

# Sutter Health Retirement Plan

## Summary Plan Description

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Original Cash Balance Design



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## INTRODUCTION

Having the financial security to maintain an active lifestyle once you are no longer working requires careful planning and saving throughout your working career. Since Americans are enjoying longer, healthier, and more active lives, retirement planning is more important than ever and should begin long before you retire. Few people can, on their own, guarantee themselves a comfortable retirement income. For most of us, sources of retirement income will consist of our personal savings, Social Security benefits, and in your case, an employer retirement plan that provides additional benefits at retirement.

Sutter Health recognizes the importance of planning for future financial security and has implemented a comprehensive retirement benefits program. As part of this program, Sutter Health is offering this retirement plan, which was amended to include cash balance provisions effective March 31, 2000, and later amended effective April 30, 2003. The Plan was most recently amended on January 1, 2022 to (1) transition certain plan participants from the original final pay design to the original cash balance design and (2) increase the minimum interest credit.

Your employer has chosen to participate in this program by adopting the Sutter Health Retirement Plan. Your employer sees it as a way of rewarding your service and hopes that it will provide you and your family additional financial security during your retirement years. Your employer pays the entire cost of this Plan.

We have tried to explain the features of your Plan in this Summary Plan Description (SPD) in plain English, but you may still come across some words and phrases that have special meaning in the Plan. To help you understand them, we have included a Glossary of some of the words and phrases that are used in the Plan. If you have any questions that are not answered here, call the Sutter Health Pension Service Center at 1-833-407-2687.

**Note:** *This summary describes the major provisions of the original cash balance design of the Sutter Health Retirement Plan that are in effect as of January 1, 2022. If any conflict arises between this text and the provisions of the Plan, the terms of the actual Plan document will govern.*

*The administration of the Plan is the responsibility of the Plan Administrator. The Plan Administrator has the authority to interpret Plan provisions and to exercise discretion where necessary or appropriate.*

## YOUR PLAN AT A GLANCE

<b>Name of Plan</b>	Sutter Health Retirement Plan
<b>Effective Date</b>	The effective date of the Sutter Health Retirement Plan was April 1, 1959; it was amended to include cash balance provisions as of March 31, 2000; it was later amended as of April 30, 2003*; it was most recently amended on January 1, 2022
<b>Type of Plan</b>	Defined benefit plan
<b>Plan Design</b>	Cash balance
<b>Entry Date</b>	Date of hire
<b>Eligibility for Benefit Accrual</b>	1 Year of Service in which you work at least 1,000 hours
<b>Year of Service</b>	12 month period, usually a calendar year, in which you work (or are paid for) at least 1,000 hours
<b>Vesting</b>	100% after 3 Years of Service
<b>Normal Retirement Date</b>	Last day of the month in which you have your 65th birthday
<b>Disability Benefit</b>	Any age at which you are determined to be totally and permanently disabled by the Social Security Administration
<b>Death Benefit</b>	Any age

\* If you were a participant in a plan that merged into this Plan, you may have a different effective date. The effective date of the cash balance design for you depends on the effective date your employer adopted the Sutter Health Retirement Plan cash balance design. See Appendix B for a list of effective dates. Call the Sutter Health Pension Service Center at 1-833-407-2687 if you need additional information.

## GLOSSARY

The following terms have special meaning, so we have defined them in the section below.

**Account.** Account refers to the “hypothetical” Account that is set up for each participant in this cash balance design. Once established, your Account will receive an annual Interest Credit. Your Account will also receive an annual Pay Credit if you meet certain criteria. If you were a participant in a defined benefit plan sponsored by a Sutter Health affiliate, your Account may also reflect the value of your accrued benefit payable at age 65 converted to a lump sum amount.

**Benefit Service.** Benefit Service refers to the length of time you have spent working in the Sutter Health system. This includes service prior to the date your employer affiliated with Sutter Health. You earn one year of Benefit Service for each calendar year in which you are credited with at least 1,000 hours. Years of Benefit Service determine your placement in the percent of pay formula for determining your Pay Credit. Years of Benefit Service can be different from years of Vesting Service if you have had a five (5) year Break in Service or if you have taken a distribution of your vested Account balance.

**Beneficiary.** Beneficiary means the person, persons or entity (such as a trust) designated to receive any death benefit that may be payable under the Plan. Under this design, if you are married, your spouse is your Beneficiary. If you are not married, your Beneficiary is the person(s) or entity you designate. If you do not designate a Beneficiary, or if your designated Beneficiary predeceases you, your benefit will be paid to your estate.

**Break in Service.** A Break in Service occurs in any year in which you earn fewer than 501 Hours of Service.

**Compensation.** Your Compensation is the amount reported to the Internal Revenue Service (IRS) on your annual Form W-2, plus amounts you contribute to a Section 125 “cafeteria plan” or a 403(b) or 401(k) plan. The maximum amount of Compensation on which benefits can be based is indexed each year; for 2022, it is \$305,000.

**Hour of Service.** You earn an Hour of Service for each hour for which you are paid or entitled to be paid (directly or indirectly) for doing your job. An Hour of Service includes periods during which you do not work but are entitled to payment because of Paid Time Off (PTO), jury duty, or an authorized leave of absence. You may also be credited with up to 501 hours for periods of unpaid leaves of absence such as Employer Requested Absence (ERA) and periods during which you receive disability pay, based on your normally scheduled hours (as indicated in the Sutter Health HR/Payroll system).

**Interest Credit.** When we refer to an Interest Credit, we mean the interest credited to your “hypothetical” Account at the end of a Plan Year. The Interest Credit for a Plan Year is determined based on the 30-year Treasury rate as of the December 1 of the preceding Plan Year. The Interest Credit will be the greater of 3.50% or the 30-year Treasury rate in effect for the Plan Year (prior to January 1, 2022, the Interest Credit was the greater of 3.10% and the 30-year Treasury rate). The minimum Interest Rate may differ for employees covered by collective bargaining agreements.

**Normal Retirement Age.** The Normal Retirement Age for this Plan is age 65.

**Pay Credit.** When we refer to a Pay Credit, we mean the amount credited to your “hypothetical” Account at the end of a Plan Year (sometimes referred to as a “contribution”). Your Pay Credit percent is based on your years of Benefit Service and your eligible compensation for the Plan Year. You must complete at least 1,000 Hours of Service in a Plan Year in order to receive a Pay Credit for that year.

**Plan.** When we refer to the Plan, we mean the Sutter Health Retirement Plan.

**Plan Year.** A Plan Year is the 12 consecutive month period for which financial records are kept. For this Plan, it is a calendar year, January 1 to December 31.

**Retire.** When we refer to Retire or retirement, we mean that you have reached retirement age and have completely terminated employment in the Sutter Health system.

**Total and Permanent Disability.** Total and Permanent Disability means a physical or mental injury or disorder, which qualifies you for Social Security disability benefits.

**Vesting Service.** Vesting refers to your ownership of the amounts your employer has contributed to the Plan on your behalf. Vesting in this Plan is based on Years of Service in the Sutter Health system. This includes service prior to the date your employer affiliated with Sutter Health. You earn one year of Vesting Service for each calendar year in which you are credited with at least 1,000 Hours of Service between all Sutter Health affiliates.

**Year of Service.** A Year of Service is a 12 consecutive month period, usually a Plan Year (January 1 to December 31), in which you are credited with at least 1,000 hours between all Sutter Health affiliates.



## **I. ELIGIBILITY AND PARTICIPATION**

### **Am I eligible to join the Plan?**

This Plan is provided to employees of Sutter Health and the Sutter Health affiliates that have adopted this Plan. Some affiliates may have different percent of pay formulas. See Appendix A for a list of Sutter Health affiliates that have adopted this Plan.

Effective January 1, 2003, you are generally eligible to join this Plan on your date of hire if you work for a participating employer. You are also eligible to join the Plan on the effective date your employer adopts the Plan.

Effective January 1, 2007, per diem, short-hour, and on-call employees of the following affiliates became eligible to participate:

- PAMF-Sutter Maternity and Surgery Center of Santa Cruz Division
- Sutter Care at Home-Santa Cruz Division
- Sutter Coast Hospital
- Sutter Delta Medical Center
- Kāhi Mōhala
- Sutter Santa Rosa Regional Hospital

The following employees are not eligible to participate in this Plan:

- Employees covered by a collective bargaining agreement, unless the agreement provides for participation in this Plan
- Independent contractors
- Medical directors
- Leased employees
- Employees in the Utah division of Sutter Health System Office and Sutter Shared Services
- Employees of California Pacific Medical Center or Mission Bernal Women's Clinic classified as interns, residents, chaplain residents, clinical fellows, or employees/students in an approved teaching or training program

### **When do I become a participant?**

Under earlier Plan provisions, you were eligible to participate after completing one Year of Service; you then entered the Plan the following January 1 or July 1. Effective January 1, 2003, the participation provisions were changed, and you become eligible the day you start work with a participating employer.

