BJC PENSION PLAN SUMMARY PLAN DESCRIPTION

Companion SPD to the Seventh Amendment and Restatement of the BJC Pension Plan

BJC Pension Plan

SUMMARY PLAN DESCRIPTION

To help you plan for adequate income for your retirement, your employer provides you with the retirement plan described in this summary plan description (SPD).

The plan is provided at no cost to you. You are automatically enrolled when you become eligible.

The plan gives you the flexibility to decide when you want to retire (in accordance with the plan's rules), and how you want your retirement benefits paid to you.

This SPD is intended to give you an overview of the major points of the retirement plan. The retirement plan is operated according to a legal document called a "plan document." This SPD presents the information in that document in a simplified, easier-to-read format. It cannot cover every detail of the plan. If there is any discrepancy between the information in this SPD and the plan document, the plan document will be You may contact the BJC Retirement Service Center at 1-800-239-4538 if you want to review the actual plan document.

Although BJC Health System hopes to continue this plan indefinitely, it has the right to change or end this plan in any way and at any time as permitted by law. These changes may include altering the type and level of benefits offered.

In this SPD, unless stated otherwise, "employer" means BJC Health System and other affiliates that have adopted this retirement plan. (See the definition of "employer" in the *Definitions of terms* section of this SPD.)

BJC Health System includes organizations that have signed affiliation agreements among hospitals and other health systems. Special plan provisions may apply to employees who worked for one of those hospitals or health systems previously. Those special provisions for transferred or "grandfathered" employees are described in appendices at the end of this SPD.

Preface: Planning for your Retirement	1
Plan for the retirement lifestyle you want	
The effect of post-retirement expenses and income	
Start saving early and put time on your side	3
Social Security: How much will it help?	3
How much will be contributed by benefits from my employer's retirement	
plan?	
What about inflation?	
Inflation and investments	
Getting professional advice	7
Highlights of the BJC Pension Plan	7
Eligibility	
Who is not eligible?	9
Factors that affect your retirement benefit	
Your pay	
Your years of benefit service	
Whether you are vested in the plan	10
Years of service	
Vesting service	
Benefit service	
Breaks-in-service	12
Losing eligibility and later rejoining the plan	12
When you may retire and begin receiving benefits	14
Normal retirement date	14
Early retirement date	
Postponed retirement date	14
When you will begin receiving benefit payments	14
Calculating your retirement benefits	15
Compensation	
Final average monthly compensation	16
Covered compensation limit	
Your monthly benefit amount	
Early retirement benefit	19
If you leave your employer before you reach normal retirement	
age	20

How your retirement benefit is paid	21
Life-only Option	
Joint-and-50%-survivor option	
Joint-and-75%-survivor option	
Joint-and-100%-survivor option	
Life options with a minimum number of payments	
Life-and-60-months-certain	
Life-and-120-months-certain	
Life-and-180-months-certain	
Social Security level-income option	
Changing your payment option before benefit payments begin Lump-sum payment of small benefits	
If you become disabled	25
If you die before you retire	26
If you do not earn an hour of service on or after January 1, 2001	26
If you earn an hour of service on or after January 1, 2001	26
Designating a beneficiary	
How the benefit is paid	
The amount of the benefit	
When the benefit will be paid	27
Transferring ownership of your retirement benefits	28
How benefits may be forfeited or reduced	28
How benefits may be suspended	29
Resumption of suspended benefits	29
Insured retirement benefits	29
Definitions of terms	30
Plan administration information	31
Top-heavy rules	
Your ERISA rights	
If your claim is denied	
Changing or ending the plan	
If you transfer to or from an affiliate	37
Appendix I: Special Provisions for transferred employees	39

Eligibility	. 39
Factors that affect your retirement benefit	
Your participation in other retirement plans	
Your pay	
Vesting service	
Benefit service	
Calculating your normal retirement benefit	. 41
Pre-1996 formula for The Jewish Hospital of St. Louis	
Pre-1996 formula for Christian Hospital Northeast-Northwest	
Adjustments to monthly benefit payments	
Special provisions for grandfathered employees	43
Appendix II: Grandfathered employees who are former	
employees of Barnes Hospital (including satellite locations)	
Benefit service	. 44
Calculation your normal retirement benefit	
Adjustments to monthly benefit payments	
Special formula for benefit reductions for early retirement	. 46
Appendix III: Grandfathered employees who are former employees of CH Allied Services, Inc. (including Boone Hospital) Eligibility	
Using your pay to determine your benefit	
Vesting service	
Benefit Service	
Calculating your normal retirement benefit	
Adjustments to monthly benefit payments	
rejustificities to monthly benefit payments	. 17
Appendix IV: Grandfathered employees who are former	
employees of Missouri Baptist Medical Center	50
Using your pay to determine your benefit	
Benefit service	
Calculating your normal retirement benefit	
Adjustments to monthly benefit payments	
riajustinentes to monarij senem pajmentes	
Appendix V: Grandfathered employees who are former	
employees of St. Louis Children's Hospital	53
Using your compensation to determine your benefit	
Benefit Service	. 53
Adjustments to monthly benefit payments	
Special formula for benefit reductions for early retirement	

Appendix VI: Grandfathered employees who are former	
participants in the Alton Memorial Hospital Retirement Plan	56
Effect of transfer or termination of employment	56
Benefit service	56
Calculation of your normal retirement benefit	56
Using your pay and service to determine your benefit	57
Adjustments to monthly benefit payments	57
Special formula for benefit reductions for early retirement	57
Death benefits for certain grandfathered employees	58
Additional optional form of payment	

Preface: Planning for your Retirement

For an increasing number of people, retirement is more than just a time to relax from the day-to-day demands of their careers. It also lets them spend more time on travel, hobbies, volunteer work – maybe even start businesses of their own. It's natural to look forward to enjoying this time.

It's equally natural not to think too much about retirement when it seems far away.

But the sooner it's planned for, the better. After all, you will need financial resources to ensure the comfortable lifestyle you desire. True, you may no longer have many of the expenses you had earlier in life – work-related expenses, child-rearing expenses or house payments. However, experts say that for each year of retirement, you'll need about 75% to 85% of the annual gross income you earned while you were working, if you wish to maintain the same standard of living.

Most people will need to obtain this income from three different sources:

- 1. An employer-sponsored retirement plan.
- 2. Social Security benefits.
- 3. Personal savings.

To help you plan for retirement, your employer provides you with a retirement benefit plan, at no cost to you. It pays you a monthly benefit in an amount that depends on how long you work for your employer and other factors.

Your employer also matches the contributions you make to Social Security, dollar for dollar.

However, experts say you shouldn't rely on your employer-paid retirement plan alone – or Social Security, or any other single source of retirement income – to provide you with everything you'll need. That's why you'll also want to build up your own personal savings. To help you with this, you may want to consider your employer's 401(k) or 403(b) plans, if any. You can get more information about these plans by contacting human resources or the BJC HealthCare Benefits Department.

In combination with your other sources of income, your employer's retirement plan helps prepare you for life after retirement.

Plan for the retirement lifestyle you want

Is your idea of retirement:

- Spending more time with the grandkids and relaxing at home?
- Buying an RV and spending a few years touring the country?
- Turning your hobby into a part-time job?
- Working full-time, or close to it, at a second career?

When you think about your future, think about the type of life you'll be living. There's no certainty, of course, that your life after retirement will turn out exactly as you want – but unless you plan for it, it's a near certainty that it won't.

Most experts agree it takes about 75% to 85% of our annual working income to see you through a year of retirement. That range covers not only the basics, but some extras as well. (It's unlikely that you'll want to live less comfortably than while you were working!)

Let's consider the case of Bob. He earns \$30,000 a year and wants to retire at age 65 with a lifestyle that closely matches the one he had while working. According to financial experts, Bob will need an annual retirement income between \$22,500 and \$25,500. What's more, he'll need that retirement income for 20 or more years of his life.

In other words, Bob needs a total of about \$450,000 to \$510,000 to provide the income

he wants for all his retirement years – a hefty sum. (What's more, this figure is in today's dollars and doesn't account for inflation. If Bob's retirement is far off, the face value of the money he needs will be even greater. See What about inflation?)

Acquiring this much retirement income, however, is not quite as daunting a task as it might seem.

First, you won't need to have amassed *all* the money you need on the *very first day* of your retirement. You can continue to invest your money and watch it grow for the remainder of your life. In Bob's case, if he has another 20 years to invest his money, and achieves a reasonable annual rate of return (say, 7%), he can make do with \$225,000 to \$250,000 on the day he retires, and earn the rest through investment.

Second, some (but not all) of the money you need may be provided by Social Security.

Third, some (but not all) will be provided by the retirement plan described in this SPD.

The rest, however, you will have to provide by using other employer-sponsored retirement plans, if any, an individual retirement account (IRA) or through other personal savings. The earlier you start, the easier this will be – as we shall see.

The effect of post-retirement expenses and income

You must consider your likely expenses and sources of retirement income. For example, if your expenses are likely to take a significant dip and your sources of income won't change too much, you can probably get by with an annual retirement income in the lower end of the recommended range – perhaps 75% to 80% of your pre-retirement earnings. On the other hand, if your expenses will change little or not at all, then you'll want to aim for the higher end of that range – between 80% and 85%.

Some expenses may decrease or go away when you retire

- Your mortgage payments may be a thing of the past.
- If you move, and depending on where, you may pay less for property maintenance and taxes.
- Clothing costs (dry-cleaning, new suits, uniforms or special clothing) may decrease because you are no longer employed.
- Child care and educational expenses may be history.
- Life insurance plans are often paid up. (Do you want to cash them out?)
- You will probably be in a lower tax bracket, and if you don't work, your income will not be reduced by paying Social Security taxes.

You may incur some new expenses after you retire

- You may incur new housing costs, such as a maintenance fee if you move into a condo.
- If you move, you may have relocation expenses.
- If you take a new job, you may have transportation expenses for getting to and from work.
- If your spouse continues to work, this may mean related expenses as well as continued income.
- You may have elderly relatives to care for when you retire.

- You may want to pay others to help you with yard care and home maintenance rather than do it on your own.
- You may have increased medical expenses as you get older.

Start saving early and put time on your side

Time is one of your greatest friends when you're saving for retirement, if you start early. That's largely due to the magic of compound interest. Once you put money into an investment, and keep it there, you not only earn a return on your principal (the original amount), but that return adds to your investment balance, which in turn earns additional returns, and so on. That effect is magnified if you continue to make regular contributions to your investment over time.

For example, if you save \$100 each month, this is how much you'll have if you save for 15, 20 or 25 years, assuming 7% annual investment returns.

15 years	\$31,100
20 years	\$50,000
25 years	\$78,000

As you can see, the earlier you start, the better off you will be.

Let's consider the example of Jennifer and Carl. Each decides to save \$250,000 for retirement and each plans to retire at age 65. Both decided to start saving now. Jennifer is 25, and Carl is 35.

To end up with \$250,000 in savings by age 65, Carl will need to put away \$213.77 each month between now and then (assuming a 7% annual return). Jennifer, on the other hand, only has to budget \$101.15 for savings every month.

The fact that Carl started saving 10 years later in his life made a tremendous difference. Jennifer not only reaches the same goal as Carl, but did it by setting aside a total of \$48,552.00 from her paychecks – compounded returns made up the rest. Carl had to set aside a total of \$76,957.20 to end up with the same amount.

Social Security: How much will it help?

The Social Security system was originally established to assist the poor, elderly and disabled who cannot work. It was never intended to provide for all of our retirement income. With increasing demands on the system due to an aging U.S. population, some people even question whether Social Security will still be around when they retire.

Experts disagree on how long Social Security will be around. Most agree, however, that if a Social Security benefit does exist in the future, it will pay less than it does now. Certainly you will need other sources of retirement income.

Your Social Security benefit is based on how much you paid into the system over the years you were working. This table gives you an idea of the benefit you'd receive if you retired now, based on

current Social Security rules. (Remember that Social Security benefits are likely to change by the time you actually retire).

This table assumes you wish to replace a total of 85% of your annual pre-retirement income.

Your annual salary	Percentage of income replaced by Social Security	Percentage of income to be replaced by a combination of: ◆ Benefits from your employer's retirement plan ◆ Your participation in other employer-sponsored retirement plans, if any (voluntary) ◆ Other savings ◆ Other sources of income
\$20,000 or less	46%	39%
\$25,000	43% (\$10,750)	42% (\$10,500)
\$30,000	41% (\$12,300)	44% (\$13,200)
\$35,000	39% (\$13,650)	46% (\$16,100)
\$40,000	36% (\$14,400)	49% (\$19,600)
\$45,000	33% (\$14,850)	52% (\$23,400)
\$50,000	31% (\$15,500)	54% (\$27,000)
\$55,000	29% (\$15,950)	56% (\$30,800)
\$60,000	27% (\$16,200)	58% (\$34,800)
\$65,000	25% (\$16,250)	60% (\$39,900)
\$70,000	24% (\$16,800)	61% (\$42,700)

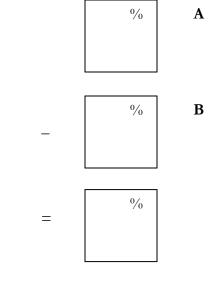
Saving needs worksheet

This simple formula will tell you how much of your salary you'll need to replace through means other than Social Security when you retire:

Total percentage of income you want to replace. Experts suggest 75% to 85%. You may want to aim higher to be safe.

Percentage to be replaced by Social Security. (From chart on previous page. Remember that this is an assumption based on current Social Security benefits, which may change by the time you retire.)

Replacement target percentage. Subtract Box B from Box A. This is the percentage of your annual salary that you must replace each year when you retire. Of course, an important part of this will be your benefit from your employer's retirement plan. However, a majority of it will come from your savings during your working career.



Let's look at two more examples of employees planning their retirement:

Brandon		Juanita	
Annual salary:	\$20,000	Annual salary:	\$40,000
Percentage of income he	050/	Percentage of income she	050/
wishes to replace:	85%	wishes to replace:	85%
Percentage replaced by		Percentage replaced by	
Social Security:	46%	Social Security:	36%
Percentage to be replaced by		Percentage to be replaced by	
other sources:	39%	other sources:	49%
Assume Brandon plans to provide the necessary 39% through his personal savings.		Assume Juanita plans to provid 49% through her personal saving	•
If Brandon starts saving at age 25, he will need to save 1.9% of his pay a month to meet his goal. If he starts at age 35, he will need to set aside 4% to meet the same goal.		If Juanita starts saving at age 25, save 2.4% of her pay a month to If she starts at age 35, she will re 5% to meet the same goal.	o meet her goal.

These projections assume a 7% annual investment return, retirement at age 65, and a need for 20 years of income after retirement.

How much will be contributed by benefits from my employer's retirement plan?

So far, none of these examples have spelled out the amount you can expect as your benefit from your employer's retirement plan, an important factor in your retirement income.

