

September 22, 2025

From Jim Odle and Paul Kende

Subject: Reports of a Corteva split and report on September NRLN meeting in Washington

Corteva Corporate Restructuring Speculations

As many of you are probably aware, the Wall Street Journal, citing “people familiar with the matter”, published an article on September 12, 2025 (<https://www.wsj.com/business/deals/corteva-a-50-billion-seed-and-pesticide-maker-is-exploring-a-breakup-2c5c9be1>), that Corteva was considering breaking itself into a seeds business and an agrichemical business, to protect the seed business from potential liabilities associated with use of its agricultural chemicals. Other potential effects of a breakup (not mentioned in the WSJ article), involve potential increase in total shareholder value, as well as lost synergies between the seed and the chemical businesses. Of course, all of this is just speculation.

So far, no public statement has come from Corteva, denying or confirming any restructuring intent, or plans; this is bound to fuel employee and market uncertainties and concerns, as well as retiree worries about pension security, in case of a break-up. However, if there were no restructuring plans under consideration, it would be easy for Corteva to say so, and eliminate speculations. Therefore, it seems more likely that some form of corporate restructuring is under consideration, just not far enough along to reveal the plan. A caveat: this conclusion, itself, is speculative and may turn out to be wrong. But, since it is in the corporate interest to reduce uncertainties and concerns, we can reasonably hope for clarification from Corteva soon.

NRLN meeting in Washington

Jim attended the NRLN meeting in Washington, D.C. on September 15-17, 2025 with other NRLN association and chapter members from all over the country. We met with members of Congress and their staff on the Hill, to advocate for legislation on issues important to retirees. As usual, I met with staff members of Senators from states with a concentration of DuPont/Corteva retirees - Warner and Kaine (VA), Kim (NJ), Hagerty (TN), McCormick (PA) and Justice (WVA).

- Our main focus was Pension de-risking. There is a current trend among pension sponsors to replace pensions with insurance company annuities. Unfortunately, this results in the loss of protections that the Employment Retirement Income Security Act (ERISA) provides. NRLN advocates for legislation to restore these protections for annuitized pensions. The most important of these protections is **the loss of PBGC insurance** that guarantees our pensions. Annuitized pensions have some protection provided by state guaranty associations, but much less than the amounts provided by PBGC (Most states have \$250,000 lifetime limits, while some only have \$100,000 and only three states have \$500,000). Corteva has already purchased annuities for about 25,000 DuPont retirees and I believe we can expect more in the future. As our pension approaches 100% funding, it increases the likelihood that Corteva will continue to purchase annuities for pensioners and perhaps annuitize the entire pension plan. NRLN proposes legislation that will require that annuitized pensions be protected by the purchase of reinsurance from a second, financially strong insurance company, independent of the annuity provider. There are several other protections provided by ERISA, that we also want for annuities. I understand, from members of NRLN leadership, that there is interest by some members of Congress to possibly do another pension bill in the next Congress. We (NRLN) support this and would like to see these pension issues address de-risking.

- Social Security is not welfare paid for by the U.S. Government. Social Security cannot add to the national debt nor borrow money. It can only pay benefits if it has sufficient income and assets. At the current rate the Social Security Trust Fund can only pay 100% of scheduled benefits until 2033. At that time, unless Congress takes action, the fund will only be able to pay 77% of benefits. The funding gap must be closed - but we hope not by cutting benefits or by raising the eligibility age for full benefits. NRLN proposes to close the funding gap by a modest increase (about 1%) in the payroll tax, which now is 6.2% for employees and 6.2% for employers, and eliminating the wage cap of \$176,100 in 2025. This would eliminate most of the current funding shortage for years into the future.
- The current federal budget increases the deficit by \$3.4 trillion and mandates sequestration cuts to Medicare, unless Congress takes action. Current rebates for MA plans to insurance companies is \$1.5 trillion dollars or 44% of the deficit. According to the CBO, the bill will cause a \$45 billion cut to Medicare in 2026, growing to \$535 billion by 2034. Congress must take action this year to prevent these cuts. Perhaps they could use some or all of the MA rebate funds to help.
- Employers and insurance companies may terminate their Medicare Advantage plans and Medigap plans at any time. If so, affected beneficiaries by Federal Law must be granted a Guaranteed Issue Right (GIR) and Special Enrollment Period (SEP). As you may know, people over 65 are not guaranteed to be accepted if they want to change their Medicare plan, unless their current plan is terminated. Unfortunately, many beneficiaries are not informed of this right when their plans are terminated. Instead many were cross walked into plans with higher premiums and/or lower benefits. MA insurers terminated 1.1 million enrollees in 2024 and 2.2 million by 08/01/2025. NRLN proposes that all affected people be notified, Standardize two notification letters to Medigap and MA beneficiaries, change the SEP from 63 days to 12 months and send letters to all insurers, agents and employers ordering compliance.

If you would like more information or have comments, send an email and we will respond. You can also read more about these issues and NRLN positions, at the NRLN website, by clicking on the legislative agenda link at the NRLN main website (www.nrln.org).

Best Regards,

Jim and Paul

odlejk@gmail.com

paul.kende@gmail.com