If you were eligible to participate in another plan on the effective date of a plan affiliation or merger, and as a result of the plan affiliation or merger you commenced participation in the Sutter Health Retirement Plan, benefit accruals for the Plan Year of affiliation or merger include the compensation and hours you worked from the affiliation date through December 31 of that year. See Appendix C for a list of effective dates.

### **How do I enroll in the Plan?**

Eligible employees automatically become a participant in the Sutter Health Retirement Plan on their date of hire. You do not have to sign any forms.

## **Why are Hours of Service so important?**

Hours of Service are important because they are used to determine how much you will receive from the Plan, and when your benefit becomes vested.

Service is based on hours worked or for which you are paid among all Sutter Health affiliates, whether or not they participate in this Plan. If you work at least 1,000 hours in a calendar year among all affiliates, you will be credited with a Year of Service. Vesting and Pay Credit percentages are based on your Years of Service.

You are credited with an Hour of Service for each hour you work for which you are paid, and for each hour for which you receive back pay pursuant to a written settlement agreement, court or administrative agency order or an award issued in binding arbitration (provided that the agreement, order or award expressly requires back pay hours to be credited).

In addition, you are credited with an Hour of Service for each hour for which you are paid, or entitled to payment, when no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. However, no more than 501 Hours of Service may be credited for any single continuous period of vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence.

*Example 1:* Judy takes PTO from January 6, 2022 to March 13, 2022. She works from March 16, 2022 to July 1, 2022. Judy then takes a leave of absence from July 2, 2022 to December 29, 2022. In addition to the Hours of Service she is credited for her periods of work, Judy is also credited with 400 Hours of Service for her PTO, and she is credited with 501 Hours of Service for her leave of absence.

*Example 2:* John takes a paid leave of absence from January 5, 2022 to June 5, 2022, and terminates employment effective June 6, 2022. He is only eligible to receive a credit of 501 Hours of Service for the period during which he is on leave of absence, including any PTO used to supplement his income during the leave period.

If you have an authorized military leave of absence and return to employment within the time and under the conditions that entitle you to reemployment rights under the federal laws of the United States of America known as USERRA, you will be credited with the Hours of Service you would normally have worked if you had not taken the leave.

See below for more information regarding Hours of Service credit for leaves of absence.

## **What happens if I do not work 1,000 hours my first year?**

The benefit accrual period is January 1 through December 31. If you do not work 1,000 hours from your hire date through the end of that calendar year, you will not earn a benefit for that period. Once you have worked at least 1,000 hours in any calendar year, you will accrue a benefit for that year.

*Example:* You begin work May 1, 2021 and by December 31, 2021, you have not worked 1,000 hours. You will not earn a benefit for 2021. However, let's assume you do complete 1,000 hours between January 1, 2022 and December 31, 2022. In this case, you would be eligible to receive a benefit for calendar year 2022.

### **What happens if I do not work 1,000 hours after I have joined the Plan?**

There may be times because of your work schedule that you will not work 1,000 hours or more during a calendar year. If this occurs, your Account will receive an annual Interest Credit. However, you will not be eligible to receive a Pay Credit for that year. You also will not receive credit for a Year of Service for that year for benefit or vesting purposes.

### **How long will I be a participant in the Plan?**

Once you are enrolled in this Plan, your participation continues until you stop working in the Sutter Health system and take a distribution of your benefit or you die.

### **What happens if I transfer to/from another Sutter Health affiliate?**

If you transfer within the Sutter Health system to a participating employer (i.e., one that has adopted this Plan) and to an eligible position, you will continue to receive an annual Pay Credit for each calendar year in which you work at least 1,000 hours. If the participating employer sponsors the original cash balance design, you will receive annual Pay Credits according to the original formula; if the participating employer sponsors the enhanced design, you will receive Pay Credits according to the enhanced formula. In addition, your Account will continue to receive annual Interest Credits.

If you transfer within the Sutter Health system to a non-participating employer, you will go to an inactive status. The Pay Credit you receive the year you transfer (assuming you work at least 1,000 hours between both affiliates) will be based on your total years of Benefit Service within the Sutter Health system and your eligible compensation while working for a participating employer in an eligible status. In subsequent years, you will not receive annual Pay Credits with respect to compensation while in an inactive status. However, you will continue to receive annual Interest Credits. You will also continue to earn Vesting Service based on total Years of Service within the Sutter Health system. Future benefits will be earned under the new affiliate's plan.

If you later return to work for a participating employer, you will return to active status on your start date or rehire date. Assuming you work at least 1,000 hours between both affiliates, you will receive a Pay Credit the year you transfer based on your total years of Benefit Service within the Sutter Health system and your eligible compensation while working for a participating employer. If that affiliate sponsored a defined contribution plan and you earned benefits under that plan, those benefits will continue to earn investment gains and/or losses.

If you transfer from a participating Sutter Health affiliate that sponsors the enhanced cash balance design to an affiliate that sponsors the original cash balance design, hours at both affiliates will count toward the 1,000-hour service requirement. For the year in which you transfer, you will receive a Pay Credit under the enhanced cash balance design and the original cash balance design. However, your Pay Credit at each affiliate will be based on the eligible compensation earned at each affiliate and the percent of pay formula offered at each affiliate. After that year, you will receive Pay Credits according to this original cash balance design formula.

**What happens if I take a leave of absence?**

If you take an authorized leave of absence, you may be given credit up to a maximum of 501 Hours of Service during each continuous period of leave. However, you will not receive a Pay Credit if you earn less than 1,000 Hours of Service in a Plan Year, but you will continue to receive annual Interest Credits.

If your leave of absence is due to an authorized military leave, when you return you will be credited with the Hours of Service you would normally have worked if you had not taken the leave.

**What happens if I leave the Sutter Health system and return at a later date?**

If you leave the Sutter Health system, and are later rehired by a participating employer, you will be eligible to participate in this Plan on the day you return to work. If you are rehired by an affiliate not covered by this Plan, you will not be eligible to participate in this Plan, but will begin earning Hours of Service that will apply to this Plan if you later transfer to a participating employer.

If you previously participated in the cash balance design, subsequently terminated your employment in the Sutter Health system and you are rehired by a Sutter Health affiliate that sponsors the original cash balance design, you will earn future benefits under the original cash balance design. The Pay Credit percentage you receive will be based on your eligible years of Benefit Service within the Sutter Health system and your eligible compensation at that affiliate.

How long you worked in the Sutter Health system before you terminated your employment, the length of your Break in Service, and whether you took a distribution of your vested Account balance will determine the level of benefits under this Plan when you return to work for a participating employer.

(To learn how vesting is affected by a Break in Service, see the question *What happens if I leave the Sutter Health system and return at a later date?* in the Vesting section of this booklet.)

## II. YOUR ACCOUNT

### What is an Account?

Your benefit in this Plan is generally based on amounts allocated to an “Account” under the Plan. This Account is only a bookkeeping Account and does not represent an Account under which specific assets are held just for you. That’s why it’s often referred to as a “hypothetical” Account.

The amounts allocated to your Account may include one or more of the following:

- An opening balance based on the lump sum value of your accrued benefit as January 1, 2000, if you were a participant in the Sutter Health Retirement Plan on January 1, 2000, or the effective date of your employer adopting or merging with this Plan, if applicable,
- An opening balance based on the lump sum value of your accrued benefit as of January 1, 2022, if you were a participant in the Sutter Health Retirement Plan on January 1, 2022,
- The present value of any vested frozen accrued benefits from prior plans, if applicable,
- Annual Pay Credits (if you meet eligibility requirements), and
- Annual Interest Credits.

### How is my opening account balance determined?

If you were a current participant in the Sutter Health Retirement Plan on January 1, 2000 and elected the cash balance design, the value of your monthly accrued benefit as of December 31, 1999, payable at age 65, was converted to a lump sum value and became the opening balance in your Account (see Appendix D for details). If you receive your benefit on or after January 1, 2008, your Account balance will be the greater of:

1. The opening Account balance, plus annual Pay Credits and Interest Credits, or
2. The amount of your monthly accrued benefit converted to an opening Account balance using the interest rate and conversion factors in effect when you receive your benefit (e.g., terminate or Retire), plus annual Pay Credits and Interest Credits.

If you were an active participant in the Sutter Health Retirement Plan or employed in the Sutter Health system on January 1, 2022 or later, and were transitioned to the cash balance design, the value of your monthly accrued benefit as of that date, payable at the *later of* age 65 or January 1, 2022, was converted to a lump sum present value and became the opening balance in your Account (see Appendix D for details). If you receive your benefit on or after January 1, 2022, your Account balance will be the greater of:

1. The opening Account balance, plus annual Pay Credits and Interest Credits, or
2. The amount of your monthly accrued benefit converted to an opening Account balance using the interest rate and conversion factors in effect when you receive your benefit (e.g., terminate or Retire), plus annual Pay Credits and Interest Credits.

If you were newly eligible to join the Sutter Health Retirement Plan on January 1, 2000 or later, you did not have an opening balance. See Appendix D for details.

