



Effective April 1, 2022, the day-to-day recordkeeping for this Plan has transitioned to Alight Solutions. Therefore, the references to Mercer within this document are no longer applicable. Please see the below information for how to contact Alight Solutions.

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

In addition, please note that the Summary Plan Description is currently being refined to reflect the latest provisions of the plan. If any information within the Summary Plan Description conflicts with the benefit defined by the Plan, the terms of the Plan as defined in the plan document will prevail. By law, a plan must operate according to the terms defined within the plan. If you have any questions, please call the Highmark Health Retirement Service Center.



HIGHMARK RETIREMENT PLAN
SUMMARY PLAN DESCRIPTION

AS OF JANUARY 1, 2017

HIGHMARK RETIREMENT PLAN

	<u>Page</u>
Introduction	1
Who Pays for the Plan.....	3
Before you Begin.....	3
Eligibility and Enrollment	5
Legacy Benefits	7
Final Average Compensation.....	7
Covered Compensation	7
Benefit Service	8
Legacy Benefits: The Formula	8
Reduction for Early Commencement: Legacy Benefit	10
Final Average Earnings.....	12
Social Security Benefit	13
Years of Credited Service	13
Legacy Benefits under the WVA Retirement Plan: The Formula	13
Reduction for Early Commencement: Legacy Benefit Under the WVA Retirement Plan.....	14
No Duplication of Benefits	16
Retirement Account	17
Points and Benefit Service	17
Pay Credits.....	17
Transition Credits.....	19
Interest Credits.....	20
Examples of How Your Retirement Account Grows	21
Your benefit based on your retirement account	22
How Disability affects your Benefits	24
Vesting	25
Transferring to or from an Affiliate	26

HIGHMARK RETIREMENT PLAN

	<u>Page</u>
Breaks in Service and Forfeiting Service under the Plan	26
If You Are Rehired	27
Reemployment After Retirement	27
How Benefits Are Paid.....	29
Normal Forms of Payment	29
Optional Forms of Payment	29
Postponed Retirement Benefits	32
Electing a Payment Method	32
Restrictions Based on Plan Funding.....	33
Survivor Benefits.....	34
Participants with service on or after January 1, 2010	34
Highmark Participants who Terminated Employment before January 1, 2010	35
If You Die After Retirement Benefits Begin	38
Retiree Health Benefits	39
How Taxes Affect Your Benefits	40
How to Apply for Benefits.....	42
Filing a Claim.....	42
Other Important Information About the Plan	44
Non-assignment of Benefits	44
Military Service	44
Payment to Minors	44
Top-Heavy Rules	45
Continuance of the Plan	45
ERISA Rights	45
Plan Insurance	46
Administrative Information	48
Glossary	50

The Highmark Retirement Plan

Introduction

Few goals are of greater long-range importance than providing for a financially secure retirement. That is why Highmark sponsors the Highmark Retirement Plan (the "Plan"). The Plan is designed to provide you with retirement income for life based on your [compensation](#) and your years of [benefit service](#) with the [Company](#). When your retirement benefit is combined with Social Security, your Highmark Investment Plan savings and your personal savings, it can offer valuable financial security for your retirement years.

This summary plan description describes the Plan in effect on January 1, 2017. This summary plan description is applicable for employees of Highmark Health and its affiliates who are not: (1) members of Bargaining Unit Local 8851, (2) Delaware grandfathered participants or (3) individuals who were "participants" in the Pension Plan for Employees of Hospital Service Association of Northeastern Pennsylvania (the "NEPA Plan") on December 31, 2016, and who became participants in the Plan as a result of the merger of the Plan and the NEPA Plan on January 1, 2017. Separate summary plan descriptions cover participants described in (1), (2) and (3) and if you are one of those individuals, you should refer to those summary plan descriptions for a description of your benefit from the Plan. Certain participants will have benefits under several categories listed above, and will need to review both this summary and the summary for the other category of Plan benefits to understand their aggregate benefits from the Plan.

Note for participants employed at Highmark Inc. before July 2008: Remember that some important changes to the Plan went into effect in 2010. For example, your benefit now consists of two components - a Legacy Accrued Benefit (the "[legacy benefit](#)") that you earned before April 3, 2010, and a Retirement Accumulation Account (the "[retirement account](#)") that you earn on or after April 3, 2010. If you were first hired on or after July 2, 2008, you did not accrue a [legacy benefit](#) and your entire benefit will be based on your balance in the [retirement account](#).

Note for Delaware Plan Participants: Effective January 1, 2014, the Highmark Delaware Retirement Plan (the "[Delaware Plan](#)") was merged into this Plan, and all participants in the [Delaware Plan](#) ("[Delaware participants](#)") became participants in the Plan. [Delaware participants](#) who met certain age and service requirements as of January 1, 2003 were "grandfathered" into a different benefit formula, and remain grandfathered in that benefit formula after the merger of the plans. A separate summary plan description has been prepared for grandfathered participants. If you are a grandfathered participant, you should refer to that summary plan description for information about your benefits from the Plan. Certain grandfathered participants who were re-hired after January 1, 2003 will have both grandfathered and non-grandfathered benefits, and will need to review both this summary and the summary for grandfathered benefits to understand their aggregate benefits from the Plan.

In addition, if you had a [vested](#) benefit in the [Delaware Plan](#) but do not have an [hour of service](#) on or after January 1, 2014, many provisions of the [Delaware Plan](#) have carried over and apply to your benefits. You should consult the prior summary plan description for the [Delaware Plan](#) to understand how your benefits were calculated and how and when they will be paid. This summary plan description will generally alert you when these [Delaware Plan](#) provisions apply. You can obtain a summary plan description of the [Delaware Plan](#) by contacting the HR Services at 1-844-242-HR4U (4748).

Note for WVA Participants: Effective January 1, 2016, the Highmark West Virginia Inc. Retirement Program (the "WVA Retirement Plan") was merged into this Plan, and all participants in the WVA Retirement Plan became participants in this Plan.

In addition, if you had a vested benefit in the WVA Retirement Plan but do not have an hour of service on or after January 1, 2016, many provisions of the WVA Retirement Plan have carried over and apply to your benefits. You should consult the prior summary plan description for the WVA Retirement Plan to understand how your benefits were calculated and how and when they will be paid. This summary plan description will generally alert you when these WVA Retirement Plan provisions apply. You can obtain a summary plan description of the WVA Retirement Plan by contacting HR Services at 1-844-242-HR4U (4748).

Your Pension Benefits at a Glance	
Plan Feature	Description
Benefit formula (see p. 6)	<p>If you were first hired by Highmark Inc. on or before July 1, 2008, your benefit will consist of a legacy benefit based on your benefit service and your final average compensation through April 2, 2010, plus a retirement account benefit for service after April 2, 2010. If you were first hired after July 1, 2008, your benefit is equal to the balance in your retirement account.</p> <p>If you were a Delaware participant, your PEP Balance as of December 31, 2013 is the starting balance in your retirement account.</p> <p>If you are a WVA participant who was first hired by WVA on or before July 1, 2009, your benefit will consist of a legacy benefit based on your service and compensation through December 31, 2010, plus a retirement account benefit for service after January 1, 2011. If you are a WVA participant who was first hired after July 1, 2009, your benefit is equal to the balance in your retirement account.</p> <p>You will not earn any additional benefit under the Plan on and after December 31, 2020.</p>
Vesting (see p. 19)	You are 100% vested in your Plan benefits after 3 years of service (5 years of service if you worked for Highmark and terminated before 2010; 5 years of service if you worked for WVA and terminated before 2011).
When benefits begin (see p. 22)	If you work for the Company after 2009 (or you are a WVA participant), you can begin receiving your Plan benefits after you leave employment with the Company and its affiliates . Alternately, you can defer commencement of your benefits up to the later of your retirement or age 65.
How benefits are paid (see p. 22)	There are several options, including annuities that can provide monthly payments to you and your spouse or

	<p>domestic partner for the rest of your lives.</p> <p>You can receive a lump sum distribution of your retirement account.</p> <p>You can also receive a lump sum based on your legacy benefit if you are a WVA participant; or if you are a Highmark participant and your benefit is paid on or after January 1, 2017 and the present value of your legacy benefit does not exceed \$100,000.</p>
<p>Death benefits (see p. 27)</p>	<p>If you have a vested benefit and you die before payment of your benefit begins, your surviving spouse or domestic partner can get a death benefit. If you work for Highmark or an affiliate after 2009, or you are a Delaware or WVA Participant, you can designate a beneficiary other than your spouse. However, if you are married, your spouse must consent to the designation of another person as your beneficiary.</p>

Who Pays for the Plan

The [participating employers](#) make contributions to the Plan on your behalf. There is no cost to you. The [participating employers'](#) contributions are held in trust to provide Plan benefits.

Before you Begin

We encourage you to read this summary plan description carefully. If you have any questions that are not answered here, please contact HR Services at 1-844-242-HR4U (4748). This summary plan description describes the Plan in effect on January 1, 2017.

The information in this summary generally describes the terms of the Plan. For the most part, the summary uses everyday language. However, certain words and phrases have specific meanings within the context of the Plan. To help you understand any terms in bold print, refer to the "[Glossary](#)" at the end of the document. Also, be sure to read the "[Administrative Information](#)" and "[ERISA Rights](#)" sections for important administrative guidelines and facts about your rights under the Plan.

Something else to know is that this summary plan description does not contain each and every detail of the Plan. The only place you will find that level of detail is in the official Plan document, which you can ask to see by contacting HR Services at 1-844-242-HR4U (4748). If there is any discrepancy between this summary and the Plan document, the Plan document governs.

No person has the authority to make any oral or written statement or representation binding upon Highmark that is inconsistent with, or varies the terms of any plan documents or any contracts or other documents maintained in conjunction with the Plan.

Participation in the Plan does not constitute a contract for employment, nor a guarantee of continued or future employment, with Highmark or any [affiliate](#). The Plan's provisions also do not limit your employer's ability to change the terms of your employment.

Highmark reserves the right to amend, modify or discontinue the Plan, in whole or in part, at any time and for any reason.

Eligibility and Enrollment

No one shall become a Participant after June 30, 2017.

Before June 30, 2017, you were eligible to participate in the Plan on the first January 1 or July 1 that falls on or after the date:

- you reach age 21; and
- you complete a [year of service](#).

However, you must have been employed by a [participating employer](#) to become a participant in the Plan.

You are not eligible to participate in the Plan if you are:

- A leased employee, independent contractor, consultant or other person who provides services pursuant to an agreement that does not provide for participation in the Plan;
- An employee whose benefits are negotiated by a collective bargaining unit, unless the collective bargaining agreement allows for participation;
- Not treated by a [participating employer](#) as a common law employee;
- Employed by an [affiliate](#) that does not participate in the Plan; or
- A non-resident alien who does not receive any income from United States sources.