Later sections of this SPD explain how your retirement benefit is calculated under the plan. You can use this to get a rough idea of your benefits, but the actual calculations can be complicated. For an estimate of your benefit, you may contact the BJC Retirement Service Center at 1-800-239-4538.

Although your retirement plan benefits are an important part of your income following retirement, you must assume that a significant portion will need to come from your own savings.

What about inflation?

The examples in this preface, for the sake of simplicity, do not take inflation into account. They also assume no future increases to your current salary.

These assumptions tend to cancel each other out. They assume that inflation will increase neither your living costs nor your earnings. They assume the price of everything will stay the same.

In the real world, however, inflation is very real, and it varies unpredictably.

Examples later in this SPD will include estimates of the effects of inflation. They will assume an annual inflation rate of 3%. Of course, it is impossible to predict future rates of inflation, but at this time, 3% appears to be a reasonable assumption.

To estimate the cumulative effects of a 3% annual inflation rate over a certain number of years, you may use this chart:

To estimate the effect of 3% inflation in years	Multiply today's dollar figure by
5 years	1.16
10 years	1.34
15 years	1.56
20 years	1.81
25 years	2.09
30 years	2.43
35 years	2.81
40 years	3.26

For example, suppose Claudia currently makes \$30,000 a year and plans on retiring 35 years from now. Rather than assume the figure on her paycheck stub will still be \$30,000 when she retires, she wants to estimate the actual dollar figure for that time.

Claudia assumes the 3% annual inflation rate, and she also assumes (and remember, these are only assumptions) that her pay will increase at 3% per year to just keep pace with inflation. She multiplies her current \$30,000 salary by 2.81 (from our chart) and gets \$84,300. That will be the (estimated) face value of her annual pay for the year in which she retires. (Although, based on the assumption that her pay increases match inflation, her purchasing power would be about the same as it is now.)

Inflation and investments

To figure out how your savings and investments are doing, you must know how their rate of return compares to the current rate of inflation. You can use this simple formula:

Total return
on your
savings or
investment

Rate of inflation

Increase or decrease in the value of your savings/investment

If your answer is a *negative* number, you're not beating inflation. That means your savings lost value – which means you are getting farther away from your goals. To get your savings back on track, evaluate your investment choices and consider talking with a certified investment adviser.

If your answer is *positive*, congratulations – you're beating inflation. Keep monitoring your savings to be sure you stay on the right track. Most experts suggest that a "good" return on your money after accounting for inflation is anything more than 2%.

To find the most recent annual inflation rate, you can contact one of the many government and private agencies that calculate inflation. One of the more commonly used inflation indexes is the Consumer Price Index, issued by the Department of Labor (DOL). The DOL reports the inflation rate in the newspaper every year – or you can contact the DOL directly.

Note: The assumptions in this preface – including salary figures and increases, rates of inflation, investment earnings and years in retirement – are just examples. They are reasonable assumptions, but these factors cannot be predicted exactly. The figures in these examples are not guarantees of pay, salary increases, benefits, investment returns or employment.

Getting professional advice

In this preface, we've tried to give you a general idea of your retirement income needs and what you must do to reach them. However, every individual's situation is different. We also haven't discussed (or just barely mentioned) other possible sources of income you may have after retirement: rental property, inheritances, life insurance, or a part-time job, for example. These might also figure into your plans.

Accountants and certified retirement planners can be a great resource in helping you figure out your retirement needs.

Remember: Successful retirement planning not only requires thought – it requires action!

Highlights of the BJC Pension Plan

Am I eligible for the plan?

You are eligible if you are an employee of BJC Health System or an affiliate that has adopted this plan, are age 21 or older, complete the minimum service requirements of the plan, and are not a member of certain specifically excluded employee categories. See pages 9 and 10 for more information.

How do I enroll in the plan?

You are automatically covered by the plan when you become eligible.

How is my retirement benefit determined?

Generally speaking, your retirement benefit is based on your pay and your years of service with your employer. See page 10 for more information.

For the actual formula used to calculate the basic retirement benefit, with examples, see the section titled *Calculating your retirement* benefits that begins on page 15.

Retirement benefits are paid monthly. The amount of your monthly payments is subject to adjustments based on your age when you retire and the payment option under which they are paid.

You may request an estimate of your retirement benefit from the BJC Retirement Service Center at 1-800-239-4538.

When may I retire?

The plan's normal retirement age is 65. However, you may retire and begin receiving benefits at any age after the normal retirement age, or as early as age 55 if you are vested in the plan. See page 15 for more information.

The age at which you retire and begin receiving your benefits could affect the amount of your monthly benefit payment, since this is based in part on your expected lifespan when you retire and begin receiving benefits. Benefits that begin before age 65 will be reduced, as explained on page 19.

What does it mean to be "vested" in the plan?

Being vested in the plan means you have a right to benefits from the plan even if you leave the company before you reach retirement age. You must have five years of "vesting service" to be vested in the plan. You earn one year of vesting service for each plan year in which you are paid for at least 1,000 hours.

You also become vested in the plan once you reach age 65 if you have been a plan participant for five consecutive years, even if those five years do not all count as vesting service.

See page 10 for more information.

What is a "plan year"?

A "plan year" includes all the payroll periods having paydays that fall within a particular calendar year. (For example, if a payroll period began before December 31, 2014, but its payday fell after December 31, it would not be part of the 2014 plan year – it would be part of the 2015 plan year.)

What are the forms of payment for receiving my retirement benefits?

You may choose among several different payment options, which are described on pages 21 through 24.

Unless you actively choose a different payment option, the law designates a specific form of benefit payment for you, based on your marital status. If you are married, you must have your spouse's written consent to choose a payment option other than the one legally designated for you. See pages 21 through 24 for more information.

Note: Once your benefit payments have actually begun, you cannot change to a different payment option. Also, you cannot change your beneficiary (also known as a joint annuitant) under a joint and survivor annuity option once your benefit payments have begun.

What if I leave the employer before I reach retirement age?

If you leave the employer before you reach retirement age and you are not vested, you are not eligible to receive a retirement benefit from the plan unless you return to work for the employer as described in the section titled *Losing eligibility and later rejoining the plan*.

If you leave your employer after becoming vested but before reaching retirement age, you may begin to receive your benefits when you qualify for early or normal retirement. (Normally the plan will begin paying your benefits when you reach age 65, but you may arrange to begin payments any time after age 55. Benefits that begin before age 65 are reduced to reflect the longer expected payment period.)

Note: If the plan is to pay you benefits after you leave the employer, it must be able to find you! Be sure to inform the BJC Retirement Service Center at 1-800-239-4538 of any change in your address.

See page 21 for more information.

What if I become disabled?

The plan normally provides you with a benefit based on your pay and years of service with your employer. However, if while actively working for the employer you become disabled before your normal retirement date, and you are vested, you will continue to earn credit for service under the plan just as if you were working, until one of the following events occurs:

- You are no longer disabled.
- You choose to begin receiving your early retirement benefits.
- You reach your normal retirement date.

For purposes of calculating your benefit, the plan will assume that for each full year of your disability, your "pay" is the same as it was the year before you became disabled.

See page 25 for more information.

What if I die before retirement?

If you die before you retire at a time when you are vested, your beneficiary may be entitled to a benefit (subject to certain adjustments).

See pages 26-27 for more information.

What is my cost for participating in the plan?

Nothing. Your employer pays all the costs of the plan.

Eligibility

Provided you are an eligible employee, you automatically become a participant in this retirement plan on the January 1 or July 1 that either falls on or follows the date you meet both of these requirements:

- You are age 21 or older.
- You have completed 1,000 hours of service during your first 12 consecutive

months of employment with the employer or an affiliate. (If you do not complete 1,000 hours during your first 12 months of employment, the plan will instead consider the first subsequent plan year in which you complete 1,000 hours.)

If you are not an eligible employee when you satisfy these requirements, you will not become a participant until the day you become an eligible employee.

On the date you become a participant, you automatically begin to build up, or "accrue," a retirement benefit.

Hours of service for purposes of determining your eligibility to participate in the plan will include hours after December 31, 2005 for which you were scheduled to work but did not work due to your employer's low patient census.

If, on or after February 1, 2006 but before April 1, 2006, you terminated employment with the Metro Heart Group of St. Louis, Inc. facility located at 201 Dunn Road, Florissant, Missouri, and became an eligible employee, you are eligible to participate in the plan on the later of the date you become an employee or the date you satisfy the eligibility requirements described above. For purposes of determining if you meet the eligibility service requirement, all of your hours of service with Metro Heart Group of St. Louis, Inc. at the location identified above will count as hours of service under this plan.

If you were employed by a predecessor employer (as defined under *Definitions of terms* on page 30), on the date it was acquired by BJC or an affiliate, all of your service with the predecessor employer will be taken into account for purposes of calculating your hours of service for determining if you meet the eligibility service requirement under the plan.

Who is not eligible?

You are *not* eligible to participate in the plan if you are any of the following:

- Classified as House Staff (A House Staff is defined as a medical doctor who is an intern, resident or fellow (including, but not limited to, a research fellow)).
- A nonresident alien with no earned income from the employer that constitutes income from sources within the United States as defined by the IRS code.
- A person who is not a United States citizen, lawful permanent resident alien, an asylee or a refugee (each as defined under the Federal Immigration and Nationality Act and Applicable Law), or an H-1B non-immigrant employee as described under the American Competitiveness and Workforce Improvement Act.
- Classified as a Statutory Employee for payroll purposes. (A Statutory Employee is defined as a person who works under conditions similar to those of an independent contractor, but is classified as an employee for certain purposes under U.S. tax laws.)
- A person who continues to actively participate in any other qualified defined benefit pension plan (that is, a traditional pension plan, not a 403(b) or 401(k) plan) that is maintained by an affiliate.
- You are a member of, or represented by, a collective bargaining unit that participated in collective bargaining that included discussion of retirement benefits (unless collective bargaining provides for participation in the plan).
- A person whose employment agreement precludes participation in the plan.
- Employed by an affiliate that has not adopted the plan. (As of January 1, 2014, Alton Memorial Hospital and Parkland Health Center have not adopted the plan. But see Appendix VI at the end of this SPD for certain provisions applicable to grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan.)

• You are classified by BJC or your Employer as a non-employee or leased employee (even if you are an employee for one or more purposes other than this Plan and without regard to retroactive classification).

If you stop participating in the plan because you leave your employer, and you are later rehired, you may rejoin the plan when you meet certain conditions. The rules for this situation are explained in the section titled *Losing eligibility and later rejoining the plan*.

Factors that affect your retirement benefit

Three main factors affect the benefit amount you may receive when you retire.

Your pay

Your retirement benefit is based on a percentage of the "average monthly compensation" you receive while employed, multiplied by your years of "benefit service."

Your years of benefit service

After you begin participation in the plan, you start to earn "years of benefit service" as explained in the section titled *Years of service*. Your retirement benefit builds up or accrues as your years of benefit service increase.

Whether you are vested in the plan

Although you begin accruing a retirement benefit on the first day you become eligible, you forfeit that benefit if you leave your employer before you have five years of "vesting service," as defined below.

Once you have five or more years of vesting service, you have a right to your accrued retirement benefit even if you leave. This is called "being vested in the plan" – having this ownership right is what the term "vested" means.

You also automatically become vested once you reach the normal retirement age of 65 and have been a participant in the plan for five consecutive years, even if those five years do not all count as vesting service.

Notwithstanding the above, if you were both a participant in the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan and employed by Health Management Partners, LLC or The Medical Center Health Plan, formerly Health Partners of the Midwest, on December 31, 2000, you are automatically vested in 100% of your retirement benefits.

Years of service

Your "years of service" means the number of eligible years you work for your employer. The plan counts your eligible years of service in two different ways.

Vesting service

Your "vesting service" is used to determine when you gain the legal right to a benefit (that is, when you become vested). You must complete five years of vesting service to become vested in the plan.

If you complete at least 1,000 hours of service in a plan year, you earn one year of vesting service.

An "hour of service" means any hour for which you are paid or are entitled to be paid by the employer or an affiliate, whether or not for performing your duties. If you are an exempt employee for whom such hours are not required to be recorded, you will earn 45 hours of service for each week of employment in which you would have been credited with at least one hour of service if your hours were recorded.

If you complete less than 1,000 hours of service in a plan year, that year does not count as a year of vesting service. Also, you cannot earn more than one year of vesting service in a plan year. (A 40-hour week, for example, actually equals more than 2,000 service hours

per year, but does not count as two vesting years. The 1,000 hours-per-year requirement is just a minimum requirement.)

Hours of service for purposes of determining your vesting service under the plan will include hours after December 31, 2005 for which you were scheduled to work but did not work due to your employer's low patient census.

If, on or after February 1, 2006 but before April 1, 2006, you terminated employment with the Metro Heart Group of St. Louis, Inc. facility located at 201 Dunn Road, Florissant, Missouri, and became an eligible employee, then you will receive credit for purposes of vesting service for your hours of service with Metro Heart Group of St. Louis, Inc. at the location identified above.

If you were employed by Cardiology Diagnostics, Ltd. on September 26, 2010 and became an employee of the employer on September 27, 2010, you will receive credit for service with Cardiology Diagnostics, Ltd. during 2010 for purposes of vesting.

If you were employed by a predecessor employer (as defined under *Definitions of terms* on page 30), on the date it was acquired by BJC or an affiliate, all of your service with the predecessor employer will be taken into account for purposes of calculating your hours of service for determining your vesting service under the plan.

Benefit service

Your "benefit service" is used to calculate the amount of your retirement benefit, after you meet the plan's eligibility requirements and become a participant in the plan.

If you complete at least 1,000 hours of service in a plan year, you earn one year of benefit service.

If you complete less than 1,000 hours of service in a plan year, that year does not count as a year of benefit service – with the exception of your last year of employment.

The hours of service you earn during your last year will count as a partial year of benefit service, on a prorated basis. For example, if you have 500 hours of service in your last year of employment with the employer, it will count as one-half year of benefit service.

You cannot earn more than one year of benefit service in a plan year. Also, hours of service before the year in which you began participating in the plan, or during periods when you do not meet the definition of an eligible employee, do not count toward your benefit service.

If you take an approved leave for military service, you will continue to earn benefit service just as if you were working at your normal work schedule. However, you must return to active employment within 90 days after your earliest opportunity to do so, unless the law requires an extension.

If you become disabled, and you have at least five years of vesting service, you may continue to earn benefit service during your disability as described in the section *If you become disabled*.

Hours of service for purposes of determining your benefit service under the plan will include hours after December 31, 2005 for which you were scheduled to work but did not work due to your employer's low patient census.

In addition, if you became an employee before January 1, 1998, your hours of service during the 1997 calendar year will be counted in determining your years of benefit service if both the following apply to you:

- You met the age and service requirements for participating in the plan described under *Eligibility* before January 1, 1998.
- You were not eligible for any of the following retirement plans:
 - The Barnes Hospital Pension Plan.
 - The Jewish Hospital of St. Louis Employee Retirement Plan.