### How is service determined?

Service is based on hours worked with all Sutter Health affiliates, whether or not the affiliate participates in this Plan. If you work at least 1,000 hours in a Plan Year among all affiliates, you will be credited with a Year of Service. Vesting Service and Pay Credit percentages are based on your Years of Service.

Years of Service on which your Pay Credit percentage is based can be less than Years of Service for vesting purposes if you return to work with the Sutter Health system after incurring a five (5) year Break in Service, or if you have taken a distribution of your vested Account balance after January 1, 2000, and are later rehired.

### **How are pay credits determined?**

Contributions to your “hypothetical” Account, called Pay Credits, are based on years of Benefit Service in the Sutter Health system and eligible compensation while an employee of a Sutter Health affiliate that sponsors this Plan.

### **How is my pay credit percent calculated?**

Your Pay Credit percent is calculated based on your years of Benefit Service and eligible compensation for every Plan Year (January 1 – December 31). You earn one (1) year of Benefit Service for each Plan Year in which you work at least 1,000 hours in an eligible position. As you can see from the chart below, the Pay Credit percentage increases the longer you work in the Sutter Health system.

<b>Years of Benefit Service</b>	<b>Percent of pay</b>
0-2	3.0%
3-5	3.5%
6-10	4.0%
11-15	5.0%
16-20	6.0%
21+	7.0%

*Example:* You have 10 years of Benefit Service at Health Ventures, Inc. on December 31, 2021. Using the above chart, you will receive a Pay Credit of 4% of your eligible compensation for Plan Year 2021. On December 31, 2022, you will have 11 years of Benefit Service and will receive a Pay Credit of 5% of your eligible compensation.

Your starting Pay Credit percent for the first year you are a participant in this Plan reflects the amount of time you have already worked in the Sutter Health system.

*Example:* You have seven (7) Years of Service with a non-participating employer on December 31, 2021 and transfer to Sutter Care at Home on January 1, 2022. On December 31, 2022 (assuming you work 1,000 hours in 2022) you will have eight (8) years of Benefit Service. Using the above chart, you will receive a Pay Credit of 4% of your eligible compensation.

### **How often are pay credits made to my account?**

A Pay Credit is made to your Account each December 31 of each Plan Year in which you work 1,000 hours or more. The Pay Credit amount is based on your eligible compensation and your years of Benefit Service in the Sutter Health system as of that December 31.

*Example:* You have six (6) years of Benefit Service at Sutter Care at Home as of December 31, 2022. You will earn a Pay Credit of 4% of your eligible pay in 2022. This Pay Credit will be added to your Account balance on December 31, 2022.

## What is eligible compensation?

Compensation includes:

- Regular pay, including shift differential
- Other payments such as bonuses, overtime, weekend differential, or call-back pay
- Paid Time Off (PTO), including PTO payout at termination, holiday, vacation, sick time, jury duty, and bereavement leave
- Your contributions to a Section 125 “cafeteria plan”, including an FSA “Medical Spending Account” and a Section 129 FSA “Dependent Care Spending Account”
- Your contributions to a tax-deferred 403(b) or 401(k) plan

Compensation does not include:

- Other types of payments such as standby pay, severance, non-comparable position lump sum pay, missed meal/break premium pay, reimbursements, awards, and back pay, unless expressly included or paid due to a payroll error

Compensation includes amounts paid after you have a severance from employment, but the payment must be regular compensation for services rendered and paid by the later of 2½ months after you leave or the end of the Plan Year during which you leave.

If you are on an authorized military leave of absence, compensation also includes any differential wage payments made to you while you are on active duty. In addition, if you return from that leave, your compensation will be calculated as if you had continued to work the same schedule, provided however, that you return to employment within the time and under the conditions that entitle you to reemployment rights under the federal laws of the United States of America known as USERRA.

Additionally, the law limits the annual pay that may be used to determine your benefit under this Plan. The limit is determined by the federal government and may change annually. For 2022, it is \$305,000.

## What if I work at more than one affiliate in a Plan Year?

If you work at more than one participating affiliate in a Plan Year (either concurrently or consecutively) and work at least 1,000 hours between all affiliates, you will receive a Pay Credit from each affiliate based on your eligible Compensation.

*Example:* In 2022, you work 880 hours at Sutter Medical Foundation West and 675 hours at Sutter Care at Home. You worked more than 1,000 hours between the two participating affiliates and will therefore earn a Year of Benefit Service in 2022. You will be eligible to receive a Pay Credit for Plan Year 2022.

If you work at more than one affiliate in a Plan Year, one of which participates in this Plan and one does not, and you work at least 1,000 hours between the two affiliates, you will receive a Pay Credit from the participating affiliate based on your eligible compensation at that affiliate. The Pay Credit percentage will be based on your total years of Benefit Service in the Sutter Health system.

*Example:* In 2022, you work eight (8) months at Health Ventures, Inc. with 960 hours and compensation of \$50,000 and then work four (4) months at Palo Alto Medical Foundation with 480 hours and compensation of \$18,000. You worked at least 1,000 hours between the two affiliates, and have five (5) years of Benefit Service as of December 31, 2022. You will receive a Pay Credit for Plan Year 2022 of 3.5% x \$50,000 or \$1,750 from Health Ventures, Inc. Any benefit earned at Palo Alto Medical Foundation would be subject to their retirement plan’s provisions.

### **Do I have to be employed on December 31 to receive a pay credit?**

No, you do not have to be working for a participating employer on December 31 of a Plan Year in order to receive a Pay Credit for that Plan Year. As long as you have worked at least 1,000 hours between all affiliates, and have eligible compensation, you will receive a Pay Credit.

If you leave the Sutter Health system and have worked at least 1,000 hours during the year, you will have a Pay Credit added to your Account balance on December 31 of that Plan Year.

*Example:* You terminate on August 15, 2022 after working 1,000 hours in 2022. A Pay Credit will be added to your Account on December 31, 2022, assuming you left your Account in the Plan until December 31, 2022. If you take a distribution of your Account balance prior to the end of the year, your Pay Credit is added to your Account prior to processing your distribution.

### **What happens to my pay credit if I take a distribution of my account balance before December 31?**

If you leave the Sutter Health system and have worked at least 1,000 hours that Plan Year, you will receive a Pay Credit for that Plan Year. If you elect to take a distribution of your Account balance before December 31 of that year, you will have your Pay Credit added to your Account balance before you receive your distribution.

*Example:* Using the information in the example above, except that you elect to take a distribution in September 2022, you will receive a Pay Credit in August 2022.

### **Can my pay credit percent ever decrease?**

Yes, it can. If you leave the Sutter Health system, you have the option of taking a distribution of your vested Account balance or leaving your Account balance in the Plan. If you take a distribution and later return to work in the Sutter Health system, you may get credit for your earlier years of Vesting Service when you return. However, your years of Benefit Service will start at zero (0). As a result, your Pay Credit will begin at the lowest percentage.

*Example:* You terminate on April 10, 2021 with 11 Years of Service, and take a distribution of your vested Account balance. You return to work on May 5, 2022 work 1,000 hours in 2022, and earn a year of Benefit Service. You will receive a Pay Credit of 3% of your eligible compensation for Plan Year 2022 (instead of 5% based on your total years of Benefit Service). Using the same information above, except that you did not receive a distribution, you would receive a 5% Pay Credit for Plan Year 2022.

Another factor that can affect your Pay Credit percentage is the amount of time between when you terminate your employment and when you return to work in the Sutter Health system. A Break in Service occurs in any Plan Year in which you earn fewer than 501 Hours of Service. If your Break in Service is five (5) years or more, you may get credit for your earlier years of Vesting Service when you return. However, your years of Benefit Service will start at zero (0), and your Pay Credit will be at the lowest percentage, even if you did not take a distribution of your Account balance.

*Example:* You terminated on April 10, 2015, with five (5) Years of Service, and did not take a distribution of your vested Account balance. On July 1, 2022, you return to work for a participating employer. You work 1,000 hours in 2022 and earn a year of Benefit Service. You will receive a Pay Credit of 3% of your eligible compensation for Plan Year 2022 (instead of 4% based on your total Years of Service) because your Break in Service was more than five (5) years.



### **How are interest credits determined?**

An Interest Credit is added to your Account on December 31 of every year in which you have an Account balance. The interest rate for a Plan Year is determined every January 1. It is based on the 30-year Treasury rate in effect on December 1 of the prior Plan Year, which is the average of 30-year Treasury rates during the month of November. The Interest Credit will be the greater of 3.50% or the 30-year Treasury rate in effect for the Plan Year (prior to January 1, 2022, the Interest Credit was the greater of 3.10% and the 30-year Treasury rate).

*Example:* On December 1, 2021, the 30-year Treasury rate was determined to be 1.94%. Therefore, the Interest Credit for 2022 was set at 3.50%.

Note: The minimum Interest Rate may differ for employees covered by collective bargaining agreements. The timing and details of benefit changes may vary and are subject to collective bargaining.

### **Do I have to be employed on December 31 to receive an interest credit?**

No, you do not. If you leave the Sutter Health system, an Interest Credit will be added to your Account on December 31 of every Plan Year in which you have an Account balance.