Generally, if you terminate employment and are reemployed after June 30, 2017, you are not eligible to participate in the Plan when you are reemployed.

Note for former Veritus and PBS Plan Participants: You were automatically eligible to participate in the Plan if you were a participant in the [Veritus Plan](#) or the Retirement Plan for Eligible Employees of Pennsylvania Blue Shield on December 31, 1997 and continued to be employed by Highmark Inc. after that date. These plans are referred to as [prior plans](#) in this booklet.

Note for former Mutual of Omaha Employees: If you were employed in Mutual of Omaha's stop-loss line of business and became an employee of Highmark Insurance Group on January 1, 2011, your most recent period of continuous service with Mutual of Omaha prior to that date will count for eligibility and [vesting](#) purposes, provided you were continuously employed by Mutual of Omaha or a Highmark [affiliate](#) until at least January 1, 2011.

Note for Delaware Employees: [Delaware participants](#) on December 31, 2013 automatically became participants in this Plan on January 1, 2014 as a result of the merger of the [Delaware Plan](#) into this Plan. Your service with Highmark Delaware counts for eligibility and [vesting](#) purposes, and for calculating your [points](#).

In addition, certain employees of Highmark Delaware did not become participants in the [Delaware Plan](#) because it was frozen to new participants in 2012. If you are a Highmark Delaware employee who otherwise met the age and service requirements to participate

in the [Delaware Plan](#), but did not become a participant because of this freeze, you became a participant in this Plan effective January 1, 2014. You will be credited with benefit accruals retroactive to the date that you would have started to earn benefit accruals in this Plan, which may be as early as your date of hire. See below under "[Retirement Account](#)" for a description of these rules.

Note for Employees who Transferred to or from Highmark West Virginia before January 1, 2016: If you transferred employment from a [participating employer](#) to Highmark West Virginia on or after January 1, 2012, you continued to participate in the Plan upon your transfer (assuming you are otherwise eligible). If you transferred from Highmark West Virginia to a [participating employer](#) before January 1, 2016, your service at Highmark West Virginia counts for eligibility and vesting purposes, and for calculating your points.

Note to WVA Participants: If you were a participant in the WVA Retirement Plan on December 31, 2015, you automatically became a participant in this Plan on January 1, 2016 as a result of the merger of the WVA Retirement Plan into this Plan.

Note for Transfers from Certain AHN Hospitals before January 1, 2016: If you transfer to a [participating employer](#) from West Penn Allegheny Hospital or Jefferson Regional Medical Center, your service with those entities will be counted for determining when you reach a [year of service](#) for eligibility and [vesting](#) purposes.

Note for Transfers from AHN Hospitals beginning January 1, 2016: If you transfer to a [participating employer](#) from any of the AHN Hospitals, your service with those entities on and after January 1, 2016 will be counted for determining when you reach a [year of service](#) for eligibility and [vesting](#) purposes.

If you have any questions about your eligibility status, please contact HR Services at 1-844-242-HR4U (4748).

Legacy Benefits

If you were a Highmark employee before July 2, 2008, your benefit under the Plan consists of two components: (1) your [legacy benefit](#), which you earned prior to April 3, 2010; and (2) your [retirement account](#), which you earn on or after April 3, 2010. This section describes the [legacy benefit](#). If you were a Highmark employee who was first hired on or after July 2, 2008, you will not have a [legacy benefit](#). All of your benefits will be determined by your [retirement account](#), so your benefit is not determined by the provisions described in this section.

Your [legacy benefit](#) is determined by a formula based on your [final average compensation](#), [covered compensation](#), and years of [benefit service](#). These terms are described in more detail in the following paragraphs.

Note for WVA Participants: If you were eligible to participate in the WVA Retirement Plan before January 1, 2011, your benefit consists of two components: (1) your legacy benefit, which you earned before January 1, 2011; and (2) your retirement account, which you earn on or after January 1, 2011. Your legacy benefit is calculated using your service and compensation up to the earlier of your retirement date or December 31, 2010, and is based on the terms of the WVA Retirement Plan document in effect on that date. The legacy benefit described herein for Highmark participants does not apply to you. Your legacy benefit will not be less than your accrued benefit you earned under the WVA Retirement Plan on December 31, 2010, based on your compensation and service through that date. If you were not eligible for the WVA Retirement Plan before January 1, 2011, you are not eligible for a legacy benefit. A description of the legacy benefit under the WVA Retirement Plan is summarized later in this section.

Note for Delaware Participants: You do not participate in the legacy benefit.

Final Average Compensation

Generally, [final average compensation](#) is the average of your 130 highest consecutive biweekly pay periods of [compensation](#) out of the last 260 consecutive biweekly pay periods of your employment. If you have less than 130 consecutive pay periods, your average will be determined using all your pay periods. However, [compensation](#) you earn after April 2, 2010 does not count towards [final average compensation](#), since this [compensation](#) is used to compute credits to your [retirement account](#).

Covered Compensation

[Covered compensation](#) is the average of the annual maximum [Social Security taxable wage base](#) (on which you and your [participating employer](#) pay Social Security taxes) in effect for each calendar year during the 35-year period ending on the last day of the calendar year in which you reach your Social Security retirement age. This amount changes from year to year based on cost-of-living adjustments to the Social Security taxable wage base, but no change in the maximum taxable wage base is taken into account in calculating your [legacy benefit](#) after April 2, 2010 or after you leave employment.

[Covered compensation](#) tables are published annually by the [IRS](#) and can be found on the [IRS](#) website at www.irs.gov. The Social Security taxable wage bases for prior years can be found at www.ssa.gov/OACT/COLA/cbb.html.

Benefit Service

For purposes of determining your [legacy benefit](#), you will earn a year of [benefit service](#) for each 12-month period beginning on your date of hire and each [anniversary date](#) during which you complete at least 1,000 [hours of service](#) with the [Company](#). Service after April 2, 2010 does not count for this purpose, as this service is used to compute your [retirement account](#).

If you earned fewer than 1,000 [hours of service](#) with the [participating employer](#) in any "computation year" (based on your [anniversary date](#)), you will not receive any [benefit service](#) for that year. If you earn less than 1,000 [hours of service](#) in your final year of employment or, in your first year of employment following a rehire without a break in service, [benefit service](#) for that year will be prorated based on how many days you worked that year. This partial year of [benefit service](#) will equal your actual days of employment divided by 365 (or 366 in a leap year).

You will receive credit for up to 501 [hours of service](#) for any single continuous computation period during which you are on an approved absence. Service with any [affiliate](#) that is not a [participating employer](#), or prior to the [affiliate](#) becoming a [participating employer](#), is not counted in calculating your benefits under the Plan. If you participated in a [prior plan](#), years of [benefit service](#) earned prior to January 1, 1998 will be determined under the terms of that [prior plan](#).

Note for Transferred SeniorCareBLUE Participants: In addition, if you are a transferred SeniorCareBLUE Participant who rejoined Highmark on February 13, 2006, your service with SeniorCareBLUE prior to that date will count to the same extent as if it was service for Highmark.

Note for Employees of Gateway Health Plan, L.P. and Gateway Health Plan, Inc.: Because the Pension Plan of Gateway Health Plan, L.P. (the "Gateway Plan") was merged into the Plan effective December 31, 2004, and the plans had identical benefit formulas, all of your salary, [vesting](#) and [benefit service](#) under the Gateway Plan will count as if it were service with Highmark. Your total benefit from the Plan includes all of the benefits earned under the Gateway Plan.

Legacy Benefits: The Formula

Your legacy benefit is calculated as an annual annuity beginning on your [normal retirement date](#) (generally the first day of the month after your 65th birthday). Your [legacy benefit](#) as of your [normal retirement date](#) is the greater of the amounts determined under Formula A or Formula B below:

Formula A – Integrated Formula at Normal Retirement Date

1.15% times your [final average compensation](#) up to your [covered compensation](#) times your years of projected [benefit service](#) (up to 33 years)
Plus
1.65% times your [final average compensation](#) above your [covered compensation](#) times your years of projected [benefit service](#) (up to 33 years)
Plus
1.65% times your [final average compensation](#) times your years of projected [benefit service](#) (above 33 years)

Formula B – Non-Integrated Formula at Normal Retirement Date

1.6% times your [final average compensation](#) times your years of projected [benefit service](#) (up to 28 years)

Your [legacy benefit](#) is the [accrued benefit](#) you have earned through April 2, 2010, or, if earlier, the date you stop working with a [participating employer](#), using the [benefit service](#) you would have earned if you had continued working for a [participating employer](#), until your [normal retirement date](#) (including [benefit service](#) after April 2, 2010), and then multiplying that benefit amount by the fraction set forth in the formula below.

Formula for Accrued Benefit Fraction

Your years of [benefit service](#) as of the earlier of the date you leave the [Company](#) or April 2, 2010

divided by

Your projected years of [benefit service](#) at your [normal retirement date](#) as if you had continued working for the [Company](#) until your [normal retirement date](#) (including [benefit service](#) after April 2, 2010).

The fraction cannot be more than 1.

Your [benefit service](#) is determined when you actually retire, even if it is later than your [normal retirement date](#).

Your normal retirement benefit is payable beginning the first of the month following the later of your [normal retirement date](#) or your actual retirement.

Note for Veritus Plan participants: If you were a participant in the [Veritus Plan](#) and were credited under that Plan with [benefit service](#) for work with a prior employer, your benefit attributable to that service will be reduced by the benefit you earned under that prior employer's plan. In addition, your benefit will not be less than the accrued benefit you earned under that plan as of December 31, 1997.

Note for ICHP Plan Participants: If you were a participant in the ICHP Plan on December 31, 1989, your benefit will not be less than the accrued benefit you earned under that plan as of December 31, 1989.

Note for Pennsylvania Blue Shield Participants: If you were a participant in the Retirement Plan for Eligible Employees of Pennsylvania Blue Shield (Medical Association of Pennsylvania) on December 31, 1988, your benefit will not be less than the accrued benefit you earned under that plan as of December 31, 1988.

Note for Gateway Plan Participants: If you were a participant in the Gateway Plan, your benefit will not be less than the accrued benefit you earned under that plan as of December 31, 2004 (or, if earlier, the date you were transferred to the [Company](#)).

Reduction for Early Commencement: Legacy Benefit

Your [legacy benefit](#) is reduced if you begin receiving payments before age 65 (or before age 62, if you have 20 or more years of [benefit service](#)). The amount of the reduction depends on your age and [benefit service](#), as follows:

Age at which payments begin	Early Retirement Adjustment Factor *	
	Column A: If you terminate after age 55 with at least 20 years of benefit service	Column B: If you terminate before age 55, or you had less than 20 years of benefit service
55	58%	40%
56	64%	46%
57	70%	52%
58	76%	58%
59	82%	64%
60	88%	70%
61	94%	76%
62	100%	82%
63	100%	88%
64	100%	94%
65	100%	100%

* Early retirement adjustment factor interpolated for partial year.

