure, you still feel you are being denied improperly all or part of your Plan benefit, you have the right to file suit. If you believe a fiduciary has misused Plan funds, if you are discriminated against for asserting your rights, or if documents you request

in writing are not furnished within 30 days, you may seek assistance from the Department of Labor or file suit in a federal court. In the event of legal action, the court will decide who should pay court costs and legal fees. If you should win such a case, the court may order the person you have sued to pay these costs and fees. On the other hand, if you lose, the court may order you to pay these costs and fees — for example, if it finds your case to be frivolous.

In the case of requested documents, the court may in certain cases require the Company to pay you up to \$110 a day until you receive the material, unless the materials were not sent because of reasons beyond the Company's control.

If you have any questions about the preceding information or about your rights under ERISA, contact the Plan Administrator or the Employee Benefits Committee. You can also get more information from the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor

# Restrictions on re-offer or resale of Sprint stock

There are generally no restrictions on resale of the shares of Sprint stock acquired by participants pursuant to the Plan except for officers of Sprint and any other person who is deemed to be an affiliate of Sprint as defined in Rule 405 under the Securities Act of 1933 (the "Securities Act"). Basically, for purposes of resales, "affiliate" means any person who, directly or indirectly, has the power to direct or cause the direction of the management and policies of Sprint.

An affiliate may resell Sprint stock acquired under the Plan pursuant to a registration statement under the Securities Act or in a transaction exempt from such registration or pursuant to Rule 144 under such Act. Under Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act"), any profit realized by an officer of Sprint through the purchase and sale, or sale and purchase, of Sprint stock within a period of six months may be recoverable by Sprint regardless of the intention of the officer entering into the transaction. Under certain circumstances and pursuant to present rules of the Securities and Exchange Commission ("SEC"), however, certain transactions by officers are exempt from the short-swing liability provisions of Section 16(b). Any person who may be an affiliate of Sprint or is an officer of Sprint subject to the provisions of Section 16 of the Exchange Act should consult an attorney before acquiring or disposing of any Sprint stock.

## Information incorporated by reference

Sprint files annual, quarterly and special reports, proxy statements and other information with the SEC. You can inspect and copy the Registration Statements on Form S-8 of which this Information Statement is a part, as well as reports, proxy statements, and other information filed by Sprint, at the public reference room of the SEC at 100 F. Street N.E., Washington, D.C. 20549, at prescribed rates. You can call the SEC at 800-732-0330 for information regarding the operation of the Sprint 401(k) Plan. The SEC also maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy statements and other information regarding registrants (like Sprint) that file electronically.

In addition, you can inspect reports, proxy statements and other information concerning Sprint at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which exchange the Sprint Stock is listed. For further information on obtaining copies of Sprint's public filings at the New York Stock Exchange, you should call 212-656-5060.

This Information Statement describes the Plan. You should read it, together with the additional information that is incorporated by reference as described below.

This Information Statement is part of a prospectus that relates to Registration Statements that the Company has filed with the SEC. To see more detail, you should read the exhibits filed with the Company's Registration Statements.

The documents incorporated by reference in the registration statement pursuant to which the securities covered hereby are registered are incorporated in this prospectus by reference. All documents subsequently filed by the Company pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act will be deemed to be incorporated by reference in this prospectus and to be a part hereof from the date of the filing of such documents. These documents generally include the Company's annual, quarterly, and current financial and other reports filed with the SEC. These documents are available free of charge at [www.sprint.com/investors](http://www.sprint.com/investors).

If you request such information in writing or by telephone, the Company will provide to you, at no cost, a copy of any or all of the information incorporated by reference in the Registration Statements of which this Information Statement is a part. Requests should be addressed to:

**Sprint Corporation / Attention: Investor Relations**  
**6200 Sprint Parkway**  
**Overland Park, KS 66251 or by calling 913-794-1091**



# Participating employers of the Plan

Employer name	Identification Number
Nextel Communications of the Mid-Atlantic, Inc.	52-1653244
Nextel of California, Inc.	22-3130303
Nextel of New York, Inc.	22-3130302
Nextel of Texas, Inc.	74-1650557
Nextel South Corp.	58-2038468
Nextel West Services, LLC	06-1648474
Sprint/United Management Company	48-1077227
Texas Telecommunications, LP	75-2851320
UCOM, INC	48-0940606
U.S. Telecom, Inc.	48-0934012
Sprint Federal Management, LLC	46-3612831
Pinsight Media +, Inc.	43-1891522
Sprint International Caribe	66-0469564

## Important definitions

There are a number of words and phrases that have a specific meaning when used to describe Plan provisions in this Summary. Here is an explanation of those special terms to help you better understand the Plan. The **Company** is defined as Sprint Corporation and its participating employers.