*Example:* You terminate on August 15, 2022 and do not take a distribution of your vested Account balance. An Interest Credit will be added to your Account balance on December 31, 2022.

### **What happens to my interest credit if I take a distribution of my account balance before December 31?**

If you leave the Sutter Health system and elect to take a distribution of your vested Account balance, you will receive an Interest Credit of  $1/12 \times \text{annual rate} \times \text{number of full months your Account was in the Plan}$ . The Interest Credit is applied to your Account balance as of the last day of the month prior to receiving a distribution.

*Example:* Using the information in the example above, except that you elect to take a distribution in September 2022, you will receive an Interest Credit for the period January 1, 2022 to August 31, 2022 of  $8/12$  of the annual rate in effect for the 2022 Plan Year.

## How do I obtain information about my account balance?

Contact the Alight Solutions Sutter Health Pension Service Center online, via phone or online chat.

How	When	What You Do
Speak with a Sutter Health Pension Service Center Representative	Monday-Friday, 7:00 a.m. to 5:00 p.m. Pacific Time	Call: 1-833-407-2687
Sutter Health Pension Service Center Address	Dept. 04546 PO Box 1590 Lincolnshire, IL 60069-1590	Via Mail
Sutter Health Pension Service Center Website	7 days a week, 24 hours a day	Visit the website at: <a href="https://digital.alight.com/sutterhealth">digital.alight.com/sutterhealth</a>

### III. VESTING

#### How does vesting work?

Vesting refers to your permanent right to your Plan benefits. Under prior Plan provisions, you became 100% vested after five (5) Years of Service. Effective January 1, 2003, the vesting schedule for the cash balance design was changed, and you become 100% vested in your Plan benefits after you have completed three (3) years of Vesting Service as indicated by the following chart.

Years of Service	Vested Percentage
Less than 3 years	0%
3 or more years	100%

You will also become 100% vested when you attain Normal Retirement Age (age 65), or if you become totally and permanently disabled as determined by the Social Security Administration while employed in the Sutter Health system, or if you die while employed in the Sutter Health system.

#### What service is counted toward vesting?

Service with all Sutter Health affiliates is counted toward vesting in this Plan, regardless of whether or not that affiliate sponsors this Plan. In order to earn a Year of Service, you must work at least 1,000 hours in a calendar year among all affiliates.

This means that all your prior service with all Sutter Health affiliates, regardless of whether the affiliate sponsors the Plan, and regardless of whether your prior position was eligible for accruing benefits (e.g., in a union plan) is counted toward vesting unless you leave the Sutter Health system and incur a Break in Service (see question “*What happens if I leave the Sutter Health system and return at a later date?*” below).

*Example:* You have two (2) years of Vesting Service with Palo Alto Medical Foundation. You then transfer to Sutter Care at Home. Once you have earned one (1) Year of Service with Sutter Care at Home, you will have a total of three (3) years of Vesting Service, and will be 100% vested under this design.

#### What happens if I leave the Sutter Health system and return at a later date?

If you leave the Sutter Health system for a period of time and are later rehired, your Vesting Service when you return will depend on whether you have a Break in Service. A Break in Service occurs in any Plan Year in which you earn fewer than 501 Hours of Service. How long you have worked in the Sutter Health system determines when you will lose your Vesting Service, but it cannot happen before you have five (5) consecutive one-year Breaks in Service. This is important because it means that if you are rehired, you may get credit for your earlier Years of Service when you return.

Here are the guidelines we will use if you are rehired:

- If you were vested when you left, your prior Years of Service for vesting purposes will be restored after you complete one (1) Year of Service in the Sutter Health system. Your prior years of Benefit Service for purposes of determining your Pay Credit percentage will be restored if your Break in Service was less than five (5) years and if you did not take a distribution of your vested Account balance. However, your years of Benefit Service for purposes of calculating your Pay Credit will be set to zero (0) if you took a distribution of your vested Account balance or if your Break in Service was five (5) years or longer.
- If you were not vested when you left, your prior Years of Service will be restored if you return to work in the Sutter Health system before you have incurred a Break in Service of five (5) or more consecutive years. You must complete one (1) Year of Service after you are rehired in order to have your prior Years of Service restored. If you return to work after a Break in Service of five (5) or more years, you will start over in regard to Vesting Service and Benefit Service for purposes of calculating your Pay Credit percentage.

## IV. PAYMENT OF BENEFITS

The Sutter Health Retirement Plan is intended to provide you with a source of retirement income. As a result, benefits are usually paid when you reach Normal Retirement Age. However, the Plan has provisions for distributions in case you become permanently disabled, die or leave the Sutter Health system before you reach retirement age. As will be discussed later in this section, if you are entitled to a benefit under this Plan, it generally can be paid in a single lump sum or in a variety of annuity forms.

Benefit payments are generally processed as soon as administratively feasible following receipt of your request. Generally, your benefit cannot be paid until you have accurately completed the benefit election process and you have returned the signed formal authorization, if required.

### **What happens if I terminate my employment with Sutter Health?**

If you terminate your employment from the Sutter Health system for any reason before you leave due to retirement or disability, or if you die, you will no longer be an active participant in this Plan. At that time, assuming you are vested, you can elect to receive your Account balance either as a single lump sum payment or in monthly annuity payments. You can also elect to leave your Account balance in the Plan until some future date (see *Can I Defer Receipt of My Benefit?* later in this section). The form under which your vested Account balance can be paid to you depends on whether your Account balance is more or less than \$5,000. If your Account balance is more than \$5,000, you can elect either a lump sum distribution or a monthly annuity. If your balance is less than \$5,000, you can only receive your benefit in a single sum payment.

A Sutter Health Pension Service Center representative can discuss the available options with you at the time you terminate. A transfer to another Sutter Health affiliate is not considered a termination for Plan purposes, even if that affiliate does not sponsor this Plan.

If you leave before you are vested, you will not receive a retirement benefit from this Plan.

### **How do I apply for my benefit?**

When you decide to Retire or terminate employment in the Sutter Health system, you should contact the Sutter Health Pension Service Center at least 90 days prior to your intended retirement/termination date (last date of employment). Notice of less than 90 days could result in a delay of the effective date of when your benefits begin. Online, you'll verify personal details such as your name, date of birth, and marital status. You'll review and update your contact information and beneficiary details, if applicable.

You'll be able to estimate payment amounts and make payment choices for how you want to receive your pension benefits. Depending on your marital status and other details, you may need to sign and return a formal authorization. After the Sutter Health Pension Service Center receives your completed elections, including an election as to how you want your benefits paid, your request will be processed. You will need to choose carefully, because you cannot change the form of payment you have selected once payments begin.

If you have already terminated employment and elected to wait until a future date to receive your benefit, contact the Sutter Health Pension Service Center at least 90 days prior to the date you want to start receiving your benefit. Notice of less than 90 days could result in a delay of the effective date of when your benefits begin.

It is important that you give sufficient notice and complete the process in a timely manner. Incomplete or inaccurate information may delay when payment of your benefit begins. Generally, *retroactive payments will not be paid*. If you do not contact the Sutter Health Pension Service Center in a timely manner,

payments may not commence on your desired date and will instead begin the month following the date your election was processed, or as soon as administratively feasible.

### **When can I begin receiving benefit payments?**

Assuming you are vested, you can elect to either receive your benefit at the time of your termination or at some future date (see *Can I Defer Receipt of My Benefit?* later in this section).

If you elect to receive your benefit at the time of your termination, either as a single lump sum payment or as a monthly annuity benefit, your benefit can be paid as early as the first of the month after your last day of employment in the Sutter Health system if you give 90 days prior notice.

Note: If you elect to receive monthly payments prior to age 65, your benefit will be reduced based on your age at the time you begin receiving benefits.

It is important that you give sufficient notice and complete the election process in a timely manner. Incomplete or inaccurate information may delay when payment of your benefit begins. Generally, *retroactive payments will not be paid*. If you do not contact the Sutter Health Pension Service Center in a timely manner, payments may not commence on your desired date and will instead begin the month following the date your election was processed, or as soon as administratively feasible.

### **Can I receive a distribution of my benefits if I transfer to a non-eligible status or a non-participating employer?**

No. You can generally receive a distribution of your vested Account balance only if you no longer work in the Sutter Health system, regardless of your employment classification or whether your current employer sponsors this Plan.

*Exception:* If you work past age 65, you may begin receiving benefits while you continue to work, regardless of whether you work in an eligible or ineligible employment status or for a non-participating employer.

### **Can payments be made to my former spouse if I'm divorced?**

Yes. In case of a Qualified Domestic Relations Order (QDRO) arising from separation or divorce, your former spouse or your dependents may have the right to part of your benefit. You and your beneficiaries can obtain information about QDROs online at [www.qocenter.com](http://www.qocenter.com).

### **When is normal retirement age?**

The Normal Retirement Age under this Plan is age 65. When you reach age 65, you will become 100% vested regardless of your Years of Service in the Sutter Health system. At that time, you may elect to request a single lump sum distribution or begin receiving monthly benefits the first day of the month after the date you actually Retire (i.e., terminate). You may also elect to receive a single lump sum distribution or begin receiving monthly benefits and continue employment with Sutter Health. You must give the Sutter Health Pension Service Center 90 days' notice.

