Effective Jan. 1, 2022, the administration for this Plan has transitioned to Alight Solutions. Therefore, the contact information within this document is no longer applicable, and you should instead contact the Retirement Service Center or access your new retirement benefits website as noted below.

Highmark Health Retirement Service Center

1-833-964-3015

Representatives are available between 8 a.m. and 8 p.m. Eastern time, Monday through Friday.

www.upointhr.com/highmarkhealth

# ALLEGHENY HEALTH NETWORK PHYSICIANS' 457(b) DEFERRED COMPENSATION PLAN

## SUMMARY PLAN DESCRIPTION

**AS OF JANUARY 1, 2018**

# ALLEGHENY HEALTH NETWORK PHYSICIANS' 457(b) DEFERRED COMPENSATION PLAN

## Introduction

This summary plan description describes the Allegheny Health Network Physicians' 457(b) Deferred Compensation Plan (the "Plan" or "457(b) Plan") as in effect on January 1, 2018. The Plan supplements your retirement benefit from the 401(k) Plan to the extent that your benefits under that plan would otherwise be reduced because of certain Code limits that affect highly compensated employees.

The Plan was established effective January 1, 2018. The deferred compensation plans under Code Section 457(b) that were established by the hospital systems within the Allegheny Health Network - the Jefferson Regional Medical Center Employees' Deferred Compensation Plan, the Saint Vincent Health the Saint Vincent Health System 457(b) Deferred Compensation Plan, and the West Penn Allegheny Health System Section 457(b) Deferred Compensation Plan - are frozen as of December 31, 2017 but continue in place with respect to your existing account balances.

You should read this Summary Plan Description carefully. If there is a difference between the provisions of the Summary Plan Description and the Plan document, the Plan document will control.

HR Services provides you with access to information about your Plan benefits, including the ability to direct the hypothetical investment of your account online. You can access your account in the Plan by contacting HR Services at 1-844-242-4748 or by visiting hrservices.highmarkhealth.org.

The Plan is unfunded, so that any amounts that are put aside by the Company for purposes of the Plan continue to be Company assets and are subject to the claims of creditors if the Company becomes insolvent. The Plan is referred to as a non-qualified "top-hat" plan under ERISA because it is designed to benefit only a select group of management or highly compensated employees of the Company. As a top-hat plan, the Plan is exempt from almost all of the ERISA requirements that apply to qualified retirement plans, including its funding and fiduciary duty rules.

The Plan may be amended or terminated at any time by resolution of the Committee or its delegate.

| **Plan at a Glance** | |
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| **Plan Features** | **How It Works** |
| **Eligibility** | You are eligible to participate in the Plan if you are a physician employed by a participating employer and designated by the plan administrator as eligible to participate. You become a participant in the Plan after filing a valid deferral election and after your compensation for the year is greater than the 401(a)(17) limit ($275,000 for 2018). |



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| **Your Contributions** | You can choose to save up to the limit set by the IRS for 457(b) plans ($18,500 for 2018) of your compensation on a pre-tax basis. You must make your deferral election during the open enrollment period before the beginning of the year, and your election continues from year to year unless you affirmatively change it. |
| **Vesting** | You are always 100% vested in your benefit under this Plan. |
| **Distributions** | You can elect to receive your benefits from the Plan in a lump sum or up to 10 annual installments. Your election is made when you terminate employment. |

## Eligibility

Any physician employed by a participating employer and designated by the plan administrator as eligible to participate may participate in the Plan. The plan administrator may change the determination of who qualifies as a participant, so participation in the Plan at one time does not guarantee future participation.

You become a participant in the Plan as of the first day of the plan year for which you have filed a deferral election, provided you receive compensation for the plan year greater than the 401(a)(17) limit of $275,000 (or you would receive compensation greater than the 401(a)(17) limit but for your deferral election). For 2018, the 401(a)(17) limit is $275,000, but this amount is reviewed and may be adjusted for cost of living by the IRS on an annual basis. Section 401(a)(17) is the Code section that restricts the amount of compensation that can be taken into account to calculate benefits under the 401(k) Plan to a specified amount each year. The 457(b) Plan is permitted to take compensation in excess of that limit into account.

## Your Contributions

If you are eligible, you must affirmatively enroll in the Plan by making a deferral election in the form provided to you by your employer. Deferral elections will be made before the beginning of each plan year, and remain in effect for the entire plan year. Additionally, a deferral election will carry over year-to-year unless you affirmatively change it during an open enrollment period. You must make an affirmative election to participate in the Plan; any elections with a frozen hospital 457(b) plan do not carry over to this Plan.