If you work at least one [hour of service](#) after January 1, 2010 and you have a [vested legacy benefit](#), you may elect to begin receiving your [legacy benefit](#) before you reach age 55. If you do, your [legacy benefit](#) will first be reduced to age 55 using the early retirement adjustment factors shown in Column B of the above table. Your [legacy benefit](#) will then be further reduced so that your early retirement benefit is actuarially equivalent to the benefit that you would have received on the first of the month following your 55th birthday. The actuarial early retirement adjustment for commencement prior to age 55 will be based on the "PPA 2010" mortality table and an annual interest rate of 7%.

If you were a participant in a [prior plan](#) on December 31, 1997, in no event will your early retirement benefit under this Plan be less than your accrued early retirement benefit you earned under the [prior plan](#) as of January 1, 1998.

Example: Legacy Benefit

Assume you decide to retire in 2015 at age 65 with 40 years of [benefit service](#), 35 of which are earned under the [legacy benefit](#) formula. Also assume your [final average compensation](#) as of April 2, 2010 is \$6,500 per month. Your monthly [covered compensation](#) is \$6,160. Therefore, your monthly [final average compensation](#) above [covered compensation](#) is \$340. Based on your 2015 retirement date, here's how your [legacy benefit](#) is determined:

Your projected [normal retirement benefit](#) is the benefit you would have at your [normal retirement date](#) based on your current [compensation](#) record, assuming you continued to work until age 65.

Formula A - Integrated Benefit Formula	
1.15% of final average compensation up to covered compensation x years of benefit service projected up to age 65 (up to 33 years) = .0115 x \$6,160 x 33 years	\$2,337.72
1.65% of final average compensation above covered compensation x years of benefit service projected up to age 65 (up to 33 years) = .0165 x \$340 x 33 years	+ 185.13
1.65% of final average compensation x years of benefit service projected up to age 65 (above 33 years) = .0165 x \$6,500 x 7 (40 years - 33 years)	+ 750.75
Total	\$3,273.60

Formula B - Non-Integrated Benefit Formula	
1.6% of final average compensation x years of benefit service projected up to age 65 (up to 28 years) = .016 x \$6,500 x 28 years	\$2,912.00

The higher of these projected benefits, in this case, the Formula A amount of \$3,273.60, is then multiplied by your [accrued benefit](#) percentage. The numerator of this percentage is your actual years of [benefit service](#) up to the earlier of April 2, 2010 or the day you leave the [Company](#). The denominator is your projected years of [benefit service](#) at your [normal retirement date](#) (including years of [benefit service](#) earned after April 2, 2010). This fraction cannot be more than 1.

In our example, you had 40 years of [benefit service](#) when you left the [Company](#) in 2015, 35 of which are earned under the [legacy benefit](#) formula. Your projected [benefit service](#) at your [normal retirement date](#) is 40. Therefore, your [accrued benefit](#) percentage is 87.5% (35 years / 40 years):

Formula A - Integrated Benefit Formula	
Projected Legacy Normal Retirement Benefit	\$3,273.60
Accrued Benefit Percentage	x .875
Total	\$2,864.40

If you were a participant in the [Veritus Plan](#), this amount is compared to your grandfathered benefit under the [Veritus Plan](#) (let's assume that amount was \$1,600), and the higher benefit is your [accrued benefit](#). In this example, \$2,864.40 is the amount payable to you as a [single life annuity](#) each month for life beginning at age 65. Keep in mind that your monthly payment will be adjusted if you elect to receive it in any other payment form – for

example, in monthly payments over your lifetime and the lifetime of your [spouse](#). See [How Benefits are Paid](#) and [Optional Forms of Payment](#).

Example: You begin your legacy benefit before age 65

Assume you decide to retire from active employment in 2015 at age 55 with 18 years of [benefit service](#), 13 of which are covered under the [legacy benefit](#) formula. Also assume that your [accrued benefit](#), as a [single life annuity](#) payable to you each month for life beginning at age 65, is \$1,000 per month.

Because you retired from active employment at or after age 55 and have less than 20 years of [benefit service](#), your benefit is reduced by 6% for each year (or .5% for each month) by which payments begin before age 65.

\$ 1,000 (accrued benefit if you begin at age 65)	\$ 1,000
minus 60% (early retirement reduction factor is (6% x 10 years))	- \$ 600
Benefit commencing at age 55	\$ 400

In the example above, your early retirement benefit under the [legacy benefit](#) formula at age 55 is \$400. This is the amount payable to you each month for life beginning the first of the month on or after age 55. If you defer your benefit until age 65, you would receive \$1,000 each month. Keep in mind that your monthly payment will be further reduced if you elect to receive it in any other payment form – for example, in monthly payments over your lifetime and the lifetime of your [spouse](#).

Also, if you terminated before January 1, 2010, benefits will be reduced for the cost of the [pre-retirement death benefit](#) coverage if you are married (or have a Declaration of Domestic partnership on file) and you do not waive the [pre-retirement death benefit](#) after your employment terminates.

Note: If you have more than 20 years of [benefit service](#) and you retire at or after age 55, your early commencement reduction is measured from age 62, not age 65.

Legacy Benefits under the WVA Retirement Plan

If you were a Highmark WVA employee before July 2, 2009, your benefit under the WVA Retirement Plan consists of two components: (1) your legacy benefit, which you earned prior to December 31, 2010; and (2) your retirement account, which you earned on or after January 1, 2011. This section describes the legacy benefit under the WVA Retirement Plan. If you were first hired on or after July 2, 2009, you will not have a legacy benefit.

Your legacy benefit is determined by a formula based on your final average earnings, your estimated age-65 Social Security Benefit, and your years of credited service through December 31, 2010, up to a maximum of 30 years of service.

Final Average Earnings

Generally, final average earnings equal the average of the highest five consecutive years of annual earnings from your last 10 years of employment as of December 31, 2010. Only calendar year earnings for years before January 1, 2011 are considered. Earnings may include “differential wage payments” for periods of qualified military service longer than 30 days, and earnings with a prior Blue Cross / Blue Shield organization if that prior employment was credited towards your credited service by the WVA Retirement Plan.

Social Security Benefit

Social Security Benefit means your deemed Social Security benefit payable at age 65 (or your actual age if older than 65).

The WVA Retirement Plan estimated your age 65 Social Security benefit which was then used to calculate your December 31, 2010 Legacy Benefit. (If you are older than age 65 as of December 31, 2010, the Social Security Benefit calculated as of the applicable date will be used).

The program offset is not changed because you receive a lesser Social Security benefit due to payment before age 65 or earnings after retirement. However, if you think the estimate of your Social Security benefit is too high (meaning it lowers your Legacy Benefit) you may submit a copy of the actual year-by-year earnings history that you can get from the Social Security Administration to the Plan to have your benefit recalculated.

The Plan will then calculate your age 65 (or actual age, if older than age 65) Social Security benefit from this earnings history and compare it to the amount that was first used to calculate your benefit. If appropriate, the Plan will adjust your pension so that you receive your proper pension amount. Your pension amount will never be lower than the pension amount based on the program's estimate of your Social Security benefit. It is always to your advantage to submit your Social Security earnings history to see if your pension should be increased. Please contact HR Services at 1-844-242-HR4U (4748) for submittal information.

Years of Credited Service

Years of credited service refers to the number of years of your combined WVA and prior Blue Cross and Blue Shield organization service (if any) that was credited under the WVA Retirement Plan.

Credited service also includes employment with Medical Mutual of Ohio prior to January 1, 1998 and Professional Benefits Consultants prior to January 1, 1999. In addition, periods of total and permanent disability are counted as credited services for disabilities that began before March 1, 2005.

Credited service may also include some credit for periods of military service, lay-off or leave of absence. In some cases, prior employment with the employer or another Blue Cross and/or Blue Shield organization also counts as credited service.

Legacy Benefits under the WVA Retirement Plan: The Formula

Your legacy benefit is calculated as an annual annuity beginning on your normal retirement date (generally the first day of the month after your 65th birthday). Your legacy benefit as of your normal retirement date equals A minus B where:

- A = 2% of your final average earnings as of December 31, 2010, multiplied by your years of credited service through December 31, 2010, up to 30 years.
- B = 1.667% of your deemed age 65 Social Security Benefit (even if your Social Security Retirement Age is later), multiplied by your years of credited service through December 31, 2010, up to 30 years.

(The age 65 Social Security benefit will be calculated as of December 31, 2010, unless you are over age 65 as of December 31, 2010. In that case, the Social Security benefit will be based on your actual age as of December 31, 2010.)

A minimum benefit provision may apply to your Legacy Benefit.

Reduction for Early Commencement: Legacy Benefit Under the WVA Retirement Plan

The Legacy Benefit may include early retirement reduction provisions if your benefit is paid before you attain age 65 (or three years of service, if later). Reductions to the Legacy Benefit portion of your total benefit are based on your age when you terminate employment and your age when you receive your benefit.

Transition provisions may also apply for participants who were employees on September 30, 2004 and February 28, 2005 and who remain in employment, and employees who terminated employment and were rehired.

With respect to your legacy benefit, two types of early retirement benefits are payable if you leave the company prior to age 65 (or three years of service, if later).

- A **Regular Early Retirement Benefit** is payable if you leave employment prior to age 65 and after attaining three years of service, and fewer than 30 years of service.
- A **Special Early Retirement Benefit** is payable if you leave employment after attaining age 55 and completing 30 years of service.

You may elect to commence your total benefit before age 65 and receive benefits immediately. In this case, the West Virginia legacy benefit portion of your total benefit will be reduced, as shown in the chart below that applies to you.

Each early retirement benefit includes reductions for termination before a specified age, and depends on your employment status with the company on either February 28, 2005 or October 1, 2004. The charts below illustrate the approximate percentage of the Legacy Benefit payable based on these variables.

No early retirement reduction applies if you terminate employment on or after age 55 and commence your benefit at the specified age, as shown in the chart below.