### Can I retire before I reach age 65?

Yes. You can terminate at any time and receive your vested Account balance as either a single lump sum payment or an annuity benefit, if your Account balance is more than \$5,000. The present value of the single lump sum payment will be equal to your Account balance.

If you are under age 50, or if you have reached age 50 but have less than five (5) Years of Service, the annuity benefit will be equal to the actuarial equivalent based on your age at the time you Retire.

If you have reached age 50 and have at least five (5) Years of Service, your annuity benefit will be the greater of the actuarial equivalent based on your age at the time you Retire or the age 65 benefit multiplied by the percentage based on your age (see tables below) at the time you Retire.

Age Benefit Begins	Early Retirement Factor
65	100%
64	96%
63	92%
62	88%
61	84%
60	80%
59	76%
58	72%

Age Benefit Begins	Early Retirement Factor
57	68%
56	64%
55	60%
54	56%
53	52%
52	48%
51	44%
50	41%

If you terminate and begin monthly benefit payments before reaching age 65, your monthly retirement benefit will be smaller than an age 65 normal retirement benefit because it will be paid over a greater number of years. This is because it is intended to provide approximately the same total retirement benefit during your expected life span. However, you must terminate employment in the Sutter Health system in order to receive a benefit prior to reaching age 65 (Normal Retirement Age).

### Can I continue to work for Sutter Health after my normal retirement date?

Yes, you can. If you work past age 65, you may defer receiving benefits until you actually stop working in the Sutter Health system. The present value of the lump sum payment will be equal to your Account balance. The annuity benefit, if selected, will be the actuarial equivalent based on your age.

### Can I receive my benefit prior to my retirement?

Yes, you can. You may also choose to take a lump sum distribution of your Account balance or begin receiving annuity payments while you continue to work after Normal Retirement Age. If you earn additional benefits, your retirement benefit will be recalculated on an annual basis; it will also be recalculated when you terminate your employment in the Sutter Health system. Any additional benefits will generally be paid in the same form as you received your initial benefits (i.e., as a lump sum distribution or annuity). If you take a distribution under this in-service distribution option, your Pay Credit percent will not be reset to the lowest percent.

### **Can I defer receipt of my benefit?**

Yes. When you terminate employment in the Sutter Health system, you can defer receipt of your benefit until a future date.

- You can choose to defer payments up to the April 1 following the year in which you attain age 72 (if you attained age 70½ in calendar years *after* 2019).
- You can choose to defer payments up to the April 1 following the year in which you attained age 70½ (if you attained age 70½ in calendar years 2019 and prior).

When you decide you want to receive your benefit, contact the Sutter Health Pension Service Center at least 90 days prior to the date you want to start receiving your benefit. Notice of less than 90 days could result in a delay of the effective date of when your benefits begin.

It is important that you give sufficient notice and complete the election process in a timely manner. Generally, retroactive payments will not be paid.

### **When is the latest date I can begin receiving benefits?**

Minimum distributions are required to begin by the April 1 following the later of:

- The year you reach age 72 (if you attained age 70½ in calendar years after 2019), or the year you reach age 70½ (if you attained age 70½ in calendar years 2019 and prior), whichever is applicable to you; and
- The year you Retire, even if you have not yet applied for your benefit.

If you are affected by this rule, be sure to contact the Sutter Health Pension Service Center to apply for your benefit. If you do not begin receiving benefit payments by the required date, you may be liable for payment of a tax penalty to the IRS.

### **What happens if I retire and later return to work in the Sutter Health system?**

If you Retire (i.e., terminate) from the Sutter Health system, elect to receive an immediate benefit, and later return to work for a participating affiliate, you will be eligible to earn additional benefits if you meet the eligibility requirements. Your prior Years of Service for vesting purposes will be restored, but your years of Benefit Service for purposes of calculating your Pay Credit percent will be set to zero (0). If you elected to receive monthly annuity payments, you will continue to receive your monthly payments even if you work 1,000 or more hours in a Plan Year.

If you were under age 65 when your employment terminated, any benefit earned after you are rehired will be paid as a lump sum distribution or an annuity, depending on the form you elect when you again Retire.

If you were age 65 or older when your employment terminated, any benefit earned after you are rehired will be recalculated each January 1 and generally paid in the same form as you received your initial benefits, i.e., as a lump sum distribution or an annuity.

### **How much will my retirement benefit be?**

The amount of your retirement benefit will depend on your age (if you elect an annuity option) and the value of your Account balance at the time you elect to receive your benefit. Your Account balance is the sum of Pay Credits added to your Account by your employer plus annual Interest Credits. \



## **How will my benefit be paid to me?**

This design offers you several ways in which you can receive payment of your vested Account balance. These options, discussed below, depend on your marital status and the value of your Account balance. You will need to choose carefully, because you cannot change the form of payment you have selected once payments begin.

### **If I am single, what are my payment options?**

If you are single as of the date your benefit begins, your benefit under this Plan will be paid in the following form:

- Single Life Annuity – a monthly benefit paid to you for your lifetime. At the time of your death, all benefit payments will stop.

You may also elect to have your benefit paid under the following options:

- Single Lump Sum Payment – a one-time single sum payment of the value of your benefit. This option is available regardless of the value of your Account balance.
- Social Security Adjustment Annuity (Age 65 Level Income Annuity) – a single life annuity that provides an increased benefit amount prior to age 65 and then a dramatically reduced benefit thereafter for the duration of your lifetime based on the amount of your estimated Social Security benefits at age 65.
- Term Certain & Life Annuity – you can select either 60 or 120 months as the term certain. This annuity is a reduced monthly benefit that is paid to you for your lifetime. However, in the event of your death before the selected period (60 or 120 months) has passed, your designated Beneficiary will receive the remainder of the 60 or 120 monthly payments. If you die after the selected time period, the payments will stop at your death.

### **If I am married, what are my payment options?**

If you are married as of the date your benefit begins, your benefit under this Plan will be paid in the following form:

- Qualified Joint and 50% Survivor Annuity – a reduced monthly benefit paid to you for your lifetime. At the time of your death, your spouse will continue to receive a lifetime monthly benefit equal to 50% of the monthly amount you received from this Plan.

You may also elect to have your benefit paid under the following option:

- Qualified Joint and 100% Survivor Annuity – a reduced monthly benefit paid to you for your lifetime. At the time of your death, your spouse will continue to receive a lifetime monthly benefit equal to 100% of the monthly amount you received from this Plan.

If your spouse agrees, you may also choose one of the following optional forms:

- Single Lump Sum Payment – a one-time single sum payment of the value of your entire benefit. This option is available regardless of the value of your Account balance.
- Single Life Annuity – a monthly benefit is paid to you for your lifetime. At the time of your death, all benefit payments will stop.

- Social Security Adjustment Annuity (Age 65 Level Income Annuity) – a single life annuity that provides an increased benefit amount prior to age 65 and then a dramatically reduced benefit thereafter for the duration of your lifetime based on the amount of your estimated Social Security benefits at age 65.
- Term Certain & Life Annuity – you can select either 60 or 120 months as the term certain. This annuity is a reduced monthly benefit that is paid to you for your lifetime. However, in the event of your death before the selected period (60 or 120 months) has passed, your designated Beneficiary will receive the remainder of the 60 or 120 monthly payments. If you die after the selected time period, the payments will stop at your death.
- Qualified Joint and 75% Survivor Annuity (Qualified Optional Survivor Annuity) – a reduced monthly benefit paid during your lifetime. At the time of your death, your spouse will continue to receive a lifetime monthly benefit equal to 75% of the monthly amount you received from this Plan.

*Note:* If you were a participant in the Sutter Health Retirement Plan on or before December 31, 1999, you may have additional options.

**Are there any reductions to my benefit amount if I elect a Joint & Survivor or Term Certain Annuity?**

Yes, there are. If you select an annuity option other than the Single Life Annuity, your monthly benefit amount will generally be reduced to pay for your Beneficiary's benefit.

**If I am married, must my spouse agree to a benefit other than a Joint & Survivor Annuity?**

Yes, in order to elect a form of benefit other than the Qualified Joint & 100% Survivor Annuity or Qualified Joint & 50% Survivor Annuity options, such as the single lump sum distribution, your spouse must consent in writing to that election. Your spouse's consent must be notarized by a Notary Public in order to be valid.

**What options do I have if I take a single lump sum payment?**

If you elect to have your benefit paid to you as a single lump sum distribution, you have three options as to how the money will be distributed to you:

- Cash Out. The check is made payable to you. After you receive the money you decide what to do with it. When you choose this option, 20% of the amount will be withheld for federal income tax purposes. If you are under age 59½, additional taxes and penalties may be assessed at the time you file your taxes, unless an exception applies, or you roll the funds over to another employer's qualified plan, an Individual Retirement Account (IRA) or Roth IRA within 60 days of the date of the check. The IRS may waive the 60-day rollover requirement in certain situations if you missed the deadline because of circumstances beyond your control.
- Direct Rollover to a Qualified Plan or IRA. The check is made payable to another employer's qualified plan or to an Individual Retirement Account (IRA) you have established. The amount is paid directly to that plan or your IRA. No taxes are withheld.