Your deferral election percentage applies only to your compensation above the 401(a)(17) limit. Even if you make a deferral election but your compensation never reaches the 401(a)(17) limit, nothing is contributed to this Plan. Your deferral election for a year will be effective beginning with the first pay period after the pay period in which your compensation reaches the 401(a)(17) limit.

You can decide how much of your compensation you want to contribute to the Plan up to the limit set by the IRS for 457(b) plans ($18,500 for 2018). Generally, you can contribute from 1% up to 100% of your compensation, in whole percentages, to the Plan on a pre-tax basis. Contribution amounts must be whole percentages; fractions of percentages are not permitted. The $18,500 limit is set by the IRS and is reviewed for cost of living adjustments each year.

Any amounts deferral will be credited to your account under the Plan.

### Investing your account

Much like your account in the 401(k) Plan, you are permitted to direct the investment of your account among the same investment options available under the 401(k) Plan. You can obtain more information about the Plan's hypothetical investment options and you can make or change your investment choices by contacting the plan administrator. If you do not select an investment option, your account will be invested or hypothetically invested in the target date fund for your age group.

**NOTE: If you have a benefit in a frozen hospital 457(b) plan, you should continue to contact that plan's recordkeeper to manage your investments under that frozen hospital 457(b) plan.**

### Military Service

If you take a leave of absence to serve in a branch of the United States armed forces and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with a participating employer, and you may be entitled to make-up missed deferral contributions for your period of military services. If you plan to enter military service or believe you may be affected by this law, ask the plan administrator for more details.

## Vesting

Your benefit under the Plan is 100% vested.

Of course, since you are able to direct the investment of your account, you could also lose benefits through investment losses. Therefore, consider your investment choices carefully.

## Receiving your Plan benefits

You will normally receive your Plan benefit after you terminate employment with your participating employer and all affiliates. Distribution of your benefit will begin approximately 90 days after your termination date. However, you may elect within 60 days of your termination date to defer payment to a date in the future that you select. In accordance with Code Section 401(a)(9), distribution of your account must commence on or before April 1st of the calendar year following the later of the calendar year in which you attain age 70½, or the calendar year in which you retire.

When you receive your benefit, you can elect to receive a lump sum distribution or, if your account is $100,000 or more, annual installments over between 2 and 10 years (or your life expectancy, if less).

**Distributions Before Termination**

You are permitted to take a hardship distribution from the Plan if you incur an unforeseeable emergency. An unforeseeable emergency is a severe financial hardship of you or your beneficiary resulting from:

(a) illness or accident of you, your beneficiary, or you or your beneficiary's spouse or dependent;

(b) loss of you or your beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster);

(c) the imminent foreclosure of or eviction from you or your beneficiary's primary residence;

(d) the need to pay for medical expenses, including nonrefundable deductibles, as well as for the cost of prescription drug medication;

(e) the need to pay for the funeral expenses of a spouse or a dependent; or

(f) other similar extraordinary and unforeseeable circumstances arising from events beyond you or your beneficiary's control.

Unlike under the 401(k) Plan, an unforeseeable emergency in this 457(b) Plan does not include obtaining funds to be applied to the purchase of a principal residence or the payment of college tuition. In addition, unlike under the 401(k) Plan, loans are not permitted from the Plan.

**Transfers to another plan**

If you become employed by another tax-exempt entity (other than a state or local government) after your termination with your participating employer, you can transfer your benefit into that employer's 457(b) plan if that plan will accept the contribution. By directly transferring your benefit, income tax will not be withheld from your distribution and your benefit will remain tax-deferred in your new employer's plan. To transfer your benefit, you must complete the necessary forms and provide the required information within 60 days of your termination date (or a later date determined by the plan administrator if you choose at termination to defer receipt of your benefit). Your beneficiary may also transfer a benefit to a 457(b) plan sponsored by his or her tax-exempt employer if the plan will accept the contribution.

You or your beneficiary cannot transfer your benefit from this 457(b) Plan to another qualified plan (such as a 401(k) plan), individual retirement account, governmental 457(b) plan or 403(b) plan. You are not able to transfer amounts from a prior employer's plan, including a non-governmental 457(b) plan, into this Plan.

**Distributions after disability**

If you terminate due to a disability, your termination will be treated the same as other terminations under the Plan. Therefore, you will cease to be eligible to contribute to the Plan and will be eligible to receive a distribution of your account.