- The Retirement Plan for Employees of Christian Hospital Northeast-Northwest.
- The Retirement Plan for Employees of Missouri Baptist Medical Center.
- The Retirement Plan for Employees of St. Louis Children's Hospital.
- The Retirement Plan for Employees of CH Allied Services, Inc.

Breaks-in-service

If you work 500 or fewer hours of service during a plan year, this is called a "break-inservice." You do not normally earn vesting service or benefit service during such a year.

In addition, if you stop working for the employer and are not vested in the plan, you will lose all your previously earned eligibility, benefit service and vesting service if you've had breaks-in-service for five years in a row.

However, an approved leave of absence granted under the Family and Medical Leave Act does not count towards a break-inservice.

Losing eligibility and later rejoining the plan

Once you are vested, you cannot forfeit your vesting or benefit service. However, if you are *not* vested, you can forfeit, i.e., lose, vesting and/or benefit service under the plan if you either:

- Stop working for the employer or an affiliate (and are not rehired by any of these entities) before you are vested. (See the definitions of "employer" and "affiliate" under *Definitions of terms* on page 30.)
- Forfeit your vesting and benefit service because of too many (that is, five or more) consecutive breaks-in-service.

Vesting service and benefit service, once forfeited, cannot be regained if you are not vested. However, you can rejoin the plan and earn new service. When you may participate depends on why your previous participation ended:

If your participation ended because	You may participate again
You left employment and you are rehired <i>before</i> forfeiting your vesting and benefit service (that is, before you had five consecutive breaks in service)	On the date you are rehired as an eligible employee, provided you complete 1,000 hours of service during your first 12 months of re-employment (or any plan year after that date).
You left employment and you are rehired <i>after</i> forfeiting your vesting and benefit service	On the January 1 or July 1 that either falls on or follows the date you complete at least 1,000 hours of service during the 12-month period that begins on your rehire date (or any plan year after that date)

When you may retire and begin receiving benefits

Age 65 is the plan's normal retirement age. However, the plan provides a great deal of flexibility for retirement dates. You may continue working after you turn 65, or in some cases you can retire and begin receiving benefits as early as age 55 (with reduced monthly benefits).

The timing of your retirement will affect your benefit. Carefully read the information in the section called *Calculating your retirement benefits* for more information.

Normal retirement date

Your normal retirement date is the beginning of the month that falls on or immediately follows the later of:

- Your 65th birthday.
- The earlier of:
 - The date you complete five years of vesting service.
 - The fifth anniversary of the date you became a participant in the plan.

On this date, the full amount of your benefit is available to you through a variety of payment options, described later in this SPD.

Early retirement date

The plan allows you to retire early – anytime between ages 55 and 65 – provided you are vested in the plan.

Your early retirement date is the beginning of the month that falls on or follows the date you stop working for the employer (or certain affiliates, as defined in the *Definitions of terms* section of this SPD, whether or not they have adopted this retirement plan) *and choose* to *begin receiving retirement benefits*. If you retire early and choose to begin receiving benefits before your normal retirement date, however, the amount of your monthly benefit will be reduced. This

is done because – since your benefits begin at a younger age – you would be expected to receive more payments over a longer retirement period.

Postponed retirement date

If you decide to remain employed by the employer after your normal retirement date, this is called "postponed retirement." Your postponed retirement date is the beginning of the month that falls on or follows the date you choose to retire.

You will continue to earn benefit service under the plan if you work beyond your normal retirement age.

It was once legally required that after you reached age 70 ½, you had to begin receiving your retirement benefits even if you were still working. This is no longer required. However, if you retire after age 70 ½, the amount of your monthly benefit payment may be increased to reflect the fact that you did not begin receiving payments at that age.

When you will begin receiving benefit payments

Normally, the plan will start paying your benefits at the beginning of the month that follows your retirement date and your decision to begin receiving a benefit. You will be required to fill out and return election forms specifying the manner in which you wish your benefits to be paid. (If you fail to properly complete the forms and return them in a timely manner, this could delay the date your benefit payments begin, or prevent them from being paid in the form you prefer. The different forms of payment are described in *How your retirement benefit is paid*.)

To retire early or receive benefits in an optional form (as explained in the section *How your retirement benefit is paid*), you must inform the BJC Retirement Service Center at 1-800-239-4538 during the 90-day period that precedes the date you want to begin receiving retirement benefits.

If certain conditions are met, you may elect to receive your benefits as of a "retroactive annuity starting date." As described above, normally the plan will start paying your benefits at the beginning of the month that follows your retirement date, provided you timely return your completed distribution election forms. However, you may elect to have your benefits paid beginning retroactively on the first day of any month after you requested distribution election forms, provided that you were eligible to begin receiving retirement benefits on that date. Your spouse may be required to consent in writing to that election. If you elect to have your benefits paid as of your retroactive annuity starting date, you will not actually receive any benefit payments until after you have returned your distribution election forms. Once your properly completed election forms are received, your benefit payments will begin in accordance with the form of payment you elected. Your first benefit payment will include a make-up payment for any missed payments during the period from your retroactive annuity starting date to the date of the actual make-up payment, adjusted for interest during that period. If you have questions about whether you may elect a retroactive annuity starting date, please call the BJC Retirement Service Center at 1-800-239-4538.

Calculating your retirement benefits

If you retire at your "normal retirement date," you will begin receiving a monthly normal retirement benefit for the rest of your life. This section describes how your benefits are calculated.

Note: If you are a transferred or grandfathered employee who was previously eligible or covered under a retirement plan maintained by certain affiliates, your benefits are calculated differently. These calculations are described in the appendices at the end of this SPD.

Compensation

Your retirement benefits are based in part upon your compensation. "Compensation" means your salary and wages (excluding severance payments, if any) as reported on Box 1 of your Form W-2, plus the amount of any paycheck deductions made for contributions to a 401(k) and/or 403(b) plan or "cafeteria" plan sponsored by the employer.

"Compensation" does not include:

- Taxable reimbursements and other expense allowances,
- Taxable cash and noncash fringe benefits,
- Taxable moving expenses,
- Currently taxable benefits under nonqualified deferred compensation plans,
- Taxable welfare benefits,
- Taxable tuition reimbursements, and
- Taxable adoption assistance payments,

to the extent that they are reported on Box 1 of your W-2 Form.

Compensation will be determined under the schedule of "Deductions and Other Earnings" maintained by BJC on behalf of your Employer from time to time, excluding severance payments, if any. Compensation is the sum of your Compensation with each participating employer for whom you work during a Plan Year.

NOTE: In addition, under federal law, compensation in excess of \$265,000 per year is not included in the calculation of your retirement benefit. (This \$265,000 limit was lower for years prior to 2015, and may be increased from year to year to reflect increases in the cost of living.)

Two special compensation-related factors that affect the amount of your benefit are your "final average monthly compensation" and your "covered compensation limit." After we

explain what these terms mean, we will show you the basic formula for calculating your retirement benefit.

Final average monthly compensation

This is how the plan calculates your "final average monthly compensation." For an explanation of the way the plan defines "compensation" please refer to *Compensation* on page 15).

The plan looks at the past 10 years, and determines the five consecutive years within this period during which you received the most total compensation from the employer. The plan then calculates your average monthly compensation for these five years. This amount is your "final average monthly compensation."

The calculation of your final average compensation does not include any plan years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than 60 consecutive months of employment with your employer, your total compensation amount will simply be divided by your complete calendar months of employment to get the monthly average (note that this calculation will ignore any months of employment during years when you are credited with less than 1,000 hours of employment, except the last year in which you worked if this would increase the result).

If you were a participant in the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan prior to September 1, 2001, compensation you earned with certain employers before the employers became affiliated with BJC Health System will not be counted in calculating your final average compensation.

Covered compensation limit

"Covered compensation limit" is short for "compensation that is limited to what is covered as taxable by Social Security." This is calculated based on two factors that we must

define: the "taxable wage base" and your "Social Security retirement age."

The "taxable wage base" is the maximum amount that may be considered as wages for the purposes of taxation for old age, survivor and disability benefits under the Social Security laws. This amount is subject to adjustment from year to year based on cost-of-living increases. For example, the annual taxable wage base was set at \$117,000 for 2014, but increased to \$118,500 for 2015.

Your "Social Security retirement age," for the purposes of this provision of the plan, depends on the year in which you were born, as shown in this table:

If you were born in:	Your Social Security retirement age is:
1937 or earlier	Age 65
1938 through 1954	Age 66
1955 and later	Age 67

Your "covered compensation limit" is 1/12 of the average taxable wage base for each year in the 35-year period that ends with the year you reach your Social Security retirement age.

For the plan's purpose of calculating a benefit, if you have not yet reached your Social Security retirement age when the calculation is made, taxable wage bases for future years are assumed to be the same taxable wage base for the *current year*. Unless stated otherwise, calculations of your benefits are based on the assumption that you are retiring *now*.

Your monthly benefit amount

Your monthly retirement benefit is calculated according to the following formula:

		Your final	
1%	X	average	X Your years of
		monthly	benefit service
compensation			

+

	Your final	
	average	Your years of
	monthly	benefit service
0.5% X	compensation	X (up to a
	over the	maximum of
	covered	35 years)
	compensation	
	limit	

Following is an example showing how the monthly amount of a person's retirement benefit would be calculated according to the "life-only" form of payment (described under *How your retirement benefit is paid* on page 21).

Note: The assumptions in these examples – including salary figures and increases, future increases to the covered compensation limit, and future years of employment – are just examples. They are not guarantees of pay, salary increases, benefits or employment.

Example 1: Barbara

Barbara is retiring in 2015 with 30 years of benefit service:

Date of birth: November 15, 1950

Hire date: December 1, 1984

Normal retirement date: December 1, 2015

Years of benefit service: 30 years

This table shows Barbara's salary for the 10 years immediately preceding her retirement, with the five highest-paid consecutive years highlighted. It assumes that her current annual rate of pay (in 2015) is \$31,000 and that her pay increased by 3% each year.

Year	Salary
1 Cai	Salary
2015	\$28,417
	(for 11 months worked)
2014	\$30,097
2013	\$29,220
2012	\$28,369
2011	\$27,543
2010	\$26,741
2009	\$25,962
2008	\$25,206
2007	\$24,472
2006	\$23,759

Total compensation for highest-paid five consecutive years during the last 10 years preceding the retirement date: \$143,646 (the sum of the shaded figures in the table)

Covered compensation limit: \$6,265 (for year 2015)

Step 1. Final average monthly compensation = \$143,646 ÷ 60 months (five years) = \$2,394.10

Step 2. $1\% \times \$2,394.10 = \23.94

Step 3. $$23.94 \times 30 \text{ years} = 718.20

Step 4. Final average monthly compensation exceeding covered compensation limit = \$0

Step 5. $0.5\% \times \$0 = \0

Step 6. $$0 \times 30 \text{ years} = 0

Step 7. Step 3 plus Step 6 = \$718.20 + \$0 = \$718.20

Barbara's normal retirement benefit of \$718.20 is paid monthly for the rest of her life.

Example 2: Jerry

Here is an example of another employee whose retirement at normal retirement age is not far off. However, Jerry joined the employer later in his career (at age 54) and will retire with fewer years of service:

Date of birth: November 15, 1950

Hire date: December 1, 2004

Normal retirement date: December 1, 2015

Years of benefit service: 10 years

This example assumes an increase of 3% per year (a reasonable rate of inflation) with respect to Jerry's salary and the covered compensation limit.

This table shows Jerry's salary for the 10 years immediately preceding his retirement, with the five highest-paid consecutive years highlighted. Projections begin with the assumption that his current pay (in 2015) is \$32,000.

	T .
Year	Salary
2015	\$32,053
	(for 11 months worked)
2014	\$33,949
2013	\$32,960
2012	\$32,000
2011	\$31,068
2010	\$30,163
2009	\$29,285
2008	\$28,432
2007	\$27,603

2006	\$26,799

Total compensation for highest-paid five consecutive years during the last 10 years preceding the retirement date: \$162,030

Covered compensation limit: \$6,265 (for year 2015)

Step 1. Final average monthly compensation =
$$\$162,030 \div 60$$
 months (five years) = $\$2,700.50$

Step 2.
$$1\% \times \$2,700.50 = \$27.01$$

Step 3.
$$$27.01 \times 10 \text{ years} = $270.10$$

Step 4. Final average monthly compensation exceeding covered compensation limit = \$0

Step 5.
$$0.5\% \times \$0 = \$0$$

Step 6.
$$$0 \times 10 \text{ years} = $0$$

Jerry's normal retirement benefit of \$270.10 is paid monthly for the rest of his life.

Example 3: Charlotte

So far, none of these employees has had a final average monthly compensation that's high enough to exceed the covered compensation limit. Charlotte, however, has a higher level of pay. She is retiring in 2015 with 25 years of benefit service:

Date of birth: October 15, 1950

Hire date: November 1, 1989

Normal retirement date: November 1, 2015

Years of benefit service: 25 years

The following table shows Charlotte's salary for the 10 years immediately preceding her retirement, with the five highest-paid consecutive years highlighted. It assumes that her current annual rate of pay (in 2015) is \$100,000 and that her pay increased by 3% each year.

Year	Salary
2015	\$83,333
	(for 10 months worked)
2014	\$97,088
2013	\$94,260
2012	\$91,515
2011	\$88,850
2010	\$86,263
2009	\$83,750
2008	\$81,311
2007	\$78,943
2006	\$76,644

Total compensation for highest-paid five consecutive years during the last 10 years preceding the retirement date: \$457,976 (the sum of the shaded figures in the table)

Covered compensation limit: \$6,265 (for year 2015)

Step 1. Final average monthly compensation = $$457,976 \div 60 \text{ months (five years)} = $7,632.93$

Step 2. $1\% \times \$7,632.93 = \76.33

Step 3. $$76.33 \times 25 \text{ years} = $1,908.25$

Step 4. Final average monthly compensation exceeding covered compensation limit = \$7,632.93 - \$6,265.00 = \$1,367.93

Step 5. $0.5\% \times \$1,367.93 = \6.84

Step 6. $$6.84 \times 25 \text{ years} = 171.00

Step 7. Step 3 plus Step 6 = \$1,908.25 + \$171.00 = \$1,737.25

Charlotte's normal retirement benefit of \$1,737.25 is paid monthly for the rest of her life.

Early retirement benefit

If you choose early retirement, your monthly benefit will be calculated in the same way as your normal retirement benefit, using your years of service and final average monthly compensation as of your early retirement date. However, if you retire and begin receiving benefits before age 65 the amount of your monthly benefit will be reduced, because you are expected to receive more payments during a longer retirement period.

The amount by which your benefit payments will be reduced depends on the number of months between your early retirement date and your 65th birthday (up to a maximum of 120 months), as shown in this table:

For each month your retirement date precedes: a) your 65 th birthday, if you were born on the first of the month or b) the first day of the month that next follows your 65 th birthday, if you were not born on the first day of the month	Your benefit payments are reduced by
1 st through 60 th month	1/180 per month
61 st through 120 th month	1/360 per month

Following are examples of the reductions that would apply if you were to retire and begin receiving benefits on the following dates. (Although reductions are made on a monthly basis, for simplicity's sake this table uses only

whole years as examples, by assuming that you retire exactly on your birthday.)