- Direct Rollover to a Roth IRA. The check is made payable to the Roth IRA trustee or custodian. Your distribution will be taxable, but no early withdrawal penalties will be assessed if you are under age 59½. You may elect to have taxes withheld and certain limitations may apply.

### **How is my benefit taxed?**

Distributions from your Account are generally taxed as ordinary income in the year in which the distribution is made. In addition, if you receive a single lump sum distribution, federal law requires that 20% of the distribution amount be withheld toward that year's income taxes, unless the Plan transfers your distribution directly to another employer's qualified plan or to an Individual Retirement Account (IRA).

In general, if you receive a distribution of your Account balance before you reach age 59½, you will also have to pay a 10% federal income tax penalty and a 2.5% California tax penalty. This is in addition to any federal, state, and local income tax that may be due when you file your taxes. Certain exceptions to this additional tax may apply, such as:

- You elect to receive your benefit under an annuity option after you have separated from service, with payments to be made over your expected lifetime, or
- The entire amount is rolled directly over into another employer's qualified plan, or
- The entire amount is rolled directly over to an Individual Retirement Account, or
- You are considered totally and permanently disabled by the Social Security Administration.

### **How do rollovers work?**

As mentioned above, you (or your spouse in the event of your death) may be able to defer paying taxes and penalties on your single lump sum distribution from the Plan through a "direct rollover". A direct rollover lets you transfer all or part of your lump sum distribution directly to another qualified plan, if that plan accepts rollovers, or to an Individual Retirement Account (IRA) that you or your spouse, as Beneficiary, has established.

### **How do I know which is best for me?**

Because tax laws are complicated and change frequently, and because only you know your personal financial situation, you should consult with a financial advisor before making any decisions regarding your distribution.

### **Can I repay a distribution from my account?**

No, you cannot. If you take a distribution of your vested Account balance when you terminate, you will not be allowed to repay that distribution if you return to work in the Sutter Health system. In addition, your years of Benefit Service for purposes of determining your Pay Credit percentage will be set to zero (0). As a result, your Pay Credit percentage will begin at the lowest percentage regardless of your total years of Vesting Service.

## **V. DISABILITY AND DEATH BENEFITS**

### **What happens if I become disabled?**

If you terminate employment in the Sutter Health system due to disability, you will become 100% vested and eligible for immediate benefits. You will be considered totally and permanently disabled under this Plan if you are also considered totally and permanently disabled by the Social Security Administration. You must terminate employment in order to receive your vested benefit. You will have the option to withdraw your Account balance from the Plan as a single lump sum or as a monthly annuity (if your vested Account balance is more than \$5,000). You will also have the option to leave it in the Plan until a future date. If you elect to leave your Account balance in the Plan, it will continue to earn annual Interest Credits until you withdraw it.

If you terminate employment due to disability, contact the Sutter Health Pension Service Center to begin the retirement benefit process. Online, you'll verify personal details such as your name, date of birth, and marital status. Once you have completed the retirement process and returned any required authorizations, your distribution will be processed as soon as administratively feasible, but no earlier than the first of the month after your last day of employment in the Sutter Health system.

### **What if I die while I am employed in the Sutter Health system?**

In the event you die before you terminate from the Sutter Health system, the full value of your Account balance will become 100% vested and will be paid to your Beneficiary. If you are married, your spouse can elect to receive a single lump sum payment of your Account balance or a reduced annuity payment if your vested Account balance is more than \$5,000. If you are single, your designated Beneficiary will receive a single lump sum payment.

### **What if I die after I have terminated employment from the Sutter Health System?**

In the event you die after terminating employment from the Sutter Health system, but before you have received benefits from your Account, your vested Account balance will be paid to your Beneficiary. If you are married, your spouse can elect to receive a single lump sum payment of your Account balance or a reduced annuity payment if your vested Account balance is more than \$5,000. If you are single, your designated Beneficiary will receive a lump sum payment. If you were not vested at the time you terminated from the Sutter Health system, your Beneficiary will not be eligible to receive a benefit.

### **What if I die while performing military service?**

If you have an authorized military leave of absence, and die while on the military leave of absence, your Account balance will become 100% vested and benefits will be paid in the same manner as if you had died while employed in the Sutter Health system (see question *What if I die while employed in the Sutter Health system?*).

### **Who is my beneficiary?**

If you are married, your spouse is your Beneficiary. If you are not married, your Account balance will be paid to your designated Beneficiary. If you do not designate a Beneficiary, or if your designated Beneficiary predeceases you, your Account balance will be paid to your estate. You can designate a Beneficiary through the Sutter Health Pension Service Center website at [digital.alight.com/sutterhealth](https://digital.alight.com/sutterhealth) or call 1-833-407-2687.

**How does my beneficiary apply for my benefit?**

Your Beneficiary will need to call the Sutter Health Pension Service Center to notify them of your passing. Once they have completed the distribution process and returned any required authorizations, the distribution will be made as soon as administratively feasible.

## **VI. OTHER INFORMATION YOU SHOULD KNOW**

In addition to the information presented so far, there is some other important information about the Sutter Health Retirement Plan that we want you to know.

### **What kind of Plan is this?**

The Sutter Health Retirement Plan is classified under the Employee Retirement Income Security Act (ERISA) as a defined benefit pension plan. This means that the formula for determining your final benefit is defined by the Plan.

### **Who pays for the Plan?**

The full cost of the Plan is paid by Sutter Health through contributions to the Plan's trust fund. Sutter Health makes contributions to the Plan as determined by an independent actuary to ensure that there are sufficient funds in the trust to pay for current and future benefits, and to meet the minimum funding standards established by law.

### **Who administers the Plan?**

Sutter Health is the Administrator of this Plan. Total Rewards - Retirement keeps the records of the Plan. Alight Solutions is the third-party administrator.

The Sutter Health Retirement Plan is subject to the provisions of ERISA. Your ERISA rights are included in the ERISA section of this booklet.

### **What happens if I move or change my name?**

If you are no longer actively employed in the Sutter Health system and have deferred the receipt of your benefit until a future date, or are currently receiving a monthly benefit, it is necessary for you to advise the Sutter Health Pension Service Center if you move or change your name:

- Move – You can change your address online using the Sutter Health Pension Service Center Website at [digital.alight.com/sutterhealth](https://digital.alight.com/sutterhealth) or by calling 1-833-407-2687.
- Change your name – You must submit your name change in writing. Please contact the Sutter Health Pension Service Center for assistance by calling 1-833-407-2687.

This information is necessary so you can be sent periodic information relating to the Plan and to your benefits under the Plan.

### **Does this Plan accept rollovers from other plans?**

No, it does not. If you are an employee who recently received or will receive a distribution from a similar plan sponsored by your former employer, you will not be able to roll that distribution over into this Plan. Instead, you will need to establish an IRA to receive that distribution, or roll it over into your Sutter Health Savings Plan.

### **Are my benefits from this Plan related to Social Security benefits?**

No, they are not. Benefits from this Plan are in addition to any benefits you may receive from Social Security. The Social Security Adjustment Annuity (Age 65 Level Income Annuity) option takes into account your Social Security benefit but does not affect the amount you will receive from Social Security.

### **Is the Plan insured?**

Benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) to protect you if the Plan terminates. In the event the Plan terminates without sufficient assets to provide the benefits, the PBGC will provide for the unfunded benefits up to a certain limit. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limits.

The PBGC generally covers: (1) normal and early retirement benefits, (2) disability benefits if you become disabled before the Plan terminates, and (3) certain benefits for your survivors.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination. However, the guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than five (5) years at the time the plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; and (4) benefits for which you have not met all of the requirements at the time the plan terminates.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or the PBGC's Technical Assistance Division. Inquiries to the PBGC should be addressed to:

Pension Benefit Guaranty Corporation  
1200 K Street, N.W., Suite 930  
Washington, DC 20005-4026  
202-326-4000

TTY/TTD users may call the federal relay service toll-free at 800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website at <http://www.pbgc.gov>.

### **Are there any limits to the amount that can go into my account?**

Yes. The IRS restricts the amount of the benefit payable to you from the Plan. These are called "Section 415" limits. Generally, the Plan cannot pay a benefit to you in an amount more than what is allowed under Section 415 of the Internal Revenue Code.

In some cases, this maximum Plan benefit may have to be reduced in order to meet certain federal tax regulations. In order for the Plan to continue to be qualified under IRS regulations, the IRS requires that benefit amounts be balanced among all participants so that they do not discriminate in favor of the highly paid. To demonstrate that our Plan is not discriminatory, it must pass special tests each year. If the Plan does not pass these tests, the accrued benefits of some employees may be adjusted. If you are affected, the Plan Administrator will notify you.