**Early Retirement Reductions for the Legacy Benefit
Under the WVA Retirement Plan
Approximate Percentage of Legacy Benefit Payable
(Full Legacy Pension Benefits Paid at Ages 60, 62, or 65, as applicable).**

REGULAR EARLY RETIREMENT (Ineligible for Special Early Retirement)			SPECIAL EARLY RETIREMENT (must complete 30 years of service)		
(1) Age when payment begins	(2) Leave Before Age 55	(3-A) Leave at Age 55 or Older Employee as of 2/28/2005 with no gap in employment	(3-B) Leave at Age 55 or Older First hired or rehired after 9/30/2004*	(4-A) Leave at Age 60 or Older Employee as of 2/28/2005 with no gap in employment	(4-B) Leave at Age 60 or Older First hired or rehired after 9/30/2004 *
65	100%	100%	100%	100%	100%
64	92%	100%	95%	100%	100%
63	84%	100%	90%	100%	100%
62	76%	100%	85%	100%	100%
61	68%	95%	80%	100%	95%
60	60%	90%	75%	100%	90%
59	56%	85%	70%	95%	85%
58	52%	80%	65%	90%	80%
57	48%	75%	60%	85%	75%
56	44%	70%	55%	80%	70%
55	40%	65%	50%	75%	65%
<55	Actuarial reduction **	N/A	N/A	N/A	N/A

* Two reduction calculations apply to the Legacy Benefit portion of your total benefit if you had the following employment history with the company:

- You were an employee as of February 28, 2005, terminated employment and were rehired after February 28, 2005,
- You were an employee prior to (but not on) October 1, 2004, terminated employment and were rehired after September 30, 2004

For a **Regular Early Retirement Benefit** (less than 30 years of service), the portion of your Legacy Benefit accrued as of your first termination date may be reduced from age 62 (see the percentages shown in column 3-A), while the remaining portion of your Legacy Benefit may be reduced from age 65 (see the percentages shown in column 3-B).

For a **Special Early Retirement Benefit** (attain age 55 and complete at least 30 years of service), the portion of your Legacy Benefit accrued as of your first termination date may be reduced from age 60 (see the percentages shown in column 4-A), while the remaining

portion of your Legacy Benefit may be reduced from age 62 (see the percentages shown in column 4-B).

** If your benefit begins before age 55, the Legacy Benefit portion of your total benefit payable at age 55 is further reduced by an actuarial reduction for each calendar month that payments begin before age 55.

Example for employee first hired after September 30, 2004: Let's assume an Employee retires on her 60th birthday and decides to begin receiving her total retirement benefit immediately.

She was first hired June 1, 2005 and is not eligible for special early retirement. Since she is retiring early and receiving her benefit at age 60, the Legacy Benefit portion of her total benefit will be reduced.

Assume her Legacy Benefit payable at 65 is \$10,000. If she delays the start of her total retirement benefit until age 65, she will receive the full \$10,000. If she wants her benefit payments to begin at age 60, she would receive 75% of \$10,000, or \$7,500.

No Duplication of Benefits

If the [Company](#) (or an [affiliate](#)) has contributed to another qualified pension plan on your behalf for a period of time for which you receive [benefit service](#) under the Plan, your benefit from the Plan will be reduced to assure that you do not benefit under both plans for the same period of service.

Note for Delaware Employees: If you were a participant in the Delaware Plan before January 1, 2003, your opening PEP Balance may have been calculated by including service with other Blue Cross/Blue Shield organizations. If you have any questions about how your opening PEP Balance was calculated, contact HR Services at 1-844-242-HR4U (4748).

Retirement Account

For periods of service on or after April 3, 2010, you will accrue benefits through credits to your [retirement account](#). Your [retirement account](#) benefit is always equal to the balance in your [retirement account](#). Your [retirement account](#) consists of [pay credits](#), [interest credits](#) and, for certain participants, [transition credits](#). These credits are described in this section.

Note for WVA Participants: You will only earn credits to your retirement account if you have an hour of service under either the Plan or the WVA Retirement Plan on or after January 1, 2011. If you became a participant in the Plan on or after January 1, 2016, you will be credited with an opening retirement account balance equal to your retirement account balance, if any, determined under the WVA Retirement Plan as of December 31, 2015.

Points and Benefit Service

Credits to your [retirement account](#) are based on the number of [points](#) that you have earned at the beginning of each [plan year](#). Your [points](#) are equal the sum of:

- Your age, plus
- Your years of [benefit service](#).

[Points](#) are determined as of January 1 of each [plan year](#), except for the purpose of determining your eligibility for [transition credits](#). In computing your points, fractions of years for [benefit service](#) and your age are counted. For example, if on January 1 of a [plan year](#) you have 12.451863 years of [benefit service](#) and your age is 45.700900, your [points](#) for the year will be 58.152763.

Note for Highmark Delaware Employees: Your [benefit service](#) under the [Delaware Plan](#) counts for purposes of determining your [points](#), and service before January 1, 2014 was determined under the terms of the [Delaware Plan](#). Your eligibility for [transition credits](#) is determined based on your [points](#) as of January 1, 2014. The [Delaware Plan](#) took into account your service with other BCBS organizations through December 31, 2002.

Note for Transfers from Affiliates and AHN Hospitals: If you transfer to a [participating employer](#) from an [affiliate](#) that is not a [participating employer](#), and you were actively accruing benefits in a defined benefit pension plan with that [affiliate](#) immediately before your transfer of employment, your service with the [affiliate](#) will count for determining your [points](#). In addition, if you transfer to a participating employer from West Penn Allegheny Hospital or Jefferson Regional Medical Center, your service with those entities will count for determining your [points](#). Service with St. Vincent Health System will not count when determining your [points](#).

Pay Credits

If you earn a year of [benefit service](#) during the [plan year](#), you earn a [pay credit](#) in the Plan. You earn a year of [benefit service](#) under the [retirement account](#) benefit formula if you earn at least 1,000 [hours of service](#) during the [plan year](#), which is the calendar year. You will receive a [pay credit](#) for the year of your hire and the year of your termination even if you do not earn a [year of service](#) in that year. The [pay credit](#) is credited to your [retirement](#)

[account](#) as of the last day of the [plan year](#) (or, if earlier, when you leave employment and take a distribution of your [retirement account](#)).

The [pay credit](#) equals a percentage of your [compensation](#) for the year (but not including [compensation](#) prior to April 3, 2010, or after December 31, 2020). The percentage is determined by the [points](#) that you have at the beginning of the year, determined as follows:

Points as of January 1	Percentage of Compensation
Less than 40	3%
At least 40 but less than 55	4%
At least 55 but less than 70	5%
At least 70 but less than 80	6%
80 or more	7%

In addition, if your [compensation](#) is above the maximum [Social Security taxable wage base](#), you will receive an additional [pay credit](#) equal to 3% of the amount by which your [compensation](#) exceeds the maximum taxable wage base, regardless of your number of [points](#). In 2017, the maximum [Social Security taxable wage base](#) is \$127,200. This amount may change from year to year because of cost of living adjustments.

Special Rules for New Hires

If you were first hired on or after January 2, 2016, you are ineligible to participate in this Plan and will not have any benefit under the Plan.

If you were first hired on or after July 2, 2008 (or a WVA employee who was first hired on or after July 2, 2009) and you earned a [year of service](#) in both the 12-month period after your date of hire and during the calendar year in which you entered the Plan, you will receive [pay credits](#) from your date of hire, even though you were not a participant in the Plan for part of that period. For example, if you are hired on May 1, 2012 and you earn a [year of service](#) for eligibility on May 1, 2013, you will begin participating in the Plan on the next entry date, which is July 1, 2013. If you also earn a year of service in 2013, you will receive a [pay credit](#) for your service from May 1, 2012 through December 31, 2013. Your [retirement account](#) will be credited as of December 31, 2013.

Note for Delaware Participants: When the [Delaware Plan](#) was merged into this Plan effective January 1, 2014, your [PEP Balance](#) in the [Delaware Plan](#) as of December 31, 2013 became your opening [retirement account](#) balance in this Plan. You become eligible to accrue additional credits in your [retirement account](#) based on your service after December 31, 2013. In addition, if you transferred employment from Highmark Delaware to a [participating employer](#) between August 19, 2010 and December 31, 2013, your opening [retirement account](#) balance in this Plan was your ending [PEP Balance](#) from the [Delaware Plan](#), plus any additional credits that may have been credited to your [retirement account](#) with respect to service since your transfer. Refer to the summary plan description for the [Delaware Plan](#) for information on how your [PEP Balance](#) as of December 31, 2013 was calculated.

If your opening account balance in the [Delaware Plan](#) on January 1, 2003 was based in part on your [Primary Social Security Benefit](#) (because you participated in the [Delaware Plan](#) on December 31, 2002), a portion of your account in the Plan on January 1, 2014 is based on

an estimate of your Social Security earnings, using your actual earnings with [BCBSD](#) and assuming you had earnings before you joined [BCBSD](#) that increased at the national average used by Social Security to estimate benefits. You can provide evidence of your actual Social Security earnings history to HR Services, and if the Plan's actuary determines that your benefit is greater by using your actual Social Security earnings, rather than the estimated earnings described in the previous paragraph, you will receive the larger benefit, which will increase that portion of your account balance.

To obtain a copy of your actual Social Security earnings from the Social Security Administration so that you can provide this information to the HR Services, log onto the Social Security website at www.SocialSecurity.gov and set up an account if you do not already have one. Once your account is established, you can print a PDF of prior earnings and submit to the Plan for processing. In general, it takes approximately 10 minutes to collect your actual Social Security earnings. It is prudent for you to submit your Social Security earnings history at the time your employment ends or at the time you elect to receive your benefit from the Plan, to see if your [PEP Balance](#) may be increased. Please note that your benefit will not be reduced if your actual Social Security earnings history would result in a lower benefit than the estimated earnings previously used.

If you were a Highmark Delaware employee who was not eligible to participate in the [Delaware Plan](#) due to its freeze in 2012, and you became a participant in the Plan on January 1, 2014 (see pages 4-5), you will be credited with benefit accruals retroactive to the date that you would have started to earn benefit accruals in this Plan, which may be as early as your date of hire.

No pay credits will be added to your retirement account after December 31, 2020.

Transition Credits

Certain participants are also eligible to receive [transition credits](#) from April 3, 2010 through the end of the payroll period that includes April 2, 2020 (special rules that apply to [Delaware participants](#) and WVA Participants are described below). In order to be eligible for [transition credits](#), you must have met all of the following requirements as of April 3, 2010:

- You were an active employee of a [participating employer](#) or an [affiliate](#);
- You were eligible to receive a [legacy benefit](#) under the Plan;
- You had at least 50 [points](#); and
- You had at least 10 years of [benefit service](#) under the [legacy benefit](#) formula.

If you did not meet these requirements on April 3, 2010, you will not be eligible for [transition credits](#), even if you meet them on a later date. If you met these requirements as of April 3, 2010, and then terminate employment and are subsequently re-hired before April 2, 2020, you will be eligible to earn [transition credits](#) after your reemployment.