If you retire on the date you reach this age	Your monthly retirement benefit is reduced by this percentage
65	0.00%
64	6.67%
63	13.33%
62	20.00%
61	26.67%
60	33.33%
59	36.67%
58	40.00%
57	43.33%
56	46.67%
55	50.00%

For example, suppose your monthly benefit at normal retirement age is \$1,050.00 per month. However, you decide to take early retirement on the date you turn 60 — which is 60 months prior to your 65th birthday — and begin receiving benefits immediately. Your normal benefit would be reduced as follows:

- Step 1. Normal monthly retirement benefit at age 65 = \$1,050
- Step 2. Reduction factor: 33.33% (60 months x 1/180 = 33.33%)
- Step 3. Normal monthly benefit multiplied by reduction factor \$1,050.00 x 33.33% = \$349.97 as the amount of your reduction
- Step 4. Normal monthly benefit minus reduction amount = \$1,050 \$349.97 = \$700.03

Therefore, if you took early retirement at age 60, your retirement benefit would be \$700.03

per month, based on the assumptions in this example.

If you leave your employer before you reach normal retirement age

If you leave your employer before you reach normal retirement age and are not vested, you are not eligible to receive a retirement benefit.

However, if you leave your employer after becoming vested in the plan but before you reach normal or early retirement age, you may begin to receive your benefits when you qualify for early or normal retirement. This benefit is called a "deferred vested benefit" — "vested" because you have the right to receive it, but "deferred" because you cannot receive it immediately; not until you later choose to begin receiving benefits according to the plan rules.

The amount of your deferred vested benefit is calculated in the same way as your normal retirement benefit, but is based on your years of service and final average monthly compensation as of the date you leave the employer.

Normally, your retirement benefits begin when you reach age 65 — but if you wish, you may stop working and begin receiving benefits any time after age 55. If you want your benefit to begin before you reach age 65, you must request and complete the required "Benefit Election Forms," which are available from the BJC Retirement Service Center at 1-800-239-4538. (Remember that monthly retirement benefits beginning before age 65 will be reduced.)

If you want to wait until you turn 65 before receiving your benefit, your employer will begin payment at that time. To do so, however, your employer must be able to contact you. Therefore, it is important that you notify the BJC Retirement Service Center at 1-800-239-4538 of any change in your address after you leave.

How your retirement benefit is paid

Now you've seen how the amount of your retirement benefit is calculated, according to different circumstances. However, the form in which your benefits are paid can be as important to you as the amount you receive.

Because people have different needs, our retirement plan lets you choose different forms of payment for receiving your retirement benefit.

Some forms of payment are **designated by law** as the required form of payment unless you choose a different option. The legally designated form of payment depends on whether you are married at the time payments start:

- If you are single, the designated form of payment is the "life-only" option, unless you have chosen another option.
- If you are married when payments start, the designated form of payment is the "joint-and-50%-survivor" option, unless you and your spouse have chosen another option.

This is important for you to know: You will receive payment under the legally designated form of payment that applies to you unless you (and your spouse if you are married) override it in writing and select another option. You must complete and return the required "Benefit Election Form" during the 90-day period that precedes the date your benefit payments are scheduled to begin.

Life-only Option

The life-only option is the legally designated form if you are single when payments begin, unless you choose another option according to the plan's rules. (The examples under *Calculating your retirement benefits* are based on the life-only option. If you choose another payment option, reductions will apply as explained later.)

As you might guess from its name, this option pays you a monthly benefit only during your lifetime — after your death, no additional payments will be made.

Joint-and-50%-survivor option

This payment form is the legally designated form if you are married when your retirement payments begin, unless you choose another option according to the plan's rules.

The joint-and-50%-survivor option pays you an income for your life. It also provides continuing protection for your spouse after your death. After you retire, if you die first your spouse will continue to receive, for his or her life, monthly payments equal to 50% of the amount you were receiving.

If, on the other hand your spouse dies first, you will continue to receive the same benefits you were receiving before, for the rest of your life (with no adjustments). At your death, all benefit payments will end.

You may choose someone other than your spouse as your beneficiary for this option, if your spouse agrees in writing. You must also obtain your spouse's written agreement if you are married and wish to choose any form of payment except a joint-and-survivor option. To signify these written agreements, you and your spouse must sign the "Spousal Waiver Form" that will be sent to you along with your Benefit Election Forms. This agreement must be witnessed by a notary public or a plan representative.

If you are not married, you may choose a joint-and-survivor option as an optional form of payment. In this case, you will need to designate a beneficiary as the recipient of the "survivor" benefits.

Your monthly benefit payments under this option will be reduced (compared to the life-

only option) to reflect the fact that additional payments are expected to be made after your death. (The adjustment is based on the statistical life expectancy of your spouse or other beneficiary.)

Joint-and-75%-survivor option

This payment form is similar to the joint-and-50%-survivor option, except the amount that is paid to your beneficiary will equal 75% of the amount that is paid to you.

Your monthly benefit payments under this option will be reduced further, however, to reflect the fact that a larger percentage of that benefit will continue to be paid after your death.

Joint-and-100%-survivor option

This payment form is similar to the joint-and-50%-survivor option, except the amount that is paid to your beneficiary will equal 100% of the amount that is paid to you.

Your monthly benefit payments under this option will be reduced further, however, to reflect the fact that a larger percentage of that benefit will continue to be paid after your death.

Life options with a minimum number of payments

These options are modified versions of the life-only option. Under these options, the plan pays you a monthly benefit for life — but a designated, minimum number of monthly payments are specified as "certain" to be made, even if you die before receiving them all. The remainder of the "certain" payments will be paid to your beneficiary.

There are three variations of this option — each with its own specified number of "certain" monthly payments, as shown in the table on the next page:

If you choose this option	And you die before receiving
Life-and-60-months-certain	60 monthly benefit payments, the plan will continue to make payments to your beneficiary until a total of 60 payments have been made (from the date of your retirement)
Life-and-120-months-certain	120 monthly benefit payments, the plan will continue to make payments to your beneficiary until a total of 120 payments have been made (from the date of your retirement)
Life-and-180-months-certain	180 monthly benefit payments, the plan will continue to make payments to your beneficiary until a total of 180 payments have been made (from the date of your retirement)

For example, suppose an employee chooses the life-and-60-months-certain option, but dies after receiving only 27 months of benefit payments. The employee's surviving beneficiary is entitled to receive payments for another 33 months, bringing the total monthly payments to 60.

Suppose, however, that the employee chooses the life-and-60-months-certain option and dies after receiving 72 monthly payments. Since the required 60 monthly payments have already been paid, the beneficiary would not be entitled to any additional monthly payments.

If you choose one of these options, the benefit amount per month is reduced to reflect the fact that more payments will continue after your death. The larger the number of benefit payments that are specified as "certain," the greater the amount of the reduction, and the smaller the monthly payments will be.

You may choose more than one beneficiary with these options and one or more contingent beneficiaries in case your primary beneficiary (or beneficiaries) should die.

If both you and all designated beneficiaries die before all the "certain" payments are made, the remaining "certain" payments will be paid to the estate of the person who died last.

Social Security level-income option

You become eligible to receive Social Security retirement benefits at age 62. If you retire before that age and receive retirement benefits from our plan under any of the options discussed so far, this means your total monthly retirement income will suddenly increase at age 62 when your Social Security benefits begin.

You may prefer a steadier income level throughout your retirement. If this is the case, consider our plan's Social Security levelincome option.

Under this option, our plan's monthly benefit payments before age 62 are increased, and after age 62 are decreased, based on the amount of your estimated Social Security benefits. As a result, your combined monthly retirement income (from both our plan and Social Security) will stay at about the same level after your Social Security benefits begin.

Note: In some cases, this adjustment may require that all of our plan's retirement benefits be paid before you reach age 62, and reduced after age 62 to zero. In other words, once Social Security begins, your benefit payments from our plan could stop altogether. This is most likely to happen in cases in which an individual has a small benefit because he or she has only a short term of service with the employer and retired as early as possible.

Benefits under this option are paid to you, for your life only. Payments are not made to any beneficiary.

Changing your payment option before benefit payments begin

Once your benefit payments begin, your payment option cannot be changed.

However, if benefit payments have not yet begun, you may change your form of payment. You may do so by filing a written request with the BJC Retirement Service Center before your benefit payments begin. Call the BJC Retirement Service Center at 1-800-239-4538 for filing instructions.

If you are married and wish to choose any payment option other than a joint-and-survivor option, or designate someone other than your spouse as your beneficiary, you must obtain your spouse's consent to do so as described under *Joint-and-50%-survivor option*.

If you are to receive benefits under one of the joint-and-survivor options, but your beneficiary dies before benefits begin, your chosen option will be considered void. Benefits will be paid according to whatever form is legally designated for your circumstances (married or single), unless you choose another option (or another beneficiary) before your benefits begin.

If you die before the date your benefits are scheduled to begin, then:

• If you are married and have a surviving spouse who qualifies for beneficiary payments, he or she will receive benefits under the joint-and-50%-survivor option — unless you have chosen either the joint-and-75%-survivor option or the joint-and-100%-survivor option. Any other optional payment form chosen by you will be void. If you have an hour of service on or after January 1, 2001, your surviving

- spouse may elect to receive his or her benefit in a lump sum of equivalent value.
- If you are single and do not have an hour of service on or after January 1, 2001, then no benefits will be paid to anyone at your death. Any optional payment form chosen by you will be void.
- If you have an hour of service on or after January 1, 2001 and have designated a beneficiary other than your spouse, your beneficiary will receive a lump sum of equivalent value to the joint-and-50%-survivor option unless you have chosen either the joint-and-75%-survivor option or the joint-and-100%-survivor option. Any other optional payment form chosen by you will be void.

Lump-sum payment of small benefits

If you leave your employer and the present value of your vested benefits is \$5,000 or less, it will be paid immediately. The "present value" of your benefit is calculated based on the life-only payment option and a normal life expectancy for you. If this "small benefit" rule applies to you, you may elect to receive your benefit in the form of a lump sum or a direct payment ("rollover") of all or a portion of your distribution to an Individual Retirement Account ("IRA") or to another employer-sponsored retirement plan by timely filing a written election with the BJC Retirement Service Center. If you fail to timely file a written election, your benefit will automatically be rolled over to an IRA in your name. The IRA will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. However, any IRA fees and expenses will be paid only from the IRA and not by your employer.

For further information concerning the automatic rollover provision, including the IRA provider and fees and expenses applicable in the case of an automatic rollover, please contact the BJC Retirement Service Center at 1-800-239-4538.

If you become disabled

If, before your normal retirement date, you become permanently and totally disabled while you're an active employee, and you have at least five years of vesting service, then you'll continue to earn 1,000 hours of service for each full year you are disabled. You will also earn hours of service for each partial year of disability calculated by multiplying 1,000 by the number of complete calendar months you were disabled that year divided by 12. As long as you continue to accrue a benefit (earning 1,000 hours of service pro-rated as described above) you shall not be regarded as having terminated service.

You'll continue to earn this service until the earliest of the following dates:

- The date you are no longer disabled.
- Your normal retirement date.
- The date you choose to begin receiving early retirement benefits.

Once you retire, you will begin receiving retirement benefits as if you had been working for your employer during your period of disability.

For the purpose of calculating your retirement benefit, the amount of your "compensation" for each full year you are disabled will be considered to be the same as what you were earning the last full year you worked before you became disabled. The amount of your "compensation" for each partial year you are disabled will be calculated by taking the amount you were earning as of the last full year you worked before you became disabled multiplied by the number of complete calendar months you were disabled that year divided by 12.

Except as otherwise described below, you are considered "permanently and totally disabled" if all of the following apply:

 You cannot perform all the essential duties of your regular job because of illness, accidental injury or pregnancy.

- You are under the continued care of a physician.
- You agree to undergo a medical examination whenever required by your employer to verify that you are still disabled.

After 24 months of such permanent and total disability you will then be considered permanently and totally disabled only if you cannot perform all the essential duties of any occupation for which you are or may reasonably become qualified.

If you are an employee of Physician Groups, L.C., you are considered "permanently and totally disabled" only if you meet the following requirements:

- As a result of your inability to perform all the essential duties of your regular job because of illness, accidental injury or pregnancy, you are earning less than 20% of what you were earning before your disability, unless you are taking part in a rehabilitative employment plan approved under the employer's long term disability plan. (The amount of your "pre-disability earnings" used to calculate this may be adjusted each year according to the cost of living as measured by the Consumer Price Index, but by no more than 10%.)
- You have been disabled for at least 180 days.
- You are under the continued care of a physician.
- You agree to undergo a medical examination whenever required by your employer to verify that you are still disabled.

For the purpose of the definition of "permanently and totally disabled" for employees of Physician Groups, L.C., your "job" is your specialty in the practice of medicine, if this applies. However, the restriction or loss of a license alone does not count as being disabled.

In any event, you will be deemed to be permanently and totally disabled as long as you are receiving disability benefits under the federal Social Security Act.

If you die before you retire

Different rules apply for determining whether any benefits will be paid if you die before you retire, depending on whether you earn an hour of service on or after January 1, 2001.

If you do not earn an hour of service on or after January 1, 2001

If you die before retirement and were not married to your spouse for at least one year as of the date of your death, **no benefits from the plan will be paid to anyone.**

On the other hand, if you die before retirement, are vested and were married to your spouse for at least one year as of the date of your death, your spouse will be entitled to a monthly benefit for his or her life. Your spouse's benefits will begin on the first day of the month following the later of:

- The date you would have reached age 55 (or, if your spouse does not choose to begin receiving benefits on that date, the date you would have reached age 65).
- The date of your death.

The amount of your spouse's monthly benefit will be 50% of your normal retirement benefit, with the following adjustments:

- If your spouse chooses to begin receiving benefits before your normal retirement date, the amount will be reduced by the factors given in the table under *Early retirement benefit*.
- The amount will be reduced by the same factor that's used to reduce the benefit paid under the life-only option to the amount paid under the joint-and-50% survivor option.

- However, if you elect either the joint-and-75%-survivor option or the joint-and-100%-survivor option with your spouse as the beneficiary, but die before the date your benefit payments begin, your spouse will receive benefits determined under that option.
- If the present value of your spouse's benefit is \$5,000 or less, it will be subject to the automatic rollover provision described in the section titled *Lump-sum* payment of small benefits on page 24, unless your spouse elects otherwise.

If you earn an hour of service on or after January 1, 2001

If you die before retirement and you are vested, your spouse or one or two beneficiaries you designate will be entitled to a benefit.

Designating a beneficiary

You may designate up to two beneficiaries to receive this benefit. A beneficiary must be either a person or a trust.