In addition, the Plan is not permitted to take into account more than \$305,000 of compensation in 2022 (this amount may be indexed in future years for cost-of-living adjustments). This means that if your eligible compensation is more than this amount, we can only use this amount in determining the eligible compensation on which to base your annual contribution.

### **Are there any special rules if the Plan is Top Heavy?**

Yes. Current tax laws require that plans be tested to ensure that they do not favor “key employees.” In general, key employees include certain highly paid officers. A “top heavy plan” is one where more than 60% of the value of the benefits belong to key employees. It appears unlikely that this Plan will ever be top heavy. However, if this does happen and you are affected, you will be notified by the Plan Administrator.

### **Are there any special rules if the Plan becomes underfunded?**

Yes. Current laws provide that limitations on certain types of benefit payments and enhancements to Plan benefits may apply in the event that the Plan becomes substantially underfunded as determined by the Funding Target Attainment Percentage (FTAP). It is Sutter Health’s intent that this Plan will continue to be adequately funded. However, if it does become substantially underfunded and you are affected, you will be notified by the Plan Administrator.

### **Can the Plan be amended or terminated?**

Sutter Health intends to continue to offer the Plan to all affiliates that choose to adopt the Plan. However, your employer and any of its officers, agents, employees or members of the Board of Directors cannot guarantee that the Plan will continue indefinitely. Furthermore, the Plan is governed by the rulings of the Internal Revenue Service (IRS) and current tax laws. The Plan will be amended from time to time to stay in compliance with these laws.

Sutter Health reserves the right to change or even terminate the Plan. Your employer also reserves the right to terminate participation in this Plan. Termination of the Plan is highly unlikely, but if it happens, you will automatically become 100% vested in the benefit you have earned under this Plan as of the termination date. You will receive your benefit as soon as practical, in accordance with the terms of the Plan and in a manner approved by the IRS.

### **Where are the assets kept?**

All of the Plan’s assets are held in a trust fund. The Northern Trust Company is the Trustee of the assets. The trust fund is a separate and distinct fund, which is not part of Sutter Health; its assets are not commingled with any of Sutter Health’s assets. The trust fund is protected by law, and no part of it can be attached by creditors of any Plan participant or Sutter Health.

### **Who owns the benefits provided by the Plan?**

The benefits described in this SPD are only intended for you and your Beneficiary. Neither you nor your Beneficiary can transfer, assign or pledge any of them unless required by a court of law under a Qualified Domestic Relations Order (QDRO). Participants and their beneficiaries can obtain information about QDROs online at [www.qocenter.com](http://www.qocenter.com).

### **Is there any way my benefits could be reduced or lost?**

The only way you would lose any benefits would be if you leave the Sutter Health system before you are fully vested.



### **What is the Plan's claims procedure?**

Participants and beneficiaries of the Plan have the right to make a claim for benefits under the Plan. Your initial application for benefits should be made in writing to the Plan Administrator at the following address:

Sutter Health Retirement Plan  
Claims and Appeals Management  
Dept. 04546  
PO Box 1407  
Lincolnshire, IL 60069-1407

All claims for benefits must be submitted to the Plan Administrator in a form and manner that is acceptable to the Plan Administrator. Contact your Plan Administrator for more information.

In the event your claim for benefits is denied, the Plan Administrator will generally provide you with written notice within 90 days after the Plan receives your claim. If the Plan Administrator determines that special circumstances require an extension of time to process your claim, you will receive written notice of the extension from the Plan Administrator prior to the expiration of the initial 90-day period. Such an extension may not exceed 90 days following the end of the initial 90-day period. As part of the extension notice, the Plan Administrator will inform you of the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

Written notice of the denial of a claim will include the specific reasons for the denial, a reference to the specific provisions of the Plan on which the determination is based, a description of additional material or information necessary for the claimant to perfect the claim and an explanation of why it is required. In addition, information will be provided about the steps that must be taken to timely appeal the decision, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review.

### **What is the Plan's procedure for appealing a denied claim?**

If your claim for benefits is denied, you may appeal the denial of your claim by filing a written request for review with the Plan Administrator. Your appeal must be filed within 60 days after the date you receive notification of the denial, and may include comments, documents, records, and other information relating to your claim for benefits. Upon your request, and free of charge, you will be given reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. The appeal review will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

Generally, the Plan Administrator will provide you with written notice of the Administrator's decision within 60 days after the Plan receives your appeal. If the Plan Administrator determines that special circumstances require an extension of time to process your appeal, the Plan Administrator will send you written notice of the extension prior to the end of the initial 60-day period. The extension may not exceed 60 days following the end of the initial 60-day period. As part of the extension notice, the Plan Administrator will inform you of the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the event your appeal is denied, the Plan Administrator will provide you with written notice setting forth the reasons for the denial, and a reference to the specific provisions of the Plan on which the determination is based. In addition, the written notice will provide a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review.

Appeals may be submitted to the Plan Administrator at the following address:

Sutter Health Retirement Plan  
Claims and Appeals Management  
Dept. 04546  
PO Box 1407  
Lincolnshire, IL 60069-1407

## VII. YOUR RIGHTS UNDER ERISA

Sutter Health provides this Plan for its employees. The basic provisions of this Plan are described in this booklet. While your employer is not required to provide this Plan, because it does, you, as a participant, are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). This portion of the SPD summarizes these rights.

### A. Receive Information About Your Plan and Benefits

ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office, all documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's funding status every year. The Plan Administrator is required by law to furnish each participant with a copy of this annual funding report.
- Obtain a statement telling you whether you have a right to receive a pension benefit at your Normal Retirement Date, and what your Account balance would be at your Normal Retirement Date if you stopped working as of the date of the statement. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. The Plan must provide the statement free of charge.

### B. Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

### C. Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a qualified domestic relations order, you may file suit in federal court. If the Plan fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

D. Assistance With Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, United States Department of Labor listed in your telephone directory, of the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, United States Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Administrative Information**

Normally, the Sutter Health Pension Service Center should be able to help you resolve any question you might have about your rights to benefits. All Plan documents and other related information are available if you wish to study these materials.

The following information is provided to give you additional information about this Plan.

### **What is the name of the Plan?**

The name of the Plan is the Sutter Health Retirement Plan.

### **What are the Plan Identification Numbers?**

Two numbers identify each benefit plan covered by ERISA. One number is the Plan Sponsor's Employer Identification Number, which is assigned by the IRS. The other number is the Plan Number assigned by the sponsoring company. A list containing the Employer Identification Number for each of the sponsoring employers is available from the Plan Administrator.

Sutter Health Employer Identification Number: 94-2788907

Sutter Health Retirement Plan Plan Number: 333

### **What is the Plan Year?**

Financial records for this Plan are maintained on a calendar year basis, January 1 to December 31.

### **What is the effective date of the Plan?**

The effective date of the Sutter Health Retirement Plan was April 1, 1959. This Plan was amended to include cash balance provisions as of March 31, 2000; it was most recently amended on January 1, 2022. The effective date of the cash balance design for you depends on when your employer adopted the cash balance provisions. See Appendix B for a list of effective dates. See Appendix A for a list of affiliates that participate in the original cash balance design.

### **Who is the Plan Sponsor and Employer?**

The Plan Sponsor and Employer of the Sutter Health Retirement Plan is:

Sutter Health  
2200 River Plaza Drive  
Sacramento, CA 95833

### **Who is the Plan Administrator?**

Sutter Health is the Plan Administrator (or its authorized delegate). The Plan Administrator's address and telephone number are:

Sutter Health Retirement Plan  
c/o Total Rewards - Retirement  
2300 River Plaza Drive  
Sacramento, CA 95833

The third-party administrator for the Plan is Alight Solutions. You can contact Alight by calling 1-833-407-2687.

**Who is the Agent for Service of Legal Process?**

The designated agent for service of legal process is:

General Counsel  
Sutter Health  
2200 River Plaza Drive  
Sacramento, CA 95833

Process may also be served on the Plan Administrator.

**Who is the Plan Actuary?**

The actuary for the Plan is:

Willis Towers Watson  
345 California Street, Suite 2000  
San Francisco, CA 94104

**Who is the Plan Trustee?**

All Plan assets are held in a trust fund and managed by the Plan Trustee:

The Northern Trust Company  
50 South La Salle Street  
Chicago, IL 60603

The Plan and its trust fund exist for the exclusive benefit of participants and their beneficiaries.