If you qualify, you receive a [transition credit](#) for each [plan year](#) (from April 3, 2010 until the payroll period that includes April 2, 2020) in which you earn a year of [benefit service](#). The [transition credit](#) equals a percentage of your [compensation](#) for the [plan year](#) (other than [compensation](#) before April 3, 2010), determined by your [points](#) as of January 1 of the year, as follows:

Points as of January 1	Percentage of Compensation
At least 50 but less than 55	3%
At least 55 but less than 70	4%
At least 70 but less than 80	5%
80 or more	6%

Your [transition credit](#) for the 2010 [plan year](#) was determined based on your [points](#) on April 3, 2010.

[Transition Credits](#) are credited to your [retirement account](#) as of the last day of the [plan year](#) in which you earn the credits (or, if earlier, when you leave employment and take a distribution of your [retirement account](#)).

Note for Delaware Participants: For Delaware participants, eligibility for transition credits is different. To be eligible for transition credits, you must meet all of the following requirements:

- You were an active participant in the Delaware Plan on December 31, 2013, and an active employee of a participating employer as of January 1, 2014;
- You had at least 50 points as of January 1, 2014; and
- You had at least 10 years of benefit service under the Delaware Plan as of December 31, 2013.

Delaware participants who meet these requirements can earn transition credits during the period beginning on January 1, 2014 and ending on December 31, 2020. You must earn at least 1,000 hours of service during a plan year to earn a transition credit for that year. No transition credits will be added to your retirement account after December 31, 2020.

Note for WVA Participants: If you were eligible to receive transition credits under the WVA Retirement Plan and you transferred to a participating employer of this Plan, you will be eligible to receive transition credits in this Plan, provided that you continue to meet the requirements to earn them, through the pay periods that end after January 1, 2016 but not before January 1, 2021 (the date transition credits are due to end for WVA Participants). No transition credits will be added to your retirement account after December 31, 2020.

Note Regarding First / Final Year of Hire or Rehire: In the first and last years for which you earn [pay credits](#) and [transition credits](#), the [IRS](#) limit on [compensation](#) and the [Social Security taxable wage base](#) will be pro-rated for the portion of the year in which you earn credits.

Interest Credits

In addition to receiving [pay credits](#) and [transition credits](#), your [retirement account](#) will grow by receiving [interest credits](#) each year. [Interest credits](#) are calculated based on the balance

in your [retirement account](#) as of the first day of the [plan year](#) and will be credited to your [retirement account](#) as of the last day of each [plan year](#). For the [plan year](#) in which you begin to receive distributions of your [retirement account](#), [interest credits](#) will be credited up to the date the distributions begin. For participants who were receiving [legacy benefits](#), because the first [pay credits](#) and [transition credits](#) were credited on December 31, 2010, the first [interest credits](#) were made on December 31, 2011.

Before January 1, 2017, the interest rate that is used to determine [interest credits](#) was the 10-year U.S. Treasury rate, as published in the Wall Street Journal on the first business day of the [plan year](#), compounded quarterly. After January 1, 2017, the interest rate used to determine interest credits is the average yield on 10-year U.S. Treasury Constant Maturities for the November immediately before the calendar year as published in the Federal Reserve Bulletin, compounded quarterly. However, the interest rate for a year cannot be less than 3% or more than 8%.

You will continue to receive [interest credits](#) after you leave employment with your [participating employer](#), even though you will no longer receive [pay credits](#) and [transition credits](#). You will continue to receive interest credits after December 31, 2020 – the pay credit freeze date – until you begin receiving distribution of your retirement account. [Interest credits](#) stop when you begin receiving distribution of your [retirement account](#).

Examples of How Your Retirement Account Grows

Example: Retirement Account calculation

Assume that you were hired on April 1, 2013, on your 45th birthday. That means that you start with 45 [points](#) and have a [pay credit](#) percentage of 4%. If you earned a [year of service](#) from April 1, 2013 to April 1, 2014, you will begin participation in the Plan on July 1, 2014. If you are also credited with at least 1,000 [hours of service](#) during the 2014 calendar year, you will receive [pay credits](#) retroactive to your date of hire and [interest credits](#) for 2014.

Let's assume that for your 9 months of employment in 2013, your [compensation](#) was \$80,000, which was less than the pro-rated maximum [Social Security taxable wage base](#) for the year. Your [compensation](#) for 2014 was \$112,000, which is also less than the [Social Security taxable wage base](#) for the year. The interest crediting rate for 2014 was 3.065%. Here's how the credits to your [retirement account](#) on December 31, 2014 are determined:

Pay Credit for 2013	
Compensation times Pay Credit Percentage = \$80,000 x 4%	\$3,200
Pay Credit for 2014	
Compensation times Pay Credit Percentage = \$112,000 x 4%	\$4,480
Interest Credit for 2014	
Prior year's pay credit times 2014 interest crediting rate = \$3,200 x 3.065%	\$98
Retirement Account Balance as of December 31, 2014	\$7,778

Continuing the example, as of January 1, 2015, you will have 48.5 [points](#) (age 46.75 plus 1.75 years of service), so your [pay credit](#) percentage will continue to be 4%.

Assume that in 2015, your [compensation](#) will be \$128,000, and the 2015 [Social Security taxable wage base](#) is \$118,500. Your [retirement account](#) balance on January 1, 2015 was \$7,778. The interest crediting rate for 2015 is 3.034%. Here's how the credits to your [retirement account](#) in 2015 are determined:

Pay Credit for 2015	
Compensation times Pay Credit Percentage = \$128,000 x 4%	\$5,120
Compensation in excess of taxable wage base times 3% = (\$128,000 - \$118,500) x 3%	+ 285
Total Pay Credit for 2015 =	\$5,405
Interest Credit for 2015	
January 1, 2015 retirement account balance times interest crediting rate = \$7,778 x 3.034%	\$236
Total Credits for 2015:	\$5,641
Retirement account balance as of January 1, 2015	+ \$7,778
Retirement account balance as of December 31, 2015	\$13,419

Your benefit based on your retirement account

When you leave the [Company](#) and all [affiliates](#), you will be eligible to receive your [vested retirement account](#) plus your [vested legacy benefit](#) (if applicable) under the Plan. You can receive your [retirement account](#) as soon as you leave employment. You can also defer receiving your [retirement account](#) until age 65, continuing to earn [interest credits](#) until you receive a distribution.

You can choose to receive your [retirement account](#) in a lump sum payment or in one of the annuity forms available under the Plan. If you are married, you must obtain your [spouse's](#) written consent to elect a form of benefit other than the 50% [joint and survivor annuity](#) with your [spouse](#) as your [beneficiary](#).

If you choose to receive an annuity, your [retirement account](#) balance will be converted into an annuity using actuarial assumptions specified in the Plan. The amount of the monthly payment will depend on the type of annuity you choose and your age (and your beneficiary's age, if applicable) when the annuity begins. Similar to [legacy benefits](#), the earlier the annuity begins, the less the monthly benefit will be because it is expected to be paid over a longer period of time. If you take a lump sum distribution, your distribution will be equal to the value of the [retirement account](#) on your date of distribution.

Note for Delaware Participants: Your benefit in the Plan will always be based upon the greater of the [retirement account](#) balance that you earn through your last day of employment or the [PEP Balance](#) benefit that you earned under the [Delaware Plan](#) as of December 31, 2013 (or your date of transfer to a [participating employer](#), if earlier), with interest at the rate that was provided under the [Delaware Plan](#).

Your retirement account benefit shall not be less than the sum of all of your pay credits and transition credits, as of such date.

How Disability affects your Benefits

If you become [disabled](#) while an employee of a [participating employer](#) and have 10 or more years of [benefit service](#) with a [participating employer](#) when your [disability](#) begins (3 or more years of [benefit service](#) if you were a [Delaware participant](#), to the extent that you were [disabled](#) under the terms of that plan as of December 31, 2013), you will continue to earn years of [benefit service](#) and credits to your [retirement account](#) until the earliest of the date:

- You begin receiving your retirement benefits;
- Your [disability](#) ends;
- You die; or
- You reach [normal retirement age](#) or the fifth anniversary of your [disability](#), if later; or
- December 31, 2020.

Years of [benefit service](#) earned while you are [disabled](#) will be added to service earned prior to your disability for purposes of determining your benefit.

However, [final average compensation](#) used to compute your [legacy benefit](#) will be determined as of your [disability retirement date](#) (or April 2, 2010 (December 31, 2010 for WVA Participants), if earlier). [Benefit service](#) after April 2, 2010 (December 31, 2010 for WVA Participants) will not count toward your [legacy benefit](#). This paragraph does not apply to Delaware participants because they do not have legacy benefits.

If you earn [benefit service](#) due to [disability](#) after April 2, 2010 (December 31, 2010 for WVA Participants) (even if you became disabled before then), you will receive credits to your [retirement account](#), as described above, based on your [compensation](#) for the calendar year preceding your [disability retirement date](#). No pay or transition credits will be added to your account after December 31, 2020 even if you remain disabled as of that date.

You may elect to retire and receive a benefit before [normal retirement age](#). If you receive benefits in the form of an annuity, note that the Plan's early retirement adjustment factors will apply to your [legacy benefit](#) where applicable.

If you become [disabled](#) and have earned a [vested](#) benefit but have less than 10 years of [benefit service](#) (3 or more years of [benefit service](#) if you were a participant in the [Delaware Plan](#), to the extent that you were disabled under the terms of that plan as of December 31, 2013), you will not earn additional service for [vesting](#) or [benefit service](#). You will be [vested](#) in the benefit that you had earned as of your last day of active employment. If you become [disabled](#) and have not earned a [vested](#) benefit, you will not be entitled to a benefit from the Plan.

If you recover from [disability](#), you will keep the [benefit service](#) credited during the period of time that you were [disabled](#). If you are eligible for early retirement, you can elect to begin your benefit payments. Alternatively, you can return to a [participating employer](#) and continue to earn benefits under the Plan, although no benefits will be credited to your account after December 31, 2020.

Vesting

[Vesting](#) refers to your permanent right to the value of your Plan benefit. You become 100% [vested](#) in your Plan benefit when you complete three [years of service](#). You also become 100% [vested](#) if you are an active employee at your [normal retirement age](#) (generally age 65 for participants with an [hour of service](#) after December 31, 2013). Participants who terminated prior to January 1, 2010 became [vested](#) after 5 [years of service](#).

If you leave employment with the [Company](#) before you are [vested](#), you will forfeit your non-[vested](#) pension benefits. If you return to employment with the [Company](#) before you have a [five-year break in service](#), your pension benefits may be restored as described below.

Note for Transferred SeniorCareBLUE Employees: If you are a Transferred SeniorCareBLUE Participant who rejoined Highmark on February 13, 2006, your service with SeniorCareBLUE prior to that date will count to the same extent as if it were service for Highmark.