Designation of a beneficiary other than your spouse will be effective only if you meet one of these requirements:

- Your spouse consents to, and acknowledges the effect of, your beneficiary designation in writing and this consent is notarized or witnessed by a plan representative.
- You establish to the satisfaction of the plan administrator that no consent can be obtained because you have no spouse, your spouse cannot be located, or other circumstances consistent with federal law.

You may change your beneficiary designation at any time. If your original beneficiary designation needed your spouse's consent, you also need your spouse's consent to change the original beneficiary. Any spousal consent or demonstration that such consent is not possible will be effective only with respect to that spouse.

You may also name up to two contingent beneficiaries. Your contingent beneficiary(ies) become(s) the beneficiary(ies) only if your primary beneficiary(ies) fail to survive you. If you designate two primary beneficiaries, and one subsequently dies, the other primary beneficiary becomes the sole beneficiary.

If you do not designate any beneficiaries, or if no beneficiary that you designate survives you, then your surviving spouse will be your designated beneficiary. In addition, you may not designate a beneficiary (other than your spouse) before the first day of the plan year in which you reach age 35, so if you die before you reach age 35, the beneficiary will automatically be your surviving spouse. If you have no surviving spouse under either of these circumstances, then no benefit will be payable under the plan.

How the benefit is paid

If your beneficiary is your spouse, he or she will be entitled to a monthly benefit for his or her life. However, your spouse may elect to receive his or her benefit in a lump sum. If the present value of your spouse's benefit is \$5,000 or less, it will be subject to the automatic rollover provisions described in the section titled *Lump-sum payment of small benefits* on page 24, unless your spouse elects otherwise.

If your beneficiary is not your spouse, your beneficiary will receive the benefit in a lump sum

If payment of your retirement Benefit is to be made to a beneficiary who is a minor under state law, special rules will apply. You may designate a custodian in writing to receive the payment of your benefit for your Beneficiary. If you don't designate a custodian, or if the designated custodian dies before you, a custodial parent of the minor will be deemed to be the custodian. If there is no custodial parent, the legal guardian of the minor will be deemed to be the custodian.

The amount of the benefit

The amount of your beneficiary's benefit will be 50% of your normal retirement benefit, with the following adjustments:

- If the benefit is being paid in the form of a monthly benefit for the life of your surviving spouse, the amount will be reduced by the same factor that's used to reduce the benefit paid under the life-only option to the amount paid under the joint-and-50% survivor option.
- If the benefit is being paid in a lump sum, the amount will be converted to the single sum of equivalent value and reduced by the same factor that's used to reduce the benefit paid under the life-only option to the amount paid under the joint-and-50%-survivor option over your life and the life of your beneficiary.
- If benefits begin before your normal retirement date, the amount will be reduced by the factors given in the table under *Early retirement benefit*.

However, if you elect either the joint-and-75%-survivor option or the joint-and-100%-survivor option, but die before the date your benefit payments begin, your beneficiary will receive benefits determined under that option.

If the death benefit is paid to two beneficiaries, the amount of the survivor benefit will be calculated based on the age of the oldest beneficiary. If you name a trust as a beneficiary, the age of the survivor will be deemed to be your age at the time of your death for the purposes of determining the amount of the benefit payable.

When the benefit will be paid

If your spouse will receive monthly benefits, those benefits will begin on first day of the month, or as soon as administratively practicable after that date, following the later of:

• The date you would have reached age 55 (or, if your spouse does not choose to

begin receiving benefits on that date, the date you would have reached age 65).

• The date of your death

However, if your spouse or other beneficiary will receive a lump sum, that benefit will be paid on the first day of the month following the date of your death, or as soon as administratively practicable after that date.

Your beneficiary may directly rollover any lump sum distribution received under the Plan to an eligible retirement plan. In the case of a distribution to a beneficiary who is not your spouse, the direct rollover must be made to an IRA established on behalf of your non-spouse beneficiary. The IRA must be treated as an "inherited IRA", therefore it must be registered (for example, "Tom Smith as beneficiary of John Smith").

Transferring ownership of your retirement benefits

Before you receive your retirement benefit from the plan, you may not sell it, give it away, or use it as collateral for a loan. In addition, your creditors may not attach or garnish your benefits.

However, the plan may be required to pay some of your benefits to another person who is not your spouse or beneficiary as a result of a "qualified domestic relations order" (QDRO). You may obtain, without charge, a copy of the plan's procedures governing QDROs from the plan administrator. To assist in the preparation of a QDRO, you or your legal representation may contact the plan administrator to obtain a copy of the model QDRO for the plan that has been designed to satisfy the applicable rules.

A domestic relations order is a court order that names you as being responsible for providing payment or support to another person, usually as part of a marital property settlement or family support obligation. The order would direct the plan to pay some part of your benefit to someone else (usually a former spouse). The plan must comply with

such an order if it "qualifies" under the rules outlined in the law and is a QDRO.

How payment options or benefit accruals may be restricted or suspended

Federal law requires certain accelerated payment options, such as lump sums or Social Security level income options, to be restricted or suspended during periods when the Plan's level of funding does not meet certain standards. In addition, federal law requires that benefit accruals under the Plan will be suspended during periods when the Plan's level of funding does not meet certain standards. You will be notified by the Plan Administrator if these restrictions should ever apply to you.

How benefits may be forfeited or reduced

In the following situations, it is possible that retirement benefits may be forfeited or reduced:

- If you end your employment before becoming vested in the plan, no benefits will be paid.
- If you end your employment with a deferred vested right to a benefit under the plan, but die before your payments begin, no death benefit will be paid unless you have a surviving spouse or have designated a beneficiary.
- If you earn a vested benefit but die before you reach age 35 and you don't leave a surviving spouse.
- If you end your employment before becoming vested in any benefit under the plan, and your break-in-service is longer than five consecutive years. If you later return to employment, only the service after the break will count. (See the section called *Breaks-in-service*.)
- If the plan ends, you will be entitled to your vested retirement benefit to date to the extent there are sufficient funds in the plan's trust fund. If there are not enough funds to provide all such benefits, the

remaining benefits will be paid by an insuring agency called the Pension Benefit Guaranty Corporation (PBGC), subject to certain conditions and limitations. (See the sections called *Insured Retirement benefits* and *Changing or ending the plan*.)

 The benefits of certain participants may be limited to maximum amounts specified by law.

How benefits may be suspended

If you retire from the employer, begin receiving retirement benefits, and then return to work for the employer or an affiliate, your benefit payments may be suspended. When you are re-employed, your payments will end as soon as administratively feasible after the date in which you complete 1,000 hours of service in any plan year following the plan year in which you retired. If you leave the employer and return within the same plan year, no hours will be counted during the time you are not working for the employer.

Hours you were scheduled to work after December 31, 2005 but did not work due to your employer's low patient census will not be treated as hours of service in determining whether your benefit payments will be suspended after re-employment, or whether they will be resumed as described in the section called Resumption of suspended benefits.

Resumption of suspended benefits

If your retirement benefits are suspended because you have been re-employed by the employer or an affiliate and were paid for 1,000 or more hours in a plan year, they will resume when you retire again. Payments will resume as soon as administratively feasible effective with the first day of the month that falls on or next follows the day you stop working.

In addition, payments will resume following three consecutive months in which you complete less than 40 hours of service for each month. The first such payment will include payment for the month in which your payments resume and payment for the three consecutive calendar months in which you completed less than 40 hours of service.

When your resumed benefits are calculated, they may be reduced to reflect the fact that you have already received some of your retirement benefits. However, your resumed benefits cannot be reduced to less than the benefits you were receiving when you became re-employed, taking into account the optional form of benefit you were receiving as of such date of reemployment.

Insured retirement benefits

Your pension benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee 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 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 5 years at the time the plan terminates; (3) benefits that are not vested because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health

insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number) or (800) 400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000 or (800) 400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

Definitions of terms

Affiliate or affiliated organization

A member of the controlled group that includes BJC Health System.

Employer

BJC Health System, and any affiliate that has adopted this plan.

Married

Legally joined to your partner of the opposite sex in marriage as recognized by the state where you reside.

Normal retirement age

The date you have attained age 65 and have either completed five years of vesting service or marked the fifth anniversary of the date on which you became a participant in the plan.

Permanently and totally disabled

Except as otherwise described below, you are considered "permanently and totally disabled" if all of the following apply:

- You cannot perform all the essential duties of your regular job because of illness, accidental injury or pregnancy.
- You are under the continued care of a physician.
- You agree to undergo a medical examination whenever required by your employer to verify that you are still disabled.

After 24 months of permanent and total disability you will then be considered permanently and totally disabled only if you cannot perform all the essential duties of any occupation for which you are or may reasonably become qualified.

If you are an employee of Physician Groups, L.C., you are considered "permanently and totally disabled" only if you meet the following requirements:

- As a result of your inability to perform all the essential duties of your regular job because of illness, accidental injury or pregnancy, you are earning less than 20% of what you were earning before your disability unless you are taking part in a rehabilitative employment plan approved under the employer's long term disability plan. The amount of your "pre-disability earnings" used to calculate this may be adjusted each year according to the cost of living as measured by the Consumer Price Index, but by no more than 10%.)
- You have been disabled for at least 180 days.
- You are under the continued care of a physician.
- You agree to undergo a medical examination whenever required by your employer to verify that you are still disabled.

For the purpose of the definition of "permanently and totally disabled" for employees of Physician Groups, L.C., your "job" is your specialty in the practice of medicine, if this applies. However, the

restriction or loss of a license alone does not count as being disabled.

In any event, you will be deemed to be permanently and totally disabled as long as you are receiving disability benefits under the federal Social Security Act.

Plan

The plan is known formally as the **"BJC Pension Plan."**

Predecessor employer

An employer, designated by BJC, whose prior employees become eligible to participate in the Plan as a result of an acquisition of the employer by BJC Health System or an affiliate. You may contact the BJC Retirement Service Center at 1-800-239-4538 to determine whether you have service with a predecessor employer.

Single

Not married as defined by the plan.

Spouse

An individual will be treated as your "spouse" only if you and such individual are lawfully married (as determined under applicable law at the time and location where the marriage was performed). The marriage must be memorialized by a marriage certificate issued by an entity entrusted with the appropriate legal authority to recognize such marriage.

Plan administration information

Plan name and number

BJC Pension Plan Plan Number 333

Type of Plan

Defined benefit plan.

Employer identification number

The employer identification number assigned to BJC Health System by the Internal Revenue Service is 43-1617558.

Plan year

The calendar year.

Plan sponsor

BJC Health System (also known as BJC HealthCare).

You may direct correspondence to:

Committee, BJC Pension Plan 8300 Eager Road, Suite 300C Mailstop 92-92-248 St. Louis, MO 63144

Plan administrator

Committee, BJC Pension Plan 8300 Eager Road, Suite 300C Mailstop 92-92-248 St. Louis, MO 63144 (314) 362-0551

Agent for service of legal process

Committee, BJC Pension Plan 8300 Eager Road, Suite 300C Mailstop 92-92-248 St. Louis, MO 63144

Legal notices may also be served upon the trustee.

Funding

The plan is a trusteed pension plan administered by the plan administrator. Retirement benefits are paid from the assets accumulated in the trust fund established under the plan. Contributions are based on actuarial computations.

Type of administration

The plan is self-administered by BJC Health System.

Plan trustee

The Northern Trust Company 50 South LaSalle Street Chicago, IL 60603

Normal retirement age

The normal retirement age under this plan is the date a participant both:

Reaches age 65.

 Completes five years of vesting service or reaches the fifth anniversary of the date he or she began participating in the plan.

A participant who continues employment beyond his or her normal retirement age continues to participate in the plan.

Employment rights

Participation in this plan does not imply that an individual has any more employment rights than any other employee.

Top-heavy rules

Stated simply, any plan would be top-heavy if the value of the accrued benefits belonging to "key employees" is greater than 60% of the value of the accrued benefits for all employees. Key employees are generally officers, owners and highly paid employees. The IRS provides a complicated set of rules for determining if a plan is top-heavy in a given year.

It is very unlikely our plan will ever become top-heavy. However, if it does, a special set of rules will apply and may provide for a generally larger benefit for that year for the majority of employees. In addition, during years when the plan is top-heavy, only three years of vesting service (instead of five) will be required before an employee becomes vested.

Your ERISA rights

As a participant in the plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the plan administrator's office and at other specified locations, all documents governing the plan, including insurance contracts, and 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 Pension and Welfare Benefit Administration.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. 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. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

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 pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension 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 administrator. If you have a claim for benefits which 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 domestic relations order, you may file suit in Federal court. If it should happen that 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 a 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.

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 (formerly known as the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. 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.

If your claim is denied

If your claim for a benefit is denied, you must file a written request for a claim review in accordance with the procedures adopted by the Plan Administrator. The request may be filed with the Plan Administrator at the following address:

BJC Pension Plan Attn: Plan Administrator 8300 Eager Road, Suite 300C Mailstop 92-92-248 St. Louis, MO 63144

Upon receipt of your claim, the Plan Administrator will review your claim and render a decision within 90 days. If special circumstances require an extension of time beyond the initial 90-day period, prior to the end of the initial 90-day period the Plan Administrator will give you written notice of the extension, the special circumstances requiring the extension, and the date by which the Plan Administrator expects to render a final decision. In no event will an extension exceed a period of 90 days from the end of the initial 90-day period. If the Plan Administrator does not respond within the initial 90-day period or extended period, you will be deemed to have exhausted the claims and review procedures and you will be entitled to file suit in state or federal court.

If after review, your claim is again denied, you will receive a written notice that will:

- Inform you of the specific reason or reasons for the denial;
- Refer to the specific Plan provisions on which the denial is based;
- Describe any additional material or information necessary to perfect the claim and explain why the material is necessary; and
- Describe the Plan's review procedures and the time limits applicable to such

procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of an appeal;

If you are not satisfied with the decision of the Plan Administrator, you may submit a request for a review of the decision. Your request for a review must be addressed to:

BJC Pension Plan Attn: Plan Administrator 8300 Eager Road, Suite 300C Mailstop 92-92-248 St. Louis, MO 63144

The request for review must be made within 60 days after your receipt of the decision of the Plan Administrator, or else your right to challenge such decision will be lost. The Plan Administrator will, within 60 days of the receipt of your request, review and decide the case and render a detailed written decision. If special circumstances required an extension of time beyond the initial 60-day period, prior to the end of such initial 60-day period the Plan Administrator will provide you written notice of the extension, the special circumstances requiring the extension, and the date by which the Plan Administrator expects to render a final decision. In no event will an extension exceed a period of 60 days from the end of the initial 60-day period. The Plan Administrator shall possess and exercise discretionary authority to make determinations as to a claimant's eligibility for benefits and to construe the terms of the Plan. You will receive a copy of the Plan Administrator's final decision, which is binding on both you and the Plan. Any denial will include the specific reason or reasons for the denial, refer to the specific Plan provisions on which the denial is based, state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and state that you have the right to bring a civil action under Section 502(a) of ERISA.