Under the 401(k) Plan you are considered **Disabled** (that is, permanently and totally disabled) if:

- You terminated employment with Sprint or one of its subsidiaries as a result of the disability,
- You have been granted Social Security disability benefits, and
- You submit medical proof of disability satisfactory to the Employee Benefits Committee.

Your **Eligible Pay** for purposes of the Plan means your regular base salary or pay plus sales commissions, and certain incentive compensation payments, but does not include separation pay, non-sales commissions, any overtime, shift pay, premium pay, foreign service allowance, or special pay. The term refers to your compensation as a company employee before taxes, deductions for Health and Welfare benefits, and money deferred to savings plans are taken out. For plan purposes, **Eligible Pay** cannot exceed the IRS annual compensation limit for the Plan year.

The **Plan year** is the calendar year.

A **Primary Beneficiary** is any named beneficiary who has an unconditional right to all or a portion of your account balance upon your death and is named as your **Primary Beneficiary** on the 401(k) Plan beneficiary designation on file with the 401(k) Plan.

**Spouse** is the individual to whom you are married in accordance with state law.

**Valuation Date** refers to a date on which your account balance is determined, that is, interest, dividends, investment gains and losses are calculated and applied to individual plan accounts. Each weekday, excluding holidays when the New York Stock Exchange is closed (generally New Year's Day, Martin Luther King's birthday, Presidents' Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas) is a valuation date.

**Vesting service** determines when you are eligible to participate in the Plan, and how much of the company's matching contributions belong to you if you leave the Company for reasons other than retirement, death or disability. Your vesting service is measured in years and months from your date of hire to termination of employment. Periods of service are added together on the basis that 12 months of service are equal to one year and 30 days are equal to one month. Included are approved leaves of absence of less than one year as well as military leaves up to four years. In special circumstances, leaves beyond one year and military leaves beyond four years are included. If you completed service with a company before it became an affiliate of Sprint, that prior service may be included if designated for vesting credit by the Sprint Board of Directors.

# History of the Plan

## **Sprint 401(k) Plan**

The Sprint 401(k) Plan was originally adopted on January 1, 1984 as the Sprint Retirement Savings Plan, which was a continuation of the United Telecom Savings Plan, for the exclusive benefit of eligible employees of Sprint Corporation and most of its subsidiaries. The Plan, as amended, is a qualified stock bonus plan and employee stock ownership plan with a “qualified cash or deferred arrangement” as defined in Section 401(k) of the Internal Revenue Code of 1986.

## **Centel Plan**

The Centel Retirement Savings Plan (the “Centel Plan”) was adopted effective May 1, 1974 for employees of Centel and most of its subsidiaries.

## **Sprint PCS Plan**

The Sprint Spectrum Savings and Retirement Plan (the “Sprint PCS Plan”) was adopted effective January 1, 1996 for employees of Sprint Spectrum, L.P.

## **U.S. Sprint Plan**

The U.S. Sprint Savings and Investment Plan (the “U.S. Sprint Plan”), was adopted effective July 1, 1986 for employees of U.S. Sprint Communications Company. The U.S. Sprint Plan was amended on Oct. 17, 1989 to have substantially the same provisions as this Plan.

## **TRASOP**

The Employee Stock Ownership Plan (the “TRASOP”) was established effective Jan. 1, 1976 by United Telecommunications to enable bargaining unit and non-bargaining unit employees of United Telecommunications and participating subsidiaries to receive shares of United Telecommunications stock without cost. All contributions to the TRASOP were funded by tax credits, which have since been eliminated by the Tax Reform Act of 1986.

Therefore, only those employees hired before Oct. 1, 1986 and satisfying the eligibility requirements participated in the TRASOP. It is not anticipated that TRASOP accounts will be credited with additional contributions; however, any dividends paid on shares allocated to participants’ accounts will be credited to the accounts and reinvested in additional shares of Company stock.