Note for Synertech and HMS Employees: If you were continuously employed by Synertech between April 30, 1998 and May 29, 2008, you became 100% [vested](#) in your plan benefit on May 29, 2008. Additionally, former employees of Highmark Medicare Services, Inc. whose employment with Highmark's group of companies ended on December 31, 2011 as a result of the sale of HMS to Diversified Service Options, Inc. will be [vested](#) in their benefit even if they had not earned 3 [years of service](#) at the time of the sale.

Note for Former Mutual of Omaha Employees: If you became an employee of the [Company](#) due to the Highmark Insurance Group's acquisition of Mutual of Omaha's stop-loss line of business, your most recent period of continuous service with Mutual of Omaha prior to that date will count for [vesting](#) purposes, as long as you were continuously employed through January 1, 2011.

Note for Highmark Delaware Employees: If you began participating in the Plan on January 1, 2014 as a result of the merger of the [Delaware Plan](#) into this Plan, your [years of service](#) for periods before January 1, 2014 were calculated under the rules provided in the [Delaware Plan](#), including the rules relating to breaks in service. Under the [Delaware Plan](#), if your employment with Highmark Delaware ended before January 1, 2008, you were required to complete 5 [years of service](#) in order to be [vested](#), or else reach age 65 while you were employed by [BCBSD](#). Under the [Delaware Plan](#), you earned a year of service for [vesting](#) prior to 2014 by working at least 1,000 hours during a calendar year. If you were an employee of Highmark Delaware on January 1, 2014 (or you terminated before then but are reemployed within a year of your prior termination), a new [vesting](#) computation period will begin on January 1, 2014 and each subsequent January 1 (unless you get a new "hire date" because you are reemployed after a break in service).

For [vesting](#) purposes, if you were hired by the [Company](#) on or after July 1, 1986 and before January 1, 2010, you will also get [vesting](#) credit for service with another Blue Cross/Blue Shield employer that you worked for within 6 months of your hire date, after you meet the eligibility criteria for the Plan. If you are hired by the [Company](#) on or after January 1, 2010, your "prior Blue service" will not be recognized under the Plan for any purpose.

Transferring to or from an Affiliate

If you transfer to or from an [affiliate](#) that does not participate in the Plan, your [years of service](#) with the [affiliate](#) will be used to determine your [vesting](#) under the Plan. However, you cannot be an active participant in the Plan unless you are employed by a [participating employer](#), and your [years of service](#) with the [affiliate](#) will not count toward the calculation of your benefit.

Transferring to or from an AHN Hospital

Beginning January 1, 2016, if you transfer to or from an AHN Hospital, your years of service with the hospital on and after January 1, 2016 will be used to determine your vesting under the Plan.

If you transferred prior to January 1, 2016 from West Penn Allegheny Hospital or Jefferson Regional Medical Center, your service with those entities will be counted for determining when you reach a year of service for vesting purposes.

Breaks in Service and Forfeiting Service under the Plan

A [one-year break in service](#) is any 12-month period beginning on your most recent date of hire or any [anniversary date](#) during which you complete less than 501 [hours of service](#). You will incur a [five-year break in service](#) when you have at least five consecutive [one-year breaks in service](#).

If you are not [vested](#) in your benefits under the Plan when you leave employment with the [Company](#) and you are either not rehired or are rehired after a [five-year break in service](#), you will lose credit for your prior years of service for all purposes of the Plan. See [If You Are Rehired](#), below.

For purposes of determining whether a [one-year break in service](#) has occurred, you are eligible to receive credit for up to 501 [hours of service](#) for an absence due to your pregnancy, the birth of your child, the placement in connection with the adoption of a child, or the need to care for your child during a period immediately following the child's birth or placement. This credit may prevent you from incurring a one-year break in service in the year in which your absence begins or in the following year to which your absence extends.

You will not incur a [one-year break in service](#) for any of the following reasons:

- You are absent from work due to a leave under the Family and Medical Leave Act, up to a maximum of 12 work-weeks;
- You are absent from work because of an authorized leave of absence for military service and you return to the [participating employer](#) within the period of time required by law; or
- You transfer to another [participating employer](#) or to an [affiliate](#) (including any of the AHN Hospitals after December 31, 2015) that does not participate in the Plan.

Note for Veritus Plan Participants: If you were a participant in the [Veritus Plan](#) and you left the [Company](#) during a computation period that began before January 1, 1998, your break in service will be measured under the terms of that Plan.

Note for Delaware Participants: If you were a [Delaware participant](#) and you left Highmark Delaware before January 1, 2014, your break in service will be measured under the terms of that Plan. While these rules are similar to the Plan's rules, you should consult the Summary Plan Description for the [Delaware Plan](#) for details.

Note for WVA Participants: If you were a participant in the WVA Retirement Plan and you left employment before January 1, 2016, your break in service will be measured under the terms of the WVA Retirement Plan. You should consult the Summary Plan Description for the WVA Retirement Plan for details.

If You Are Rehired

Your years of service for [vesting](#) and [benefit service](#) completed may be restored, depending on your [vested](#) status when you left and the length of your absence.

- **Before you are vested.** If you leave the [Company](#) before you are [vested](#) and you are rehired before incurring a [five-year break in service](#), your service for [vesting](#) and [benefit service](#) earned before you left will be restored. If you have a [five-year break in service](#), however, you will forfeit all benefits and service earned before you left.
- **After you are vested.** If you leave the [Company](#) after you are [vested](#) in any portion of your benefit and are rehired, your prior service for [vesting](#) will be restored regardless of the length of your absence, and your prior [benefit service](#) may be restored as follows:
 - If you received a lump sum payment when you originally left the [participating employer](#), the [benefit service](#) attributable to your original period of employment will not be restored because the Plan has already paid you for that period of service. However, if you again become a participant in the Plan and you repay the benefit previously paid to you, with interest, within 5 years of the date of your rehire, your prior [years of service](#) will be restored.
 - If you did not receive a lump sum payment when you originally terminated from the [participating employer](#), your [benefit service](#) will be restored (regardless of the length of your absence).

If you are reemployed after incurring a [five-year break in service](#), you must satisfy the Plan's eligibility requirements following your reemployment in order to begin actively participating in the Plan again. If you are reemployed after June 30, 2017, you are not eligible to participate in the Plan when you are reemployed.

Reemployment After Retirement

If you begin receiving retirement benefits from the Plan and are subsequently rehired by the [Company](#) or a [participating employer](#) (working at least 1,000 hours during the 12-month period after you return or any computation period after that), your benefits will be suspended during any month in which you earn at least 83½ [hours of service](#). Your benefits will resume no later than the third month after you again retire from the [Company](#) or the [participating employer](#), or you work fewer than 83½ hours in a month, if earlier. However, your benefits will not be suspended if you are rehired on or after January 1, 2010 and after your [normal retirement date](#).

If you are reemployed after you begin receiving benefits after your [normal retirement date](#) and then retire, your prior distribution election will continue to apply. However, if you are reemployed after you begin receiving benefits before your [normal retirement date](#) you will need to again elect your annuity starting date and distribution option for any benefit you accrue during reemployment.

Note for Delaware Participants Rehired before January 1, 2014: A [Delaware participant](#) who was in re-employment status on December 31, 2013 will have pension payments suspended if he or she works at least 83⅓ hours in a month, regardless of whether he or she earns at least 1,000 hours in a computation period or was rehired prior to his or her [normal retirement date](#).

How Benefits Are Paid

The Plan allows you to receive your retirement benefits in a variety of ways – either through the Plan’s [normal forms of payment](#) or through one of the [optional forms of payment](#). You choose the method that best fits your personal financial needs.

If you have both a [legacy benefit](#) and a [retirement account](#), you will generally be required to have both benefits begin at the same time and be paid in the same form (annuity or lump sum).

However, if your [legacy benefit](#) has a lump sum value of more than \$100,000 – so that it cannot be paid as a lump sum – you can elect to have your [retirement account](#) paid in a lump sum, but defer starting your [legacy benefit](#) annuity until a later date.

Normal Forms of Payment

If you are single on the date benefit payments are scheduled to begin, the [normal form of payment](#) of your retirement benefit is a [single life annuity](#). A [single life annuity](#) provides monthly benefits to you for life. When you die, payments end. No income will be paid to anyone else.

If you are married on the date your benefit payments are scheduled to begin, the [normal form of payment](#) of your retirement benefit is a spousal 50% [joint and survivor annuity](#). This [joint and survivor annuity](#) provides a monthly benefit to you for your lifetime, and after your death, your surviving [spouse](#) to whom you were married when benefits begin will receive 50% of the monthly benefit you were receiving for his or her lifetime. The monthly benefit you receive will be less than a [single life annuity](#) because it will be paid over two lifetimes – your lifetime and your [spouse](#)’s lifetime. The amount of the reduction depends on your age and the age of your [spouse](#) when benefit payments begin.

Benefits of \$5,000 or less. If the value of your single life benefit is \$5,000 or less, your benefit will be paid in a lump sum. The lump sum form of payment applies whether you are single or married.

Benefits Payable to Your Estate. If a benefit from the Plan is payable to your estate, it will always be paid in a lump sum.

Optional Forms of Payment

If the value of your benefit is more than \$5,000, you can receive your retirement benefit in one of the [optional forms of payment](#) described below. Keep in mind that [legacy benefit](#) payments under any optional form will be equal in value to a [single life annuity](#). The benefit derived from your [retirement account](#) will be equal in value to the balance of your [retirement account](#) when you begin receiving payments. If your monthly benefit is less than \$25, the Plan may automatically pay your benefit on an annual basis.

If you are married, your [spouse](#) must provide written consent if you choose an [optional form of payment](#) (other than a [joint and survivor annuity](#) option where your [spouse](#) is your [beneficiary](#)). Your [spouse](#)’s consent must be witnessed by a notary public or Plan representative.

Here are your optional forms of payment:

- **Lump Sum Option.** You can always receive your [retirement account](#) in a lump sum payment, regardless of its value. If you receive your benefits after January 1, 2017, and the present value of your legacy benefit is \$100,000 or less, you can receive your legacy benefit in a single lump sum payment. If you take a lump sum distribution, you may be able to rollover the distribution tax-free. See "[How Taxes Affect Your Benefits](#)" below for more information on rollovers.
- **Single life Annuity Option.** This is the [normal form of payment](#) if you are single. You may elect a [single life annuity](#) if you are married only with your [spouse's](#) consent as described above. Electing to have your benefit paid as a [single life annuity](#) provides monthly benefits during your lifetime only. Payments do not continue to a [beneficiary](#) after your death.
- **Joint and Survivor Annuity Options.** This option allows you to receive a reduced annuity during your lifetime and then provides benefits to your [spouse](#) or another person, your [beneficiary](#), after your death. The amount by which your benefit is reduced depends on the percentage you choose to go to your surviving [beneficiary](#) and the difference between your age and your [beneficiary's](#) age on the date benefit payments are scheduled to begin. If your [beneficiary](#) dies after your annuity payments begin but before you, you cannot name another [beneficiary](#), nor will your payment level increase. If you elect a [joint and survivor annuity](#) and your [beneficiary](#) dies before you, benefits would end upon your death.