You cannot bring any action against the Plan in any court unless the claims and appeals procedures described above have been fully exhausted. Any participant, beneficiary or claimant asserting any action in connection to the Plan under ERISA \$502, ERISA \$510 or any other provision of ERISA shall do so, if at all, within one (1) year after the cause of action accrued. A cause of action shall be deemed to have accrued the earliest of when the participant, beneficiary or claimant has exhausted his administrative remedies under the Plan, when the Plan Administrator fails to produce documents in the time or manner required by ERISA in response to the participant's, beneficiary's or claimant's written request, when the claimant first was advised that he was an independent contractor, when the participant, beneficiary or claimant first knew or should have known of the action allegedly violating ERISA § 510, or when a Plan fiduciary has clearly repudiated the claim (even if not yet filed) and such repudiation is known to the participant, beneficiary or claimant. Failure to bring an action in court within this time frame shall preclude a participant, beneficiary or claimant from bringing any action in court.

Any action in connection with the Plan, whether brought under ERISA §502 or any other provision of ERISA by a participant or beneficiary under the Plan or any other person, may only be brought in a federal district court sitting within the Eastern District of Missouri.

Disability Benefit Claims

Notwithstanding the claims and review procedures set forth above, if a determination of permanent disability must be made in order to decide a claim, the claim will be considered a disability claim subject to the following procedures.

The Plan Administrator will respond to a disability claim within a reasonable period of time, but no later than 45 days after receipt of the disability claim. If the Plan Administrator determines that an extension to process the disability claim is necessary due to matters

beyond its control, the Plan Administrator may extend the 45-day response period for up to 30 days by notifying you, prior to the termination of the initial 45-day period, of the circumstances requiring the extension of time and the date by which it expects to respond. If the Plan Administrator determines that an additional extension is necessary, the Plan Administrator may extend the response period for up to an additional 30 days by notifying you, prior to the termination of the first 30-day extension period, of the circumstances requiring the extension of time and the date by which it expects to respond. An extension notice will include the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the disability claim, and the additional information needed to resolve those issues. If the reason for the extension is your failure to provide necessary information to decide the claim, the determination period will be tolled from the date notice of insufficiency is given, until you respond to the notice. You will have 45 days within which to provide the specified information.

If your claim is denied, the Plan Administrator will:

- Inform you of the specific reason or reasons for the denial;
- Refer to the specific Plan provisions on which the denial is based;
- Describe any additional material or information necessary to perfect the claim and explain why the material is necessary;
- Describe the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of an appeal; and
- Refer to any specific guidelines that were relied upon in issuing the denial, or state that such guidelines will be provided to you free of charge upon request.

If your claim is denied in whole or in part, you or your duly authorized representative may, within 180 days after receiving the denial:

- Make written application to the Plan Administrator for a review of the decision. The application must be on a form specified by the Plan Administrator and submitted with such documentation as required by the Plan Administrator;
- Review, upon request and free of charge, all documents, records and other information in the possession of the Plan Administrator or the Plan Administrator which are relevant to the disability claim; and
- Submit written comments, documents, records and other information relating to the claim.

The Plan Administrator will review all comments, documents, records, and other information you submit, without regard to whether such information was submitted or considered in the initial benefit determination. The Plan Administrator's review shall not afford deference to the initial adverse benefit determination. The individual(s) conducting the decision on review shall not be the individual(s) who made the initial adverse decision, nor the subordinates of such individual(s).

In the case of an appeal involving medical judgment, the Plan Administrator will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The health care professional consulted will be an individual who is neither an individual who was consulted in connection with the initial denial, nor the subordinate of any such individual. If requested by the claimant, the Plan Administrator will identify the medical or vocational expert whose advice was obtained on behalf of the Plan, without regard to whether the advice was relied upon in making the benefit determination.

The Plan Administrator will respond to your appeal no later than 45 days after you file your appeal. If the Plan Administrator determines that an extension to process the appeal is necessary due to special circumstances, the Plan Administrator may extend the 45-day response period for up to 45 days by notifying you, prior to the termination of the initial 45day period, of the circumstances requiring the extension of time and the date by which it expects to render a decision. If the reason for the extension is your failure to provide necessary information to decide the appeal, the determination period shall be tolled from the date notice of insufficiency is given, until you respond to the notice.

Any denial will be furnished in writing or electronically, and will include the specific reason or reasons for the denial, refer to the specific Plan provisions on which the denial is based, refer to any specific guidelines that were relied upon in issuing the denial, or state that such guidelines will be provided to you free of charge upon request, state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and state that you have the right to bring a civil action under Section 502(a) of ERISA.

You can't bring any action against the Plan in any court unless the claims and review procedures prescribed above have been fully exhausted. Any participant, beneficiary or claimant asserting any action in connection to the Plan under ERISA §502, ERISA §510 or any other provision of ERISA shall do so, if at all, within one (1) year after the cause of action accrued. A cause of action shall be deemed to have accrued the earliest of when the participant, beneficiary or claimant has exhausted his administrative remedies under the Plan, when the Plan Administrator fails to produce documents in the time or manner required by ERISA in response to the participant's, beneficiary's or claimant's written request, when the claimant first was advised that he was an independent contractor, when the participant, beneficiary or claimant first

knew or should have known of the action allegedly violating ERISA § 510, or when a Plan fiduciary has clearly repudiated the claim (even if not yet filed) and such repudiation is known to the participant, beneficiary or claimant. Failure to bring an action in court within this time frame shall preclude a participant, beneficiary or claimant from bringing any action in court.

Changing or ending the plan

While BJC Health System and the affiliates who have adopted this plan hope to continue the plan indefinitely, BJC Health System has the legal right to change or end the plan at any time, and any participating employer has the legal right to end its participation in the plan at any time. However, this cannot decrease any benefit you have accrued under the plan.

If the plan ends, or only part is ended in a way that affects you, you will immediately be 100% vested in the benefits you have earned as of the termination date, to the extent the plan has sufficient assets. Benefits will be paid, according to law, as described below. Fund assets would be used to provide benefits to retirees, beneficiaries and active participants up to the total amount of assets in the fund. Any money remaining in the fund may be returned to the employer after all required benefits have been provided.

Once approval to terminate the plan has been received from the Pension Benefit Guaranty Corporation (PBGC), plan benefits would be paid in the order prescribed by law. If for any reason the funds are insufficient to pay full benefits to all participants, payment would be made in this order:

- 1. First, those benefits that were already in the process of being paid before the beginning of the three-year period preceding the date the plan ended. This includes benefits that could have been in the process of being paid before the beginning of that three-year period.
- 2. Second, all other benefits of individuals under the plan that are guaranteed by the

PBGC under the termination-insurance provisions of ERISA.

- 3. Third, all other vested benefits under the plan.
- 4. Fourth, all other benefits under the plan.

If the plan is merged or consolidated with another plan, or if its assets are transferred to another plan, your current accrued benefit will be protected to the extent that there are sufficient funds in the plan.

If the current plan ends immediately after the change, your benefit under the new plan would at least equal the amount you would be entitled to if the current plan had ended on the date before the change.

If you transfer to or from an affiliate

Transfer between affiliates that participate in the plan ("participating organization")

If you transfer directly between two employers whose employees participate in the plan ("participating organizations"), you have not terminated employment for purposes of the plan and all of your service with both employers will count for all purposes under this plan. If you do not transfer directly between two such employers, i.e., you terminate employment with one participating organization and are later hired by another participating organization, your prior service will count toward the plan's requirements for eligibility, vesting and benefits, unless you have had breaks-in-service for five consecutive years as described under the heading "Breaks-in-service" on page 12.

Transfers from an affiliate that does not participate in the plan ("excluded organization")

If you transfer directly from an affiliate whose employees are excluded from participation in this plan ("excluded organization") to a participating organization, and, prior to the transfer you participated in a "defined contribution plan" sponsored by that excluded organization which provided Non-Elective Contributions, the following special rule will apply. The service credited to you under the defined contribution plan of the excluded organization counts toward this plan's requirements for eligibility and vesting. However, it does not count toward your benefit service under this plan. If you have less than 1,000 hours of service after you transfer to this plan, you will receive benefit service for the plan year of your transfer equal to your hours of service earned on or after the date of your transfer divided by 1,000.

If you do not transfer directly from the excluded organization, i.e., you terminate employment with the excluded organization and are later hired by a participating organization, the service credited to you under the defined contribution plan will count toward this plan's requirements for eligibility and vesting unless you have had breaks-inservice for five consecutive years as described under the heading "Breaks-in-service" on page 12.

A "defined contribution plan" means a plan whose benefit payout depends on contributions that you or your employer pays into the plan and their resulting investment earnings. A 401(k) plan would be an example. In contrast, the plan summarized in this SPD is a "defined benefit plan," meaning it is a pension plan that pays its benefits according to a specified formula.

Transfer to an excluded organization

If you participate in this plan and you transfer directly from a participating organization to an excluded organization, the following rules will apply. You will remain a participant in this plan and cannot become eligible for Non-Elective Contributions under the defined contribution plan of the excluded organization. You will continue to accrue vesting and benefit service under this plan for your hours of service with the excluded organization, and your final average compensation will take into account compensation and hours of service as an

employee of the excluded organization. If eligible, you may also participate in the BJC 401(k) Plan or the BJC 403(b) Plan.

If you do not transfer directly from a participating organization to the excluded organization, i.e., you terminate employment with a participating organization and are later hired by an excluded organization, you will remain a participant in this plan and cannot become a participant in the defined contribution of the excluded organization. You will continue to accrue vesting and benefit service under this plan for your hours of service with the excluded organization, and your final average compensation will take into account compensation and hours of service as an employee of the excluded organization unless you have had breaks-in-service for five consecutive years as defined under the heading "Breaks-in-service" on page 12.

If you feel any if the above situations apply to you, you may call the BJC Retirement Service Center at 1-800-239-4538 for more information about the impact on your benefits and plan participation.

Certain transfers from Washington University to the employer

If, prior to September 1, 2001, you transferred from employment with Washington University to the status as an Employee of Physician Groups, L.C. and such transfer occurred at the request of either Washington University or Physician Groups, L.C. under circumstances such that, absent such transfer, you would have lost your employment with Washington University, you will become eligible to participate in the Plan on the later of (i) the date you become an Employee or (ii) the date you satisfies the eligibility requirements described on page 9 taking into account all Hours of Employment with Washington University. For purposes of vesting, your Hours of Employment with Washington University shall count as Hours of Employment under this Plan.

Appendix I: Special Provisions for transferred employees

BJC Health System includes several organizations that were previously independent and had their own retirement plans. There are also certain organizations with which BJC Health System has close relationships, but that have not adopted this plan.

This appendix describes the provisions that apply to transferred employees.

Note: The term "retirement plan" in this appendix always refers to a plan that, like the BJC Pension Plan, is a pension or "defined benefit" plan — meaning that it pays its benefits according to a specified formula. It does not include plans, such as 401(k) or 403(b) plans, whose benefit payout depends on contributions that you or your employer pays into the plan and their resulting investment earnings.

Note: Some employees are also "grandfathered." This means another set of special provisions applies to them which is intended to protect certain rights and benefits these employees had under an affiliated organization's previous retirement plan. The special provisions for grandfathered employees are described separately in the following appendices to this SPD:

- Appendix II: Grandfathered employees who are former employees of Barnes Hospital (Including satellite locations)
- Appendix III: Grandfathered employees who are former employees of CH Allied Services, Inc. (including Boone Hospital)
- Appendix IV: Grandfathered employees who are former employees of Missouri Baptist Medical Center
- Appendix V: Grandfathered employees who are former employees of St. Louis Children's Hospital
- Appendix VI: Grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan

Coordinate Employers

Effective January 1, 2004, if you were involuntarily transferred to your employer from Alton Memorial Hospital, or any other employer that may be designated under the plan as a "coordinate employer," your hours of service with Alton Memorial Hospital or the other coordinate employer in the year of your transfer will count as hours of service for purposes of determining if you meet the eligibility service requirement of the plan and determining your vesting service and benefit service.

Eligibility

In general, the normal eligibility rules apply for transferred employees, including the requirement that you complete 1,000 hours in your first 12 months of employment or a subsequent plan year before you begin earning a benefit. Your service with the employer is considered to begin on the date you were hired by any of these affiliates:

- Barnes Hospital.
- The Jewish Hospital of St. Louis.
- CH Allied Services, Inc.
- Christian Hospital Northeast-Northwest.
- Missouri Baptist Medical Center.
- St. Louis Children's Hospital

However, there is this exception to the normal rules regarding service requirements: If you were hired before January 1, 1996, by CH Allied Services, you are only required to have completed 832 hours (instead of 1,000) in your first 12 months of employment to begin accruing a benefit, provided you met the age and service requirements of the Retirement Plan for Employees of CH Allied Services, Inc., before January 1, 1997. (If you did not complete 832 hours during your first 12 months of employment, the plan will instead consider the first subsequent calendar year in which you completed 832 hours.)

If you transferred from Washington University to Physician Groups, L.C. prior to September 1, 2001, the transfer occurred at the request of either Washington University or Physician Groups, L.C. and you would have lost your job with Washington University if you did not transfer, then you are eligible to participate in the plan on the later of the date you become an employee or the date you meet the eligibility requirements for the plan. For purposes of determining if you meet the eligibility requirement and determining your vesting service, all of your hours of service with Washington University shall count as hours of service under this plan.

If you were a transferred employee under Appendix I to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a transferred employee under this Appendix.

Factors that affect your retirement benefit

Several factors affect the benefit amount you may receive when you retire.

Your participation in other retirement plans

Your benefit under our current plan will include benefits based on your previous participation in any of the following retirement plans of affiliates:

- The Barnes Hospital Pension Plan
- The Barnes Hospital Pension Plan for Barnes West County Hospital
- The Barnes Hospital Pension Plan for Barnes St. Peter's Hospital
- The Barnes Hospital Pension Plan for BarnesCare, Inc., Barnes Continuing Care Corporation, and Barnes Health Ventures, Inc.

- The Jewish Hospital of St. Louis Employees Retirement Plan
- The Retirement Plan for Employees of Christian Hospital Northeast-Northwest
- The Retirement Plan for Employees of Missouri Baptist Medical Center
- The Retirement Plan for Employees of CH Allied Services, Inc.
- The Retirement Plan for Employees of St. Louis Children's Hospital

Your pay

If you are a transferred employee, your retirement benefit is based in part on your pay. However, special rules apply if you are a transferred employee who participated in any of the following retirement plans:

- The Jewish Hospital of St. Louis Employees Retirement Plan
- The Retirement Plan for Employees of Christian Hospital Northeast-Northwest
- The Retirement Plan for Employees of Missouri Baptist Medical Center
- The Retirement Plan for Employees of CH Allied Services, Inc.