## APPENDIX A Participating Affiliates

**A-1.** The following Sutter Health affiliates have adopted the Sutter Health Retirement Plan as of 7/1/2022:

### Sutter Health Bay Area

Alta Bates Summit Medical Center  
California Pacific Medical Center  
Eden Medical Center  
Health Ventures, Inc.  
Mills-Peninsula Medical Center  
Mission Bernal Women's Clinic  
Novato Community Hospital  
PAMF – Sutter Maternity & Surgery Center  
of Santa Cruz Division  
Sutter Delta Medical Center  
Sutter East Bay Medical Foundation  
Sutter Lakeside Hospital  
Sutter Pacific Medical Foundation  
Sutter Santa Rosa Regional Hospital

### Sutter Health Valley Area

Memorial Hospital Los Banos\*  
Memorial Medical Center\*  
Sutter Amador Hospital  
Sutter Auburn Faith Hospital  
Sutter Center for Psychiatry  
Sutter Davis Hospital  
Sutter Medical Center, Sacramento  
Sutter Medical Foundation Central  
Sutter Medical Foundation North  
Sutter Medical Foundation West  
Sutter Roseville Medical Center  
Sutter SeniorCare PACE  
Sutter Solano Medical Center  
Sutter Tracy Community Hospital  
Sutter Valley Hospitals Support Services

### Freestanding

Kāhi Mōhala  
Sutter Care at Home  
Sutter Coast Hospital  
Sutter Health Plan  
Sutter Health System Office  
Sutter Shared Lab  
Sutter Shared Services

*\*The Plan is frozen to new participants from Memorial Hospital Los Banos and Memorial Medical Center.*

**A-2.** The following Sutter Health affiliates participate in the original cash balance design as of 7/1/2022:

Health Ventures, Inc.  
Kāhi Mōhala  
Sutter Care at Home  
Sutter East Bay Medical Foundation

Sutter Medical Foundation North  
Sutter Medical Foundation West  
Sutter Pacific Medical Foundation

**A-3.** The following Sutter Health affiliates participate in the enhanced cash balance design as of 7/1/2022:

Sutter Health Bay Area

Alta Bates Summit Medical Center  
California Pacific Medical Center  
Eden Medical Center  
Mills-Peninsula Medical Center  
Mission Bernal Women's Clinic  
Novato Community Hospital  
PAMF – Sutter Maternity & Surgery Center  
of Santa Cruz Division  
Sutter Delta Medical Center  
Sutter Lakeside Hospital  
Sutter Santa Rosa Regional Hospital

Sutter Health Valley Area

Memorial Hospital Los Banos\*  
Memorial Medical Center\*  
Sutter Amador Hospital  
Sutter Auburn Faith Hospital  
Sutter Center for Psychiatry  
Sutter Davis Hospital  
Sutter Medical Center, Sacramento  
Sutter Medical Foundation Central  
Sutter Roseville Medical Center  
Sutter SeniorCare PACE  
Sutter Solano Medical Center  
Sutter Tracy Community Hospital  
Sutter Valley Hospitals Support Services

Freestanding

Sutter Coast Hospital  
Sutter Health Plan  
Sutter Health System Office, excluding the  
Utah Division  
Sutter Shared Lab  
Sutter Shared Services, excluding the  
Utah Division

*\*The Plan is frozen to new participants from Memorial Hospital Los Banos and Memorial Medical Center.*



## **APPENDIX B**

### **Effective Date of Original Cash Balance Provisions**

Sutter Health Retirement Plan. If you did not elect to stay with the final pay design by March 31, 2000, the cash balance design became effective for you as of March 31, 2000. If you transitioned from the original final pay design to the cash balance design, the cash balance design became effective for you January 1, 2022.

Sutter Care at Home (Sutter VNA and Hospice). If you were an employee of Sutter VNA & Hospice (formerly VNA & Hospice of Northern California), the cash balance design became effective for you as of October 1, 2000 or January 1, 2001, depending on your date of hire. If you transferred from Sutter Medical Center, Sacramento or Sutter Roseville Medical Center to Sutter VNA and Hospice, you continued to participate in the plan design you chose as of March 31, 2000, effective the date of your transfer.

Sutter VNA and Hospice Foundation. If you were an employee of Sutter VNA & Hospice Foundation (formerly VNA & Hospice Foundation), the cash balance design became effective for you as of January 1, 2001.

Sutter Regional Medical Foundation. The original cash balance design became effective for you as of January 1, 2004.

Sutter East Bay Medical Foundation. The original cash balance design became effective for you as of January 1, 2006.

Health Ventures, Inc. The original cash balance design became effective for you as of January 1, 2007.

Sutter Pacific Medical Foundation. If you were an employee of Sutter Medical Foundation North Bay Division on December 19, 2009 and became an employee of Sutter Pacific Medical Foundation on December 20, 2009, you continued to participate in the original cash balance design effective December 20, 2009. If you were hired or rehired at Sutter Pacific Medical Foundation on or after January 1, 2010, the original cash balance design became effective for you on your hire or rehire date.

If you were an employee of Sutter Pacific Medical Foundation SF/Marin on December 31, 2009 and an employee on January 1, 2011, the original cash balance design became effective for you on January 1, 2011.

## **APPENDIX C**

### **Effective Date of Participation**

Sutter Health Retirement Plan. If you were eligible to participate under the final pay design on January 1, 2000, you became a participant under that design on January 1, 2000. You were then given the choice to stay under the prior plan design or move to the cash balance design. If you did not elect to stay with the prior plan design by March 31, 2000, the cash balance design became effective for you as of March 31, 2000. Benefit accruals for the 2000 Plan Year will include the compensation and hours you worked from January 1, 2000 through December 31, 2000.

Sutter Care at Home (Sutter VNA and Hospice). If you were an employee of Sutter VNA and Hospice (formerly VNA & Hospice of Northern California) on October 1, 2000, you were eligible to participate in the cash balance design as of the earlier of January 1, 2001, or the January 1 or July 1 following the date you satisfied the eligibility requirements. If you transferred from Sutter Medical Center, Sacramento or Sutter Roseville Medical Center to Sutter VNA and Hospice and had not elected to stay with the final pay design by March 31, 2000, you continued to participate in the cash balance design effective the date of your transfer. If you were hired by Sutter VNA and Hospice on or after October 1, 2000, you were eligible to participate in the cash balance design as of the earlier of October 1, 2000, or the January 1 or July 1 following the date you satisfied the eligibility requirements. If you transferred from VNA of Santa Cruz and had not elected to participate in the traditional pension design, you became a participant in the cash balance design upon transfer to Sutter Care at Home.

Sutter VNA and Hospice Foundation. If you were an employee of Sutter VNA and Hospice Foundation (formerly VNA & Hospice Foundation) on January 1, 2001, you were eligible to participate in the cash balance design as of the earlier of January 1, 2001, or the January 1 or July 1 following the date you satisfied the eligibility requirements.

Sutter Regional Medical Foundation. If you were eligible to participate on January 1, 2004, the original cash balance design became effective for you as of January 1, 2004.

Sutter East Bay Medical Foundation. If you were eligible to participate on January 1, 2006, the original cash balance design became effective for you as of January 1, 2006.

Health Ventures, Inc. If you were eligible to participate on January 1, 2007, the original cash balance design became effective for you as of January 1, 2007.

Sutter Pacific Medical Foundation. If you were an employee of Sutter Medical Foundation North Bay Division on December 19, 2009 and became an employee of Sutter West Bay Medical Foundation Sonoma/Lake on December 20, 2009, you continued to participate in the original cash balance design effective December 20, 2009. If you were hired or rehired at Sutter Pacific Medical Foundation on or after January 1, 2010, the original cash balance design became effective for you on your hire or rehire date.

If you were an employee of Sutter Pacific Medical Foundation SF/Marin on December 31, 2009 and eligible to participate on January 1, 2011, the original cash balance design became effective for you on January 1, 2011.

## **APPENDIX D**

### **Determination of Opening Account Balance**

#### Sutter Health Retirement Plan

- If you were a participant in the Sutter Health Retirement Plan on January 1, 2000, and elected the cash balance design, the value of your monthly accrued benefit on December 31, 1999, payable at age 65, was converted to a present value lump sum and became the opening balance in your Account. This lump sum amount was actuarially calculated using the interest rate and conversion factor in effect on January 1, 2000.
- If you were eligible to join the Sutter Health Retirement Plan on January 1, 2000 or later, you did not have an opening balance. You received your first Pay Credit for the Plan Year ending December 31, 2000, assuming you worked at least 1,000 hours that Plan Year. Your first Interest Credit was added to your Account on December 31, 2001.
- If you were a participant in the Sutter Health Retirement Plan on January 1, 2022, and were transitioned from the original final pay design to the cash balance design, the value of your monthly accrued benefit on December 31, 2021, payable at the later of age 65 or January 1, 2022, was converted to a present value lump sum and became the opening balance in your Account. This lump sum amount was actuarially calculated using the interest rate and conversion factor in effect for June 2021 or November 2021 (effective January 1, 2022), using the rate that provided you with the higher opening balance in your Account.
- If you were grandfathered under the original final pay design and transitioned to the cash balance design due to a change in your employment status, the value of your monthly accrued benefit, payable at the later of age 65 or the January 1 following your employment status change, was converted to a present value lump sum and became the opening balance in your Account. This lump amount was actuarially calculated using the interest rate and conversion factor in effect for the January 1 following the year your employment status change.
- If you were rehired at a later date and had a monthly accrued benefit in the Sutter Health Retirement Plan, the value of your accrued benefit, generally payable at age 65, was converted to a present lump sum value and became the opening balance in your Account. The timing of when you terminated employment and were subsequently rehired will determine the timing of the conversion, the interest rate and the conversion factor used to determine the present lump sum value.