## **Merged Plan**

A number of separate plans have now been merged into this Plan. Effective Oct. 10, 1989, the TRASOP was merged into the Plan. Effective January 1, 1991, the U.S. Sprint Plan was merged into the Plan. Effective Dec. 31, 1993, the Centel Plan was merged into the Plan. Effective Dec. 31, 1998, the Sprint PCS Plan was merged into the Plan. Effective Dec. 31, 2005, the Nextel Communications Inc. 401(k) Savings Plan and U.S. Unwired Inc. Security Savings Plan were merged into the Plan and the Plan name changed from the Sprint Retirement Savings Plan to the Sprint Nextel 401(k) Plan. In 2013, the Plan name changed to the Sprint 401(k) Plan when Sprint Corporation became the parent of Sprint Communications, Inc., formerly Sprint Nextel Corporation, which is the Plan Sponsor.

## **Provisions for Special Loan to the Plan**

The Plan was amended effective Oct. 10, 1989 to permit the Plan to borrow funds to purchase Company stock. No loans are currently outstanding. In the event that the Plan would borrow money and purchase shares, the shares would be held in a suspense account and serve as collateral for the loan.

The amendment provided that, while the loan was outstanding, dividends on shares held in the suspense account and on certain shares held in participants’ TRASOP accounts, and dividends on shares which were released from the suspense account for allocation to participants’ Company matching accounts, would be used by the Plan to make loan payments.

Each time a loan payment was made, a portion of the shares purchased with the loan proceeds was released from the suspense account and held for allocation to participants’ Company matching accounts and TRASOP accounts. The unallocated shares remaining in the suspense accounts would be collateral for the loan.

### **Recombination of Sprint FON Stock Fund and Sprint PCS Stock Fund**

On Feb. 23, 2004, Sprint announced a decision by its board of directors to recombine the Company's "tracking stocks" and return to a single common stock. Effective April 23, 2004, the PCS common stock was eliminated and each share of PCS was converted automatically into one-half share of FON common stock.

As a result of this recombination, the Sprint FON Stock Fund and the Sprint PCS Stock Fund were closed and transferred into a new Company Stock Fund.

### **Freezing of the Company Stock Fund**

As of Jan. 1, 2006, no additional employee contributions or company matching contributions can be invested in the Company Stock Fund and no investment exchanges can be made into the Company Stock Fund.

As of July 10, 2013, shares of Sprint Nextel Corporation in the Company Stock Fund were exchanged for shares of Sprint Corporation.

### **Spin off to Embarq Retirement Savings Plan**

As of January 1, 2006, the assets and liabilities of participants who were employed by the local telecommunications company (Embarq) were transferred to the Embarq Retirement Savings Plan.

# Appendix A:

## **Special rules for certain former participants in the U.S. Sprint Savings and Investment Plan**

If you were eligible to participate in the U.S. Sprint Savings and Investment Plan as of Dec. 31, 1989, and transferred to Sprint/United Management Company or other participating employer, special 401(k) Plan rules will apply.

### **Vesting**

For employees hired before 1990, company contributions vested according to the following schedule: 50% vested on Dec. 31 of the year the contributions were made, and the remaining 50% of the contributions vested two years later. At the time the employee completed five years of service, all company matching contributions became immediately vested upon the contribution being made.

Contact the Plan Administrator for details about these special rules.

# Appendix B:

## **Special rules for certain former participants in the Centel Retirement Savings Plan**

If you were a participant in the Centel Retirement Savings Plan prior to Dec. 31, 1993 special rules applied to the value of your account balance which was transferred to the Plan on that date.

### **In-Service Withdrawals**

The entire value of vested company matching contributions as of Dec. 31, 1993, is available as an in-service withdrawal, not just company matching contributions which have been in the Plan for two full years. The minimum withdrawal is \$200, or 100% of your vested account balance as of Dec. 31, 1993, if less, rather than \$1,000, or 50% of the maximum amount available for withdrawal, if less. Finally, if you are age 59-1/2 or older, you may make a one-time withdrawal of your entire vested account balance.

### **Distributions**

For the portion of your account invested in the Sprint Company Stock Fund, in addition to other forms of payout available under the Plan, you may elect to receive payment half in Sprint company stock and half in cash.

Contact the Plan Administrator for details about these special rules.

# Appendix C:

## **Special rules for certain former participants in the Sprint Spectrum Savings and Retirement Plan**

If you were eligible to participate in the Sprint Spectrum Savings and Retirement Plan (the "Sprint PCS Plan") as of Dec. 31, 1998 and transferred directly to Sprint/United Management Company or any other participating employer, special Retirement Savings Plan rules will apply.