Under the [joint and survivor annuity](#) option, you can choose to have either:

- 50% of your reduced monthly income continue after your death for the lifetime of your [beneficiary](#);
- 66 $\frac{2}{3}$ % of your reduced monthly income continue after your death for the lifetime of your [beneficiary](#);
- 75% of your reduced monthly income continue after your death for the lifetime of your [beneficiary](#); or
- 100% of your reduced monthly income continue after your death for the lifetime of your [beneficiary](#).

Under the [joint and survivor annuity](#) options, if you elect a non-[spouse beneficiary](#), federal regulations may limit the joint and survivor options available to you if the age difference between you and your non-[spouse beneficiary](#) exceed certain thresholds.

- **5- or 10-Year Certain and Life Option.** The 5-year or 10-year certain and life option pays reduced monthly benefits to you for life, with guaranteed payments for a period of 60 or 120 months, as you elect. If you die within the guaranteed period, your designated [beneficiary\(s\)](#) will receive your monthly benefit for the balance of the period. If you receive monthly benefits for the full guaranteed period during your lifetime, no benefits will be paid after you die. The amount by which your benefit is reduced depends on the option you choose and your age. Under this option, you may designate a new [beneficiary](#) at any time before you

die, such as if your [beneficiary](#) dies before you, (subject to spousal consent rules if you are married).

- **Social Security Level Income Option.** If you retire before reaching age 62, you can choose the Social Security Level Income option. This option is designed to level out monthly payments throughout your lifetime. You receive higher Plan payments before you are first eligible to receive Social Security retirement benefits. Then, beginning at age 62, your income from the Plan is decreased so that, in combination with Social Security, your total monthly income remains approximately the same. Benefits are payable for your lifetime. Please note that, depending on your individual circumstances, it is possible that the benefit that is payable to you beginning at age 62 could be \$0.

Additional Optional Forms of Payments - Delaware Participants Only: The following additional optional forms of payment apply to [Delaware participants](#), subject to the spousal consent rules described above. Remember, the [normal forms of payment](#) described above continue to apply, and if you are married, your [spouse](#) must provide written consent if you choose an [optional form of payment](#) (other than a [joint and survivor annuity](#) option where your [spouse](#) is your [beneficiary](#)). Your [spouse](#)'s consent must be witnessed by a notary public or Plan representative.

- If you were a [Delaware participant](#) and you do not earn an [hour of service](#) on or after January 1, 2014, if you elect to begin receiving benefits before age 55, the only [optional forms of payment](#) available to you are an immediate lump sum payment and an immediate 75% [joint and survivor annuity](#).
- If you were a [Delaware participant](#) and you begin to receive benefits after attaining age 55, in addition to the [optional forms of payment](#) generally available as described above, you also have the following options available to you:
 - **15-year Certain and Life Option.** This option is similar to the 5 and 10-year certain and life options described above, but the guaranteed period is 180 months.
 - **Joint and Survivor Social Security Level Income Option.** If you retire before reaching age 62, you can choose the Joint and Survivor Social Security Level Income option. This option is designed to both level out monthly payments throughout your lifetime and to provide a survivor annuity. Payments during your lifetime are reduced to provide a death benefit after you die. However, you receive higher Plan payments before you are first eligible to receive Social Security retirement benefits. Then, beginning at age 62, your income from the Plan is decreased so that, in combination with Social Security, your total monthly income remains approximately the same. Benefits are payable for your lifetime. After your death, if your [beneficiary](#) survives you, he or she will receive a benefit of 50% of your monthly post-age 62 benefit for the rest of his or her life. Please note that, depending on your individual circumstances, it is possible that the benefit that is payable to you beginning at age 62 could be \$0.

If you had both a grandfathered benefit (or a pre-2003 final average pay benefit that was not used to calculate your opening [PEP Balance](#)) in the [Delaware Plan](#) and a non-grandfathered benefit as a result of being re-hired by Highmark Delaware or another

[participating employer](#), you will receive separate benefit elections for each component of your total benefit. Therefore, you may receive your grandfathered benefit in one form and your non-grandfathered benefit in a different form. You can also elect to begin receiving the components at different times.

Additional Optional Forms of Payments - WVA Participants Only: The following additional optional forms of payments apply to WVA participants, subject to the spousal consent rules described above. Remember the normal forms of payment described above continue to apply, and if you are married, your spouse must provide written consent if you choose an optional form of payment (other than a joint and survivor annuity option where your spouse is your beneficiary). Your spouse's consent must be witnessed by a notary public or Plan representative.

- A reduced benefit payable for life, but in the event you die prior to receipt of 240 monthly payments after the date were eligible to receive payment, payable to your continue beneficiary(s) for the remainder of such 240 monthly payments.
- If you are eligible for the legacy benefit, an actuarially equivalent single sum payment of your entire vested legacy benefit in cash.

Postponed Retirement Benefits

If you continue working for the [Company](#) or an [affiliate](#) past your [normal retirement date](#), you will receive a retirement benefit beginning on the first day of the month after you retire, calculated as described above, but taking into account your [benefit service](#) and [compensation](#) after age 65.

You may begin receiving benefits on the April 1 following the year in which you reach age 70½ – even if you are still working at the time in any available form of payment. When you terminate employment, you will be able to elect a new form of distribution for your remaining benefit. If you continue to work after you begin receiving your benefit, your benefit will be recalculated yearly to include any additional benefits that you earn, but this accrual is offset by the actuarial equivalent value of benefit payments you receive during the year.

If you defer receiving benefits until your retirement after April 1 following the year you reach age 70½, your benefit will not be less than the greater of:

- your [normal retirement benefit](#) on the day you begin receiving benefits; or
- the actuarial equivalent of your benefit determined as of April 1 following the year in which you reach age 70½.

If you were a participant in a [prior plan](#), in no case will your postponed retirement benefit be less than your [normal retirement benefit](#) under the [prior plan](#).

Electing a Payment Method

Regardless of the payment method you choose, you must submit a written request for benefits at least 30 days, but not more than 180 days, before your benefit payments are scheduled to begin. You may be able to elect a payment method within the 30-day period prior to your actual retirement date if you complete and return the appropriate forms to HR Services. You may change your choice of payment method, with spousal consent, if

applicable, until your accrued benefits begin to be paid to you. Once your benefit payments begin, you cannot change your form of payment. You may contact HR Services at 1-844-242-HR4U (4748) or log onto HRservices.highmarkhealth.org to request information or to obtain copies of forms.

As you approach retirement, you will receive more specific information about your benefit options and payment amounts from HR Services. It is to your advantage to consult a financial planner or tax advisor before deciding which payment option best meets your financial needs.

Keep in mind that, if you are married, most optional forms of payment require your [spouse's](#) written consent, and your [spouse's](#) consent must be witnessed by a notary public or Plan representative.

You will be asked to provide copies of your birth certificate, and, if applicable, a [spouse's](#) birth certificate and marriage license, and you may also be asked to provide proof of a divorce or a [spouse's](#) death certificate.

If you were entitled to receive a portion of your accrued benefit from a 1974 insurance and annuity contract, you may elect, with your spouse's consent, to receive that portion of your benefit as a lump sum. If you do, the remaining portion of your benefit will be reduced to reflect the lump sum distribution.

Restrictions Based on Plan Funding

Tax rules limit the ability of the Plan to pay lump sums and other accelerated benefits, such as the Social Security leveling option, if the Plan's funding levels are below certain limits. These limits currently do not apply to the Plan. The [Plan administrator](#) will provide you with a notice if these limits apply in the future.

Survivor Benefits

If you die before your retirement benefits begin and are [vested](#) in your Plan benefit, your [beneficiary](#) will be eligible to receive a [pre-retirement death benefit](#) from the Plan. Your [beneficiary](#) may be eligible for this benefit even if you are no longer working for the [Company](#) when you die — as long as you were [vested](#) when you left. There are different rules depending on whether you have an [hour of service](#) on or after January 1, 2010.

Note: If you made a valid election and designated your spouse as contingent beneficiary, but died before your annuity starting date, your surviving spouse will receive the monthly benefit that would have been payable to the surviving spouse under your election, as if your annuity starting date is the day before your death.

Participants with service on or after January 1, 2010

If you have service with the [Company](#) or an [affiliate](#) on or after January 1, 2010, and you die after you have become eligible for a [vested accrued benefit](#) from the Plan but before you begin receiving benefit payments, the amount of the [pre-retirement death benefit](#) will be equal to:

- the balance of your [retirement account](#); plus
- if applicable, the [legacy benefit](#) that would have been payable to your [beneficiary](#) if you elected to receive your [legacy benefit](#) under the Plan in the form of a 50% [joint and survivor annuity](#) and then died.

This benefit is normally paid as a [single life annuity](#) for the rest of your [beneficiary's](#) life, but your [beneficiary](#) may also elect to receive the [legacy benefit](#) portion of the [pre-retirement death benefit](#) in a lump sum. Your [beneficiary](#) can elect to receive a lump sum distribution of your [retirement account](#) no matter what its value is. If the actuarial value of the total [pre-retirement death benefit](#) is \$5,000 or less, it will automatically be distributed in a lump sum payment. If you have both a [legacy benefit](#) and a [retirement account](#), your [beneficiary](#) will generally be required to have both benefits begin at the same time and be paid in the same form (annuity or lump sum).

Your [beneficiary's](#) benefits will begin as follows:

- Your [spouse](#) may elect to begin receiving the [pre-retirement death benefit](#) at any time after your death up to when you would have attained age 65 (or your date of death if you die after age 65).
- A non-[spouse beneficiary](#) who elects an annuity distribution will begin receiving payments as soon as practicable following your death. A non-[spouse beneficiary](#) who elects a lump sum distribution must receive the distribution no later than the end of the year which contains the fifth anniversary of your death.
- If the present value of the survivor's benefit is \$5,000 or less, it will automatically be paid in a lump sum as soon as practicable following your death.
- If you are not married at the time of your death and have not designated a [beneficiary](#) (or if your [beneficiary](#) dies before you), the value of your [retirement account](#) will be paid to your estate in a lump sum. In addition, the actuarial value of your [legacy benefit](#) (if any) will be paid in a lump sum to your estate.

If your [beneficiary](#) receives a lump sum distribution, he or she may roll it over to an IRA (or an inherited IRA, in the case of a non-[spouse beneficiary](#)). See "[How Taxes Affect Your Benefits](#)" below for more information on rollovers.

Highmark Participants who Terminated Employment before January 1, 2010

If you were a Highmark participant who terminated employment prior to January 1, 2010 with a [vested accrued benefit](#), and you die before you begin receiving benefit payments, the death benefits provided by the Plan are subject to different rules.