**Death benefits**

If you die, whether before or after distribution of your account has commenced, your account will be paid to your beneficiary in a lump sum as soon as practicable after your death, but no later than the last day of the calendar year following the year in which your death occurs. Installment distributions are not available, even if you had previously elected to receive your account in installments.

Contact the plan administrator to obtain the form to designate a beneficiary. You can appoint any person, trust or your estate as your beneficiary, and you may designate more than one beneficiary provided that you specify which percentage of your account will be paid to each beneficiary. You may also designate one or more contingent beneficiaries to receive your account in the event that no primary beneficiary survives you.

You may revoke any beneficiary designation or designate a new beneficiary at any time without the consent of a beneficiary or any other person. If you do not designate a beneficiary under the Plan, or your designated beneficiary does not survive you, payment will be made to your surviving spouse, or, if there is no surviving spouse, to your estate.

If you have a benefit under a frozen hospital 457(b) plan, be sure to update your beneficiary designation under that plan separately. If you do not designate a beneficiary under the frozen hospital 457(b) plans, the default beneficiary provisions under the frozen hospital 457(b) plan provisions will apply to benefits under those plans.

**Taxation of plan benefits**

Benefits under the Plan are subject to federal income tax when they are paid to you. This is also true for income taxes in most states. Taxes will be withheld from your distribution to the extent required by law at the time of the distribution. Because credits to your account are 100% vested when they are made, the credits are subject to FICA taxes when they are made, so you will not pay FICA tax again on your distribution.

The Company and the participating employers cannot provide tax advice specific to your situation. You should consult a tax professional for specific advice.

## How to Apply for Benefits

**Filing a Claim**

Benefits will usually be paid automatically by the plan administrator to employees that it determines to be entitled to such benefits. If you believe you are entitled to benefits and have not been notified, you may file a claim. Also, if you have been notified about a benefit amount that you believe is incorrect, you may file a claim. To file a claim, you should submit your request for benefits to:

Highmark Health
120 Fifth Avenue,
Pittsburgh, PA 15222-3099
Attention: Director, Retirement Benefit Programs

### If Your Claim Is Denied

If you file a claim for benefits under the Plan and your claim is denied in whole or in part, you will be notified in writing. The notification will include:

- The reason for the denial;
- The specific Plan provisions on which the denial was based;
- A description of any additional information needed to process your claim; and
- An explanation of the claims review procedure.

Ordinarily, you will receive this written notice within 90 days after your claim is filed. However, this deadline may be extended for up to an additional 90 days if Highmark's Director, Retirement Benefit Programs determines that an extension is necessary. If the deadline is extended, you will be notified in writing during the first 90 days following the receipt of your claim. This notice will set forth the reasons for the extension and the date a decision is expected.

If your claim is denied in whole or in part and disagree with the denial, you have the right to appeal. To do so, you, your beneficiary, or your authorized representative must submit a written request to Highmark's Director, Retirement Benefit Programs within 60 days of receiving the notice of denial or the date the claim is deemed to be denied. If possible, you should include any documents or records that support your appeal. You may review relevant documents or records and submit your comments in writing. Your appeal will be forwarded to the plan administrator for review. You, your beneficiary, or your authorized representative will have the right to review all pertinent Plan documents.

You will receive a written decision on your appeal within 60 days of the date the plan administrator receives your request. If special circumstances require an extension of time, you will be notified of the extension during the 60 days following the receipt of your request. You will be notified in writing of the final decision, and this decision will state the specific reasons for the decision, referring to Plan provisions that set forth those reasons.

If you desire to file a lawsuit regarding the denial of benefits, you must first file the claims procedures described above and you must file your lawsuit within 12 months after the date that your claim and appeal are denied.

## Important Information About the Plan

Following is general information about the Plan, certain federal laws, and your rights under the Plan. Please read this section carefully, paying particular attention to how the Plan is governed by federal law.

### Continuance of the Plan

Although the Company intends to continue the Plan indefinitely, the Plan may be terminated at any time by resolution of the Committee or its delegate.

### Nonassignment of Benefits

The Plan is maintained for the exclusive benefit of its participants and their beneficiaries. You cannot assign the benefits payable to you to another person. However, benefits will be paid according to a valid Qualified Domestic Relations Order (QDRO).