### **Vesting — company matching contributions**

The Sprint PCS Plan vesting schedule for company matching contributions provides for 50% vesting after two years of service and 100% vesting after three years of service. Sprint PCS employees who had three or more years of service prior to Jan. 1, 1999 are 100% vested in company matching contributions made to the Sprint PCS Plan. In accordance with IRS regulations, the Company matching contributions made to the Retirement Savings Plan on and after January 1, 1999 will be 100% vested when allocated to the participant's account.

The Company matching contributions made to the Sprint PCS Plan for employees who had less than three years of service

prior to January 1, 1999 will vest according to the vesting schedule of the Sprint PCS Plan. The Company matching contributions allocated to the Retirement Savings Plan on and after January 1, 1999 will be 100% vested after the participant attains five years of combined PCS and Sprint Service.

### **Vesting — retirement component**

In accordance with the provisions of the Sprint PCS Plan, Sprint PCS made retirement contributions to an account established for an eligible employee. The vesting schedule for retirement contributions provided for 100% vesting after five years of service, upon the death of the participant, upon the total and permanent disability of the participant or when the participant became age 65. Effective January 1, 1999, service under the Retirement Savings Plan will be recognized in determining when the five years of service are attained for the retirement contributions to become fully vested.

Contact the Plan Administrator for details about these special rules.

## **Appendix D:**

### **Special rules for certain participants in the Sprint Retirement Savings Plan Prior to Jan. 1, 2006**

If you were eligible to participate in the Sprint Retirement Savings Plan (the “Sprint Plan”) as of Dec. 31, 2005, special Retirement Savings Plan rules will apply.

### **Vesting — company matching contributions**

Company matching contributions made to the Sprint Plan on or before Dec. 31, 2005 will vest according to the following vesting schedule of the Sprint Plan if an employee leaves the Company for reasons other than retirement, disability or death, and has completed less than five years of vesting service when the employee leaves:

<b>Number of Years of Participant's Vested</b>	<b>Percentage</b>
One Year	0%
Two Years	20%
Three Years	40%
Four Years	60%
Five Years	100%

### **Diversification of company contribution account and in-service withdrawals**

Because the Company matching contributions prior to Jan. 1, 2006 were invested in the Company Stock Fund, the fund is generally considered riskier, and may vary in price more than a diversified portfolio invested in many companies. Therefore, the Plan has diversification provisions that permit participants to transfer all or a portion of their company matching contributions in their account prior to Jan. 1, 2006 to any of the other investment options.

To diversify your Company Matching Account, log on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or call the 401(k) Plan Service Center at 800-877-4015. Alternatively, you may go to “Exchanges” section on NetBenefits [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) and select “Exchange ESOP shares into other available investment options.”

### **Dividend payout feature**

A dividend payout feature is available in the Sprint Plan. You can decide how dividends earned in the Sprint Company Stock Fund within the Sprint Plan will be paid. You can choose to:

- Continue to have dividends reinvested and grow in a tax-deferred manner in your Plan account in the Sprint Company Stock Fund, or
- Receive these dividends as taxable income annually in a check payable to you. The dividend payout feature will apply only to dividends on vested company matching contributions as of Dec. 31, 2005 and pre-2002 employee contributions in the Sprint Company Stock Fund within the Sprint Plan.

It is important to note that any dividend payouts are taxable income to you in the year you receive them. No taxes will be withheld from your dividend payment so you may want to submit a new form W-4 or increase your estimated tax payments to avoid possible tax penalties. If you leave your dividends in your 401(k) Plan account, they can continue to benefit from tax-deferred compounding. No tax will be payable until you take a withdrawal or distribution from your account.

Taking dividends as a cash payment gives you additional current taxable income, but it lowers the growth potential of your Plan account balance. Also, you will not receive any tax-deferred compounding on future cash dividends paid to you. This will reduce your Plan account balance at retirement since, over time, compounding has the potential to multiply the effects of even small amounts added to your plan account.

You can find more information about the dividend payout feature by logging on to NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or by calling the 401(k) Plan Service Center at 800-877-4015.

If you would like to receive any vested dividends annually in cash, log on to Fidelity NetBenefits at [www.netbenefits.com/sprint](http://www.netbenefits.com/sprint) or call the 401(k) Plan Service Center at the number above. Your election will remain in effect for any future dividends unless you make a change.

## **Stock Fund unitization**

Each participant's proportional interest in the Company Stock Fund is measured in units of participation, rather than shares of common stock. This method of accounting is referred to as "unitization." Each unit represents a proportionate interest in all of the assets of the stock fund, which includes shares of common stock and short-term investments. The Trustee, in conjunction with the Employee Benefits Committee, determines a cash target range for the Cash Portion of the stock fund. The Trustee is responsible for ensuring that the actual cash portion held in the stock fund falls within the agreed upon range over time.