Keep in mind that participants with no [hours of service](#) on or after January 1, 2010 will not have a [retirement account](#). If you have no [hours of service](#) on or after January 1, 2010, a [pre-retirement death benefit](#) is available only to your [spouse](#) or [domestic partner](#), provided that you have been married or had a declaration of domestic partnership on file for at least one year before your death. If your [spouse](#) or [domestic partner](#) qualifies to receive this benefit, the amount of the benefit will be equal to the amount that he or she would have received if you elected to receive your [legacy benefit](#) under the Plan in the form of a 50% [joint and survivor annuity](#) and then died.

The [Company](#) paid the full cost of this death benefit coverage while you were an active employee of the [Company](#), an [affiliate](#), or another Pennsylvania Blue Cross company that is not participating in this Plan. If you terminated employment before January 1, 2010, the cost for this coverage is deducted from your benefit.

Your [spouse](#) or [domestic partner](#)'s survivor benefit is based on the benefit you have accrued at the time of your death, as follows:

- If you die before eligibility for retirement. The amount of your [spouse](#) or [domestic partner's](#) benefit is 50% of the benefit you would have received if you had terminated employment on the date of your death (or your actual termination date, if earlier), survived to early or normal retirement, as applicable, and you elected to begin receiving a 50% [joint and survivor annuity](#) on that date.
- If you die after eligibility for retirement. The amount of your [spouse](#) or [domestic partner's](#) benefit is 50% of the benefit you would have received if you had retired on the day of your death (or your actual termination date, if earlier) and elected a 50% [joint and survivor annuity](#) with your [spouse](#) or [domestic partner](#).
- Automatic Lump Sum. If the lump-sum value of the death benefit is \$5,000 or less, your [spouse](#) or [domestic partner](#) will automatically receive that amount in a single lump sum. Your [beneficiary](#) may be able to rollover this distribution tax-free. See "[How Taxes Affect Your Benefits](#)" below for more information on rollovers.

Survivor's benefits for Highmark participants with no [hours of service](#) on or after January 1, 2010 begin as follows:

- If you die when you are eligible to begin benefit payments immediately because you are at least age 55, your surviving [spouse](#) or [domestic partner](#) may begin receiving death benefits on the first day of the month on or after your death.

- If you die before you are eligible to begin benefit payments immediately because you are not at least age 55, your surviving [spouse](#) or [domestic partner](#) may begin receiving death benefits on or after the date you would have reached age 55.
- Alternatively, if you die before your [normal retirement age](#), your [spouse](#) may elect to defer receiving death benefits until the date you would have reached your [normal retirement date](#) if you had survived.
- Special Rule for domestic partners. The rules listed above apply only for [spouses](#). If you die before you reach age 55 and are survived by a [domestic partner](#), the value of the death benefit will be paid in a lump sum as soon as practicable after your death. If you die after reaching age 55, your [domestic partner's](#) monthly benefits must begin no later than one year after the date of your death.

If your [pre-retirement death benefit](#) commences before you would have reached your [normal retirement date](#), payments are reduced as described above to reflect the longer payment period.

Unless you waive the [pre-retirement death benefit](#) as described below, the amount of your retirement benefit is reduced to pay for the death benefit coverage during any period you are married or have a declaration of domestic partnership on file (for at least one year) and are no longer an employee of the [Company](#) or a non-participating Pennsylvania Blue Cross company. This reduction also does not apply to employees who have at least one [hour of service](#) on or after January 1, 2010. The amount of reduction is based on the number of months the coverage is in effect, as follows:

Pre-Retirement Death Benefit Table	
Age of Participant	Reduction
Under age 35	.05% per year
Between ages 35 and 44	.1% per year
Between ages 45 and 54	.2% per year
Between ages 55 and 59	.5% per year
Between ages 60 and 65	.7% per year

If you do not want to pay for the [pre-retirement death benefit](#) after you leave the [Company](#), you may waive the benefit with your [spouse's](#) consent. (Consent is not needed in the case of a [domestic partner](#).) The election period begins on your termination of employment and ends when you die. You may revoke your election to waive death benefits at any time during the election period. Your waiver (and any revocation of a waiver) must be made on a form provided by the [Plan administrator](#), and consented to by your [spouse](#). Your [spouse's](#) consent must be in writing and witnessed by a Plan representative or a notary public.

If you terminated employment before January 1, 2010, and are rehired on or after that date, your legacy benefit, if any, shall be determined taking into account any reductions to such benefit that were made to reflect the cost of providing pre-retirement death coverage during the period in which you were not employed by the Company.

Special Survivor Benefits for Prior Plan, Delaware and WVA Participants

Note for Former Veritus Plan Participants: If you were a participant in the [Veritus Plan](#) on December 31, 1997, in no event will the survivor benefit be less than the survivor benefit determined under the [prior plan](#) based on your accrued benefit in effect on January 1, 1998.

Note for Former ICHP Pension Plan Participants: If you had accrued a benefit in the Plan on December 31, 1989, and die after retiring or after reaching normal, early, or deferred retirement under that [prior plan](#), your [spouse](#) will be eligible to receive a one-time special survivor benefit – which is in addition to your survivor benefit under the Plan. The amount of this special benefit will equal 24 times your accrued monthly benefit as of December 31, 1989, but will not be less than \$2,000 or more than \$10,000.

Note for Delaware Participants: If you are a [Delaware participant](#) and do not have an hour of service on or after January 1, 2014, any entitlement to a [pre-retirement death benefit](#) will be determined under the terms of the [Delaware Plan](#). Therefore, your benefit is based upon your accumulated [PEP Balance](#) at the time of your death, and your [beneficiary](#) can elect a single life annuity or a lump sum payment. If you have an [hour of service](#) on or after January 1, 2014, the [pre-retirement death benefit](#) payable will not be less than the greater of (1) your accrued benefit under the [Delaware Plan](#) as of December 31, 2013 or (2) the actuarial equivalent of the survivor benefit that would have been payable under the [Delaware Plan](#) as of December 31, 2003, determined using the applicable actuarial factors in the [Delaware Plan](#). You may obtain more information about these benefits by contacting myHighmark. If you were a [Delaware participant](#), a valid beneficiary designation you had on file with the [Delaware Plan](#) as of December 31, 2013 was carried over to the Plan. You should review and update your designation of beneficiary now through HR Services.

In addition, if you had a grandfathered benefit or a pre-2003 benefit that was not used to calculate your beginning [PEP Balance](#), the [pre-retirement death benefit](#) you earned under the [Delaware Plan](#) is only payable to your surviving [spouse](#) and is 50% of the monthly pension that you would have been eligible to receive if you retired and elected a [single life annuity](#). This [pre-retirement death benefit](#) is paid as a [single life annuity](#) to your [spouse](#). More information about this benefit can be obtained by reviewing the summary plan description for [grandfathered participants](#).

Note for WVA Participants: If you are a WVA Participant who terminated employment before January 1, 2011, your pre-retirement death benefit shall be determined in accordance with the terms of the WVA Retirement Plan as in effect on your termination date.

If you are a WVA Participant who earned an hour of service on or after January 1, 2011, your pre-retirement death benefit shall be the actuarial equivalent of the sum of: (1) the balance of your retirement accumulation account; and (2) if applicable, the pre-retirement death benefit for your legacy benefit payable upon your death.

If you are a WVA Participant with a legacy benefit, a pre-retirement death benefit for your legacy benefit will be payable to your beneficiary if: (1) your employment terminated by reason of death after you attained age 55 and you completed the requisite number of years of service to be eligible for early retirement; or (2) you completed five years of service (three years of vesting service if you earned an hour of service on or after January 1, 2011), or otherwise have a nonforfeitable right to a benefit under the Plan.

The amount of your pre-retirement death benefit payable to your surviving spouse shall be determined based on whether you die before your normal retirement age.

- If you die on or after your normal retirement age, the amount of your pre-retirement death benefit is 50% of the legacy benefit that would have been payable to you had your annuity starting date been the day before your death as a single life annuity.
- If you die before your normal retirement age, the amount of your pre-retirement death benefit is generally the legacy benefit that would have been paid as an early retirement benefit multiplied by 50%. If the pre-retirement death benefit begins to be paid before you would have attained age 55, the pre-retirement death benefit is further reduced based on the date the benefit commences.

In no event will your surviving spouse's pre-retirement death benefit be less than the benefit he or she would have received as the survivor portion of the 50% joint and survivor annuity payable under the Plan. (This minimum threshold will not apply however, if your annuity starting date preceded the date that you would have attained age 55.) Further, if your pre-retirement death benefit is payable to someone other than your surviving spouse, the amount of the monthly benefit shall be calculated in the same manner as if the beneficiary was your surviving spouse; but if your beneficiary is more than 5 years younger than you, the amount of the monthly benefit otherwise payable will be reduced by 0.4% for each year (or fraction) in excess of five that the beneficiary is younger than you.

If You Die After Retirement Benefits Begin

If you die after you have started receiving your retirement benefit, payments will continue only if you elected a payment form that provides for a survivor benefit to be paid to your designated [beneficiary](#).

Retiree Health Benefits

As part of the Plan, the Company may, from time to time and at its discretion, make contributions to a Retiree Health Program Fund (the "Fund") -- a Fund that is used to fund retiree medical benefits under the applicable retiree medical plans for certain participants. No participants or eligible dependents are permitted to contribute to the Fund.

How Taxes Affect Your Benefits

Under current tax law, your retirement benefit is not taxable while it remains in the Plan. When you or your [beneficiary](#) receive a payment from the Plan, you are responsible for paying applicable income taxes. If you receive payment of your benefit in the form of an annuity, you may elect whether or not to have taxes withheld. If you do not make any election, federal income tax will be withheld automatically as if the payments were wages (although employment (FICA) taxes do not apply). If you elect not to have withholding apply, or even if you do elect withholding but the amount withheld is insufficient, you may owe additional taxes on the payments.

If a lump sum payment is made, you may also owe a 10% penalty tax if the benefit is paid before you reach age 59½ and you have terminated employment with the [Company](#) and its [affiliates](#) before the beginning of the year in which you reach age 55. This additional 10% penalty tax does not apply if the payment is made because of your death, permanent disability or a [QDRO](#). See [Non-assignment of Benefits](#).

You can defer paying taxes if your lump sum payment is rolled over or transferred directly to another eligible plan that will accept rollovers, such as a qualified retirement plan, traditional IRA, Section 403(b) annuity or Section 457 governmental plan.

If you do not elect a direct transfer of the entire lump sum distribution, the Plan is generally required to withhold 20% of the taxable portion of the amount distributed. If you are eligible for a lump sum distribution, you will receive additional information on rolling over or directly transferring your benefit when you terminate employment. The