If you were a participant in any of those plans, your benefit accrued during employment before 1996 is based on your "base pay," which is defined as follows:

- For the calendar years 1995 and earlier: "Base pay" means whatever form of pay was used to calculate your benefit under your previous plan.
- For calendar years after 1995: "Base pay" means the same thing as "compensation" as defined by our current plan. It is your salary, wages and any other income that's reported in Box 1 of your W-2 form, plus the amount of any paycheck deductions made for contributions to a 401(k), 403(b) or "cafeteria" plan sponsored by the employer. However, "base pay" does not include overtime pay, management incentive pay, executive allowances,

imputed income related to the use of employer cars, cash awards, retirement gifts, miscellaneous bonuses or other miscellaneous forms of compensation.

However, under federal law, base pay in excess of \$265,000 per year is not included in the calculation of your retirement benefit. (This \$265,000 limit was lower for years prior to 2015, and may be adjusted upward from year to year to reflect increases in the cost of living.)

If you transfer to the employer from an affiliate that does not participate in this plan, compensation you received from that organization will be treated as "compensation" under this plan.

The plan will use your "final average monthly base pay" in calculations in the same way it uses "final average monthly compensation."

"Final average monthly base pay" is calculated in the same way that "final average monthly compensation" is: The plan looks at the past 10 plan years, and determines the five consecutive years within this period during which you received the most total base pay. The plan then calculates your average monthly base pay for these five years. This amount is your "final average monthly base pay."

The calculation of your final average base pay does not include any plan years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than five consecutive years of employment, your total base pay amount will simply be divided by your completed calendar months of employment to get the monthly average.

Vesting service

In general, the normal rules for determining vesting service apply to transferred employees. Your service with the employer is considered to begin on the date you were hired by any of these affiliates:

- Barnes Hospital (including satellite locations).
- The Jewish Hospital of St. Louis.
- CH Allied Services, Inc.
- Christian Hospital Northeast-Northwest.
- Missouri Baptist Medical Center.
- St. Louis Children's Hospital.

However, there is this exception to the normal rules regarding vesting service: If you had at least three years of service with CH Allied Services, Inc., as of December 31, 1996, then you earn a year of vesting service for each year in which you complete 832 (instead of 1,000) hours of service.

Benefit service

In general, the normal rules for determining benefit service apply to transferred employees. Your service with the employer is considered to begin on the date you began participating in any of the retirement plans listed in the section called *Your participation in other retirement plans*.

In addition, if you transfer to the employer from an affiliate that does not participate in this plan, and you otherwise qualify as an employee at the time of your transfer, the years of service for which you accrued a benefit under a related retirement plan of the listed organizations will be treated as benefit service under this current plan.

Calculating your normal retirement benefit

In general, the normal retirement benefit for transferred employees is calculated using the plan's regular formula. It will include compensation, base pay and benefit service earned both before and after the transfer, as described in the main section of this SPD and in this appendix.

However, special rules apply to certain former participants in these related plans. These rules apply to you if you either:

- Were eligible to participate in one of the listed plans on December 31, 1996, and became a participant in our current plan on January 1, 1997.
- Were actively participating in one of the listed plans at the time you transferred to the employer, and under that plan you had accrued a benefit for employment before 1996.

If this is the case, your monthly normal retirement benefit will be 1/12 of the following:

The annual benefit you accrued under your previous plan as of December 31, 1995, recalculated to reflect your final average base pay and covered compensation as of the day you stop working for the employer participating in this current plan

+

The annual benefit determined under this current plan's regular formula, but only for benefit service earned after December 31, 1995

-

The amount of the benefit paid to you under your previous retirement plan (unless the assets necessary to fund the benefit under that plan have already been transferred to this plan)

In addition, special benefit formulas apply to employees who participated in the retirement plans maintained by The Jewish Hospital of St. Louis and Christian Hospital Northeast-Northwest.

Pre-1996 formula for The Jewish Hospital of St. Louis

If you participated in The Jewish Hospital of St. Louis Employee Retirement Plan, your monthly normal retirement benefit for your service before January 1, 1996, is figured as shown below:

Your final 0.875% X Your final average monthly base pay	X	Your years of benefit service before 1/1/96
--	---	---

+

Your final average monthly base 0.500% X pay over the covered compensation limit	Your years of benefit service before 1/1/96 (up to a maximum of 35 years)
--	---

Pre-1996 formula for Christian Hospital Northeast-Northwest

If you participated in the Retirement Plan for Employees of Christian Hospital Northeast-Northwest, your monthly normal retirement benefit for your service before January 1, 1996, is figured as shown below:

	Your years of benefit service before 1/1/96 (up to a maximum of 40 years)
--	--

+

0.620% X	Your final average monthly base pay over the covered compensation limit	X	Your years of benefit service before 1/1/96 (up to a maximum of 35 years)
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Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, our plan makes certain adjustments

to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for transferred employees are made in the normal way, except that reductions may be limited so that the transferred employee's total benefit is no less than it would have been under the employee's previous plan.

Special provisions for grandfathered employees

Certain former employees of the following organizations are "grandfathered," and special plan provisions apply to them:

- Barnes Hospital (including satellite locations).
- CH Allied Services, Inc.
- Missouri Baptist Medical Center.
- St. Louis Children's Hospital.

The provisions for these grandfathered employees are given in the following sections — Appendices II, III, IV and V. The definition of a grandfathered employee varies and is given in each organization's specific section.

Note: The term "retirement plan" in the following appendices always refers to a plan that, like the BJC Pension Plan, is a pension or "defined benefit" plan — meaning that it pays its benefits according to a specified formula. It does not include plans, such as 401(k) or 403(b) plans, whose benefit payout depends on contributions that you or your employer pays into the plan and their resulting investment earnings.

Appendix II: Grandfathered employees who are former employees of Barnes Hospital (including satellite locations)

If you are a former employee of Barnes Hospital, you are grandfathered if all of the following apply to you.

- You were actively employed by the employer participating in this current plan as of January 1, 1997.
- On December 31, 1996, you were an active participant in the Barnes Hospital Pension Plan or one of the pension plans of a Barnes satellite location. (These plans include the Barnes Hospital Pension Plan for Barnes West County Hospital, the Barnes Hospital Pension Plan for Barnes St. Peter's Hospital, and the Barnes Hospital Pension Plan for Barnes Care, Inc., Barnes Continuing Care Corporation, and Barnes Health Ventures, Inc.)
- You were a "grandfathered employee" under the terms of the Barnes Hospital Pension Plan, meaning:
 - You were hired before January 1, 1996.
 - You met the age and service requirements of the Barnes Hospital Pension Plan (or the pension plan of a Barnes satellite location) on or before December 31, 1996.
 - You either were an active "employee" as defined by the Barnes Hospital Pension Plan (or the pension plan of a Barnes satellite location) on December 31, 1996; you retired during 1996; or you stopped working for Barnes Hospital during 1996 after being vested.

If you are a former employee of Barnes Hospital, you will also be grandfathered if the following applies to you: • You transferred directly from Barnes-Jewish Hospital after January 1, 1997, to a position where you qualify as an employee under the current plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the Retirement Plan for Employees of Barnes-Jewish Hospital.

If you are a grandfathered employee and you terminate employment with the employer, then are later re-employed, you will be a grandfathered employee during your re-employment if you are re-employed within 30 days (or six months, if your earlier termination was caused by the elimination of your job).

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Benefit service

In general, the normal rules for determining benefit service apply to grandfathered employees of Barnes Hospital. However, the calculation of your benefit service will include all hours of service that you accrued under the Barnes Hospital Pension Plan before January 1, 1997.

Calculation your normal retirement benefit

If you are a grandfathered former employee of Barnes Hospital, your normal retirement benefit is calculated according to a special formula. This calculation uses a limiting figure called a "breakpoint" (similar in function to the "covered compensation limit" used by our plan's regular formula). This breakpoint was set at \$25,500 for the plan year beginning January 1, 1997, and is increased by 6% (rounded to the nearest \$100), on the first day of each plan year.

Examples of the breakpoint for the years 1997 through 2015 are shown in this table:

Plan year	Breakpoint
1997	\$25,500
1998	\$27,000
1999	\$28,600
2000	\$30,300
2001	\$32,100
2002	\$34,000
2003	\$36,000
2004	\$38,200
2005	\$40,500
2006	\$42,900
2007	\$45,500
2008	\$48,200
2009	\$51,100
2010	\$54,200
2011	\$57,500
2012	\$61,000
2013	\$64,700
2014	\$68,600
2015	\$72,700

If you are a grandfathered employee of Barnes Hospital, your monthly normal retirement benefit is figured as shown below:

Your final average monthly compensation	X	Your years of benefit service
---	---	-------------------------------

Your final Your years of average benefit service monthly (up to a over the breakpoint Your years of benefit service X maximum of 35

This benefit calculation will consider compensation and benefit service earned both before and after your transfer to the employer. There is a minimum monthly benefit equal to \$8 times your completed years (and completed months, counted as fractional years) of continuous employment with the employer, including an affiliate. This minimum monthly benefit is calculated before any benefit reductions for the amount of benefits paid under the Barnes Hospital Pension Plan.

For purposes of calculating this minimum benefit, your period of continuous employment begins with your most recent hire date and ends when you stop working for the employer.

However, if you stop working after December 20, 1975, because of a disability, and your disability ends and you later become re-employed, your period of continuous employment before your disability will be included with your employment after your disability. Otherwise, your continuous employment does not include any time you were not an employee of the employer or an affiliate.

Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, our plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for grandfathered Barnes Hospital employees are generally made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefit is no less than it would have been under the Barnes Hospital Pension Plan as of September 30, 1996.

Special formula for benefit reductions for early retirement

If you are a grandfathered Barnes Hospital employee and you take early retirement, reductions to your monthly benefit are *not* figured as described under *Early retirement* benefit on page 19

Instead, reductions are applied according to this table:

For each month (up to 120 months) your retirement date precedes

a) your 65th birthday, if you were born on the first of the month

O:

b) the first day of the month that next follows your 65th birthday, if you were not born on the first of the month

Your benefit payments are reduced by 1/300th

However, if you stop working after you reach age 62 and complete 30 years of vesting service there will be no reductions for early retirement applied to your benefits.

In addition, if your benefits are partly based on benefits from the Barnes Hospital Pension Plan, your early retirement benefit will not be less than what it would have been if you had taken early retirement under the Barnes Hospital Pension Plan, based upon that plan's provisions and your benefit as of September 30, 1996.

Appendix III: Grandfathered employees who are former employees of CH Allied Services, Inc. (including Boone Hospital)

If you are a former employee of CH Allied Services, Inc., you are grandfathered if all of the following apply to you:

- You were actively employed by the employer participating in this current plan as of January 1, 1997.
- On December 31, 1996, you were an active participant in the Retirement Plan for Employees of CH Allied Services, Inc.
- You were a "grandfathered employee" under the terms of the Retirement Plan for Employees of CH Allied Services, Inc., meaning:
 - You were hired before January 1, 1996.
 - You met the age and service requirements of the Retirement Plan for Employees of CH Allied Services, Inc., on or before December 31, 1996.
 - You either were an active "employee" as defined by the Retirement Plan for Employees of CH Allied Services, Inc., on December 31, 1996; you retired during 1996; or you stopped working for CH Allied Services, Inc., during 1996 after being vested.

If you are a former employee of CH Allied Services, Inc., you will also be grandfathered if the following applies to you:

 You transferred directly from CH Allied Services Inc., after January 1, 1997, to a position where you qualify as an employee under this current plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the Retirement Plan for Employees of CH Allied Services, Inc.

If you are a grandfathered employee and you terminate employment with the employer, and then are later re-employed, you will be a grandfathered employee during your re-employment if you are re-employed within 30 days (or six months, if your earlier termination was caused by the elimination of your job).

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Eligibility

Your service with the employer is considered to begin on the date you were hired by CH Allied Services, Inc.

Most of the plan's regular rules for eligibility apply. However, if you were hired before January 1, 1996, by CH Allied Services, you are only required to have completed 832 hours (instead of 1,000) in your first 12 months of employment to begin accruing a benefit, provided you met the age and service requirements of the Retirement Plan for Employees of CH Allied Services, Inc., before January 1, 1997. (If you did not complete 832 hours during your first 12 months of employment, the plan will instead consider the first subsequent calendar year in which you completed 832 hours.)

Using your pay to determine your benefit

If you are a grandfathered employee of CH Allied Services, Inc., your retirement benefit is based in part on both your "compensation" (as defined under the normal rules of the plan) and your "base pay."

In your benefit calculations, "base pay" is used instead of "compensation" to calculate

benefits you accrued during employment before 1996. Your "base pay' is defined as follows:

- For the calendar years 1995 and earlier:
 "Base pay" means whatever form of pay was used to calculate your benefit under the CH Allied Services, Inc., plan.
- For calendar years after 1995: "Base pay" means the same thing as "compensation" as defined by our current plan. It is your salary, wages and any other income that's reported in Box 1 of your W-2 form, plus the amount of any paycheck deductions made for contributions to a 401(k), 403(b) or "cafeteria" plan sponsored by the employer. However, "base pay" does not include overtime pay, management incentive pay, executive allowances imputed income related to the use of employer cars, cash awards, retirement gifts, miscellaneous bonuses or other miscellaneous forms of compensation.

However, under federal law, base pay in excess of \$265,000 per year is not included in the calculation of your retirement benefit. (This \$265,000 limit was lower for years prior to 2015, and may be adjusted upward from year to year to reflect increases in the cost of living.)

If you transfer to the employer from an affiliate that does not participate in this plan, compensation you received from that organization will be treated as "compensation" under this plan.

The plan will use your "final average monthly base pay" in its calculations in the same way it uses "final average monthly compensation."

"Final average monthly base pay" is calculated in the same way that "final average monthly compensation" is: The plan looks at the past 10 plan years, and determines the five consecutive years within this period during which you received the most total base pay. The plan then calculates your average monthly base pay for these five years. This amount is your "final average monthly base pay."

The calculation of your final average base pay does not include any plan years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than five consecutive years of employment, your total base pay amount will simply be divided by your completed calendar months of employment to get the monthly average.

Vesting service

Your service with the employer is considered to begin on the date you were hired by CH Allied Services, Inc.

In general, the normal rules for determining vesting service apply to transferred employees. However, if you had at least three years of service with CH Allied Services, Inc., as of December 31, 1996, then you earn a year of vesting service for each year in which you complete 832 (instead of 1,000) hours of service.

Benefit Service

In general, the normal rules for determining benefit service apply to grandfathered employees of CH Allied Services, Inc. However, the calculation of your benefit service will include all hours of service you accrued before January 1, 1997.

Calculating your normal retirement benefit

If you are a grandfathered employee of CH Allied Services, Inc. your monthly normal retirement benefit is figured as shown below:

1.2% X	Your final average monthly base pay	Your years of X benefit service before January 1, 1996
	+	

Your final Your years of average monthly compensation X Becember 31, 1995

Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, our plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for grandfathered employees of CH Allied Services, Inc., are made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefit is no less than it would have been under the Retirement Plan for Employees of CH Allied Services, Inc., as of September 30, 1996.