A Net Asset Value ("NAV") per unit is determined on each Valuation Date for each unit outstanding of the stock fund. The return earned by the stock fund represents a combination of the dividends paid on the shares of common stock held by the fund, gains or losses realized on sales of common stock, appreciation or depreciation in the market price of those shares owned, and interest on the cash portion held by the stock fund.

## **How your plan account is paid**

After you leave the Company and request a distribution, you will be paid the value of your contributions and vested company matching contributions in a single lump sum. Any non-vested company matching contributions in the Plan will be forfeited.

Generally, your account balance will be distributed to you in a single lump sum payment. You may elect to receive your Company Stock Fund account balance in cash or in shares of Sprint stock.

## **Tax on stock distributions**

When you terminate from service, and you receive a single lump-sum payment and have elected to receive the value of your Company Stock Fund in shares and you do not roll the shares over into an IRA, these shares will be valued for income tax purposes at the cost basis, if lower than market value. You will then be able to defer the tax on the difference between the market value and the cost basis (unrealized appreciation) until you dispose of the shares. You may, however, elect to recognize the unrealized appreciation as income in the year of the distribution.

It is important to point out that this brief review is intended only as a general overview of certain federal income tax rules in effect as of Jan. 1, 2006. However, tax rules change, and IRS interpretation of existing rules may also change. And because state and local tax laws vary, it is impossible to describe them all here. In addition, no Plan Administrator or other representative of the Company is authorized to advise you about your taxes. For specific tax advice about your own personal situation, you are advised to consult a qualified tax advisor.

Contact the Plan Administrator for details about these special rules.

# Appendix E:

## Special rules for certain participants in the Nextel Communications, Inc. 401(k) Plan

If you were eligible to participate in the Nextel Communications, Inc. 401(k) Plan (the “Nextel 401(k) Plan”) as of Dec. 31, 2005, special Nextel Plan rules will apply.

### Withdrawal from accounts

A participant in the Nextel 401(k) Plan will be entitled to withdraw the amounts that would have been withdrawable under the Nextel 401(k) Plan as of Dec. 31, 2005 as set forth in paragraphs (a)(1)-(2) below. The Nextel 401(k) Plan Employee may withdraw:

(1) All or a portion of amounts attributable to his or her profit sharing contributions transferred from the Nextel 401(k) Plan as of Dec. 31, 2005,

(2) Upon his or her attainment of age 59-½ or at anytime thereafter, all or a portion of amounts attributable to his or her (i) pre-tax contributions, (ii) vested profit sharing contributions, and (iii) vested matching contributions, including net earnings thereon, transferred from the Nextel 401(k) Plan as of Dec. 31, 2005.

Number of years of participant's vested service prior to Jan. 1, 2005	Percentage
One year	0%
Two years	0%
Three years	40%
Four years	60%
Five years	100%

# Appendix F:

## Special rules for certain participants in the U.S. Unwired Security Savings and Profit Sharing Plan

If you were eligible to participate in the U.S. Unwired Security Savings and Profit Sharing Plan (the “U.S. Unwired Savings Plan”) as of Dec. 31, 2005, special Plan rules will apply.

### Withdrawal From Accounts

A Participant in the U.S. Unwired Savings Plan will be entitled to withdraw the amounts that would have been withdrawable under the U.S. Unwired Savings Plan as of Dec. 31, 2005 as set forth in the paragraph below. The U.S. Unwired Savings Plan Participant may withdraw:

(1) All or a portion of the profit sharing contributions transferred from the U.S. Unwired Savings Plan as of Dec. 31, 2005 as determined in accordance with the following schedule:

(2) Upon his or her attainment of age 59-½ or at any time thereafter, all or a portion of amounts attributable to his or her (i) pre-tax contributions, (ii) vested profit sharing contributions, and (iii) vested matching contributions, including net earnings thereon, transferred from the U.S. Unwired Savings Plan as of Dec. 31, 2005.

Number of years of participant's vested service prior to Jan. 1, 2006	Percentage
One year	25%
Two years	50%
Three years	75%
Four years	100%

# Appendix G:

## **Special rules for certain former participants in other plans**

If you were a former participant in any other qualified retirement plan not previously addressed in Appendix A-F that was subsequently merged into this Plan, special rules may apply to you and the value of your account balance, which was transferred to the Plan.

Contact the Plan Administrator for details about these special rules.