A QDRO is an order from a state court that meets certain legal specifications and directs the plan administrator to pay all or a portion of a participant's Plan benefits to a spouse, former spouse, or dependent child. You will be notified immediately if an attempt is made to pay all or a portion your benefits to another individual or create a separate account for another individual's benefit through a court order. A copy of the Plan's QDRO Procedures, detailing how domestic relations orders are reviewed to determine if they are qualified, will be sent to you if an order that is claimed to be a QDRO is received by the plan administrator. You may obtain a copy of the Plan's QDRO Procedures without charge by requesting them from the myHighmark Contact Center at 1-855-694-4446.

## Administrative Information

### Plan Sponsor

The Plan sponsor is:

Allegheny Health Network
120 Fifth Avenue
Pittsburgh, PA 15222
Attention: Director, Retirement Benefit Programs

Name of Plan

The name of the plan is the Allegheny Health Network Physicians' 457(b) Deferred Compensation Plan.

### Plan Year

The plan year is the calendar year, January 1 to December 31.

### Plan Administrator

The plan administrator is the individual or entity selected by the Committee to administer this Plan. The plan administrator has the sole authority to interpret the provisions of the Plan. All determinations, interpretations and decisions regarding Plan provisions, eligibility to participate in the Plan, eligibility to receive payment of benefits under the Plan and the amount of benefits payable under the Plan are in the sole discretion of the plan administrator. The decisions of the plan administrator are final and binding with respect to all questions relating to the Plan. You can contact the plan administrator at the following address:

Highmark Health
c/o Director, Retirement Benefit Programs
120 Fifth Avenue
Pittsburgh, PA 15222

(412) 544-7000

You can access your account in the Plan by contacting HR Services at 1-844-242-4748 or by visiting hrservices.highmarkhealth.org.

**Agent for Service of Legal Process**

For disputes arising under the Plan, service of legal process can be made at the following address:

Highmark Health
c/o Director, Retirement Benefit Programs
120 Fifth Avenue
Pittsburgh, PA 15222

(412) 544-7000

## Definitions

**"401(a)(17) limit"** is the annual limitation on the amount of compensation that may be taken into account for purposes of the 401(k) Plan. In 2018, the limit is $275,000. This amount may be adjusted by the IRS for cost of living changes on an annual basis.

**"401(k) Plan"** means the Allegheny Health Network 401(k) Plan.

**"Affiliate"** means a company or other trade or business that is in the same "controlled group" as the Company because it is at least 80% owned by Allegheny Health Network, either directly or indirectly, or is part of an affiliated service group with Allegheny Health Network.

**"Beneficiary"** means the person you choose to receive benefits from the Plan if you die while you are still entitled to benefits from the Plan.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Company"** means Allegheny Health Network.

**"Committee"** means the Personnel and Compensation Committee of Highmark Health.

**"Compensation"** means your basic annual rate of salary or wages paid by the participating employer, including (a) contributions to the 401(k) Plan or flexible benefits plan and reimbursement of qualified transportation expenses, (b) overtime, shift differentials, marketing commissions, sales incentives and bonuses, (c) annual incentive compensation actually paid, and (d) any differential wage payments you receive from a participating employer during your military service. Compensation does not include non-qualified deferred compensation, any fringe benefits, insurance, severance pay, pension benefits, payments under a short-term disability plan, long-term incentive pay, signing or retention bonuses, special one-time bonuses or reimbursement for business travel or entertainment expenses. Compensation is determined before your contributions to the 401(k) Plan and any flexible benefits plan. Unlike under the 401(k) Plan, there is no upper limit on compensation in the 457(b) Plan.

**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

**"IRS"** means the Internal Revenue Service.

"**Participating employer**" means each affiliate of the Company that participates in the Plan. The participating employers are West Penn Allegheny Health System and its not-for-profit subsidiaries that are affiliates, Jefferson Regional Medical Center and its not-for-profit subsidiaries that are affiliates, and Saint Vincent Health Center and its not-for-profit subsidiaries that are affiliates.

"**Plan administrator**" means the individual or entity selected by the Committee to administer this Plan.

**"Plan Year"** means the calendar year.

"**Qualified domestic relations order**" or "QDRO" is an order from a state court that meets certain legal specifications and directs the plan administrator to pay all or a portion of a participant's benefits to a spouse, former spouse, or dependent child.

**"Spouse"** means your spouse or surviving spouse, as recognized under the laws of the state or country in which the marriage was entered into.

"**Vesting**" or "**vested**" means a right to receive a benefit that cannot be taken away from you.