Appendix IV: Grandfathered employees who are former employees of Missouri Baptist Medical Center

If you are a former employee of Missouri Baptist Medical Center, you are grandfathered if all of the following apply to you:

- You were actively employed by the employer participating in this current plan as of January 1, 1997.
- On December 31, 1996, you were an active participant in the Retirement Plan for Employees of Missouri Baptist Medical Center.
- You were a "grandfathered employee" under the terms of the Retirement Plan for Employees of Missouri Baptist Medical Center meaning:
 - You were hired before January 1, 1996.
 - You met the age and service requirements of the Retirement Plan for Employees of Missouri Baptist Medical Center on or before December 31, 1996.
 - You either were an active "employee" as defined by the Retirement Plan for Employees of Missouri Baptist Medical Center on December 31, 1996; you retired during 1996; or you stopped working for Missouri Baptist Medical Center during 1996 after being vested.

If you are a former employee of Missouri Baptist Medical Center, you will also be grandfathered if the following applies to you:

 You transferred directly from Missouri Baptist Medical Center after January 1, 1997, to a position where you qualify as an employee under this current plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the Retirement Plan for Employees of Missouri Baptist Medical Center.

Unless other provisions of the plan say otherwise, if you are a grandfathered employee and you stop working for the employer or an affiliate and are later reemployed by one of those organizations, you will still be a grandfathered employee during the second period of employment only if it begins within 30 days after the previous period of employment ends. (In a case where the original period of employment ends because your job was eliminated, you will still be a grandfathered employee during the second period of employment if it begins within *six months* after the previous period of employment ends.)

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Using your pay to determine your benefit

If you are a grandfathered employee of Missouri Baptist Medical Center, your retirement benefit is based in part on both your "compensation" (as defined under the normal rules of the plan) and your "base pay."

In your benefit calculations, "base pay" is used instead of "compensation" to calculate benefits you accrued during employment before 1996. Your "base pay" is defined as follows:

- For the calendar years 1995 and earlier:
 "Base pay" means whatever form of pay was used to calculate your benefit under the Missouri Baptist Medical Center plan.
- For calendar years after 1995: "Base pay" means the same thing as "compensation"

as defined by our current plan. It is your salary, wages, and any other income that's reported in Box 1 of your W-2 form, plus the amount of any paycheck deductions made for contributions to a 401(k), 403(b) or "cafeteria" plan sponsored by the employer. However, "base pay" does not include overtime pay, management incentive pay, executive allowances, imputed income related to the use of employer cars, cash awards, retirement gifts, miscellaneous bonuses or other miscellaneous forms of compensation.

However, under federal law, base pay in excess of \$265,000 per year is not included in the calculation of your retirement benefit. (This \$265,000 limit was lower for years prior to 2015, and may be adjusted upward from year to year to reflect increases in the cost of living.)

If you transfer to the employer from an affiliate that does not participate in this plan, compensation you received from that organization will be treated as "compensation" under this plan.

The plan will use your "final average monthly base pay: in its calculations in the same way it uses "final average monthly compensation."

"Final average monthly base pay" is calculated in the same way that "final average monthly compensation" is: The plan looks at the past 10 plan years, and determines the five consecutive years within this period during which you received the most total base pay. The plan then calculates your average monthly base pay for these five years. This amount is your "final average monthly base pay."

The calculation of your final average base pay does not include any plan years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than five consecutive years of employment, your total base pay amount will simply be divided by your months of employment to get the monthly average.

Benefit service

In general, the normal rules for determining benefit service apply to grandfathered employees of Missouri Baptist Medical Center. However, the calculation of your benefit service will include all hours of service you accrued before January 1, 1997.

Calculating your normal retirement benefit

If you are a grandfathered employee of Missouri Baptist Medical Center, your monthly normal retirement benefit is figured as shown below:

1% X	Your final average monthly base pay	Your years of X benefit service before January 1, 1996
	+	
0.6% X	Your final average monthly base pay over the covered compensation limit	Your years of benefit service before January 1, X 1996 (up to a maximum of 35 years)
	+	
1% X	Your final average monthly compensation	X Your years of benefit service after December 31, 1995
	+	
0.6% X	Your final average monthly compensation over the covered compensation limit	Your years of benefit service after X December 31, 1995 (up to a maximum of 35 years)

Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, our plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for grandfathered employees of Missouri Baptist Medical Center are made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefit is no less than it would have been under the Retirement Plan for Employees of Missouri Baptist Medical Center as of September 30, 1996.

Appendix V: Grandfathered employees who are former employees of St. Louis Children's Hospital

If you are a former employee of St. Louis Children's Hospital, you are grandfathered if all of the following apply to you:

- You were actively employed by the employer participating in this current plan as of January 1, 1997.
- On December 31, 1996, you were an active participant in the Retirement Plan for Employees of St. Louis Children's Hospital.
- You were a "grandfathered employee" under the terms of the Retirement Plan for Employees of St. Louis Children's Hospital, meaning:
 - You were hired before January 1, 1996.
 - You met the age and service requirements of the Retirement Plan for Employees of St. Louis Children's Hospital on or before December 31, 1996.
 - You either were an active "employee" as defined by the Retirement Plan for Employees of St. Louis Children's Hospital on December 31, 1996; you retired during 1996; or you stopped working for St. Louis Children's Hospital during 1996 after being vested.

If you are a former employee of St. Louis Children's Hospital, you will also be grandfathered if the following applies to you:

You transferred directly from St. Louis Children's Hospital after January 1, 1997, to a position where you qualify as an employee under this current plan, and before January 1, 1997, you were a "grandfathered employee" under the

terms of the Retirement Plan for Employees of St. Louis Children's Hospital.

Unless other provisions of the plan say otherwise, if you are a grandfathered employee and you stop working for the employer or an affiliate and are later reemployed by one of those organizations, you will still be a grandfathered employee during the second period of employment only if it begins within 30 days after the previous period of employment ends. (In a case where the original period of employment ends because your job was eliminated, you will still be a grandfathered employee during the second period of employment if it begins within six months after the previous period of employment ends.

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Using your compensation to determine your benefit

For grandfathered employees of St. Louis Children's Hospital, "compensation" has the usual meaning under the rules of the plan. However, if you transfer to the employer from an affiliate that does not participate in this plan, compensation you received from that organization will be treated as "compensation" under this plan.

Benefit Service

In general, the normal rules for determining benefit service apply to grandfathered employees of St. Louis Children's Hospital. However, the calculation of your benefit service will include all hours of service you completed before January 1, 1997.

Calculating your normal retirement benefit

If you are a grandfathered employee of St. Louis Children's Hospital, your monthly normal retirement benefit is figured as shown below:

1.25% X	Your final average monthly compensation	X Your years of benefit service
---------	---	---------------------------------

+

0.6% X	Your final average monthly compensation over the covered compensation limit	Your years of benefit service (up to a maximum of 35 years)
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Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, our plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal early or postponed retirement and the payment option under which you are receiving your benefits.

Adjustments for grandfathered employees of St. Louis Children's Hospital are made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefits is no less than it would have been under the Retirement Plan for Employees of St. Louis Children's Hospital as of September 30, 1996.

In addition, a special formula applies to reductions for early retirement.

Special formula for benefit reductions for early retirement

If you are a grandfathered St. Louis Children's Hospital employee and you take early retirement, reductions to your monthly benefit are *not* figured as described under *Early retirement benefit* on page 19.

Instead, your monthly benefits will be reduced according to a special formula, which involves three "reduction factors" that we will call:

- Reduction Factor A
- Reduction Factor B
- Reduction Factor C

Let's look at how each reduction factor is figured and used to calculate your monthly benefit reductions for early retirement.

Step 1

If you were born on the first of the month, count up the number of complete calendar months by which your retirement date precedes your 65th birthday.

If you were *not* born on the first of the month, count up the number of complete calendar months by which your retirement date precedes the first day of the month that next follows your 65th birthday.

Because this is a little complicated, let's look at the example of a grandfathered St. Louis Children's Hospital employee named Charles.

- Charles' date of birth: August 7, 1937
- Charles' early retirement date: July 1 1996
- Charles' 65th birthday: August 7, 2002
- The first day of the month that next follows Charles' 65th birthday (since he was not born on the first of the month): September 1, 2002

Charles' early retirement date (July 1, 1996) precedes the first day of the month that next follows his 65th birthday (September 1, 2002)

by six years and two complete calendar months. That's a total of 74 months.

Step 2 (Calculate Reduction Factor A)

Reduction Factor A = 1/240 x the number of months in Step 1.

In Charles's case, Reduction Factor A = 1/240 X 74 months = 0.308.

Step 3 (Calculate Reduction Factor B)

Reduction Factor B = 1/200 X the number of months in Step 1, up to a maximum of 60 months.

In Charles' case, Reduction Factor B = 1/200 X 60 months = 0.300.

Step 4 (Calculate Reduction Factor C)

If the number of months in Step 1 is more than 60, then Reduction Factor C = 1/240 X the number of months over 60, up to a maximum of 60 additional months.

If the number of months in Step 1 do not exceed 60, then Reduction Factor C = 0.

In Charles' case, Reduction Factor C = 1/240 X 14 months = 0.058.

Step 5

Now we will see how the reduction factors are used to calculate the reductions for early retirement.

If you are a grandfathered employee of St. Louis Children's Hospital taking early retirement, your monthly benefits are reduced by the sum of the following amounts:

Reduction Factor A X 1.25%	Your final average monthly compensation	X	Your years of benefit service
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+

Reduction Factor B	X 0.6%	Your final average monthly compensation above covered compensation	X	Your years of benefit service (up to a maximum of 35 years)
--------------------------	--------	--	---	--

+

Reduction Factor X 0.6 C	Your final average monthly compensation above covered compensation	X	Your years of benefit service (up to a maximum of 35 years)
--------------------------	--	---	--

However, your benefits will not be reduced to less than the largest benefit you would have received if you had been a participant only in our plan and retired after meeting its requirements for early retirement.

In addition, your early retirement benefit will not be less than what it would have been if you had taken early retirement under the Retirement Plan for Employee of St. Louis Children's Hospital as of September 30, 1996.

Appendix VI: Grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan

If you are a former participant in the Alton Memorial Hospital Retirement Plan, you are a grandfathered employee (sometimes called a "Wedge Plan Participant") if all of the following apply to you:

- You were an active participant in the Alton Memorial Hospital Retirement Plan on December 31, 1988; and
- As of December 31, 1988, you had at least five (5) Years of Service (as defined in the Alton Memorial Hospital Retirement Plan on December 31, 1988); and
- As of December 31, 1988, you had age plus Service of at least forty-six (46); and
- You are currently an employee of Alton Memorial Hospital.

Unless other provisions of the plan say otherwise, you are a grandfathered employee under this Appendix VI.

Effect of transfer or termination of employment

If you are a grandfathered employee and are no longer employed by Alton Memorial Hospital or are transferred to an affiliate other than Alton Memorial Hospital, you will cease to be a grandfathered employee under this Appendix even if you later return to work for Alton Memorial Hospital.

Benefit service

If you are a grandfathered employee, you will accrue additional benefit service, retroactively to January 1, 1989, if the IRS determines that the plan is qualified under certain sections of

the Internal Revenue Code (known as a "determination letter").

In general, the normal rules for determining benefit service apply to grandfathered employees at Alton Memorial Hospital, except that only service at Alton Memorial Hospital will count towards benefit service, and service may be granted retroactively to January 1, 1989, for grandfathered employees. Grandfathered employees will also be credited with benefit service as determined under the Alton Memorial Hospital Retirement Plan in effect on December 31, 1988.

Calculation of your normal retirement benefit

If you are a Wedge Plan Participant, your monthly retirement will be 1/12 of the following:

The annual rate of the retirement benefit credited to you under the Alton Memorial Hospital Retirement Plan immediately before January 1, 1976

+

0.5% X	Your first \$4,800 of Compensation	X	Your years of service after 12/31/75 and before 1/1/89	
1				

Any
Compensation
in excess of \$4,800

Any
X

Your years
of service
after
12/31/75
and before
1/1/89

+

The result of:

(NOTE, cannot be less than zero)

0.85% X	Your first \$4,800 of Compensation	X	Your years of service after 12/31/88	
+				

1.5% X	Any Compensation in excess of \$4,800	X	Your years of service after 12/31/88
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The actuarial equivalent benefit (as of your annuity starting date) of the accumulated value of a hypothetical account assuming the maximum Employer Basic and Matching contributions to the Alton Memorial Hospital Tax-Sheltered Annuity Plan beginning in the 1989 calendar year, including earnings thereon.

If you have begun receiving benefits prior to the time that the IRS issues a favorable determination letter for the plan, your future monthly benefit payments will be increased actuarially to reflect the increased payments to which you become entitled to as a result of the favorable letter. These retroactive payments will not be made in a lump sum, but will only increase the monthly amount of payments due to you in the future.

Using your pay and service to determine your benefit

The definitions of "service" and "compensation" prior to 1/1/08 are determined under the terms of the Alton Memorial Hospital Retirement Plan.

Compensation means:

Prior to January 1, 1998, all compensation paid to you by Alton Memorial Hospital during a calendar year as reported on your W-2 Form for that year, increased by any salary reduction contributions made your behalf

under a plan maintained under Code Section 125, 401(k), 403(b) or 457(b).

Commencing on or after January 1, 1998, the gross amount of wages, as reported in Box 1 of the your Form W-2, for services rendered with respect to Alton Memorial Hospital,

increased by any salary reduction contributions made on your behalf under a plan maintained under Code Section 125, 401(k) or 403(b), or 457(b), and clergy housing allowance; and

decreased by taxable reimbursements and other expense allowances, taxable cash and noncash fringe benefits, taxable moving expenses, currently taxable benefits under nonqualified deferred compensation plans, taxable welfare benefits, and taxable tuition reimbursement payments.

Service means, beginning on or after January 1, 1976, a plan year in which the Wedge Plan Participant completes at least 1,000 Hours of Employment with Alton Memorial Hospital. For periods of Service prior to January 1, 1976, "Service" means an hour of Service as recognized under the Alton Memorial Hospital Retirement Plan.

Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, our plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Special formula for benefit reductions for early retirement

If you are a grandfathered employee who retires and begins receiving benefits before your normal retirement date, your benefit will be reduced actuarially to take into account the early start date for your benefit payments.

Death benefits for certain grandfathered employees

Any retroactive payments that become due to a you if you die prior to the time that a favorable determination letter is issued for the plan will be made in a single lump sum to your beneficiary as soon as administratively feasible after the issuance of the favorable determination letter.

Additional optional form of payment

Grandfathered employees are eligible for an additional optional form of payment, a Joint-and-1%-survivor option. This payment form is similar to the joint-and-50%-survivor option, except that the amount that is paid to your beneficiary will equal 1% of the amount that is paid to you.

You benefit will be reduced by a smaller amount, however, to reflect the fact that a smaller percentage of your benefit will continue to be paid after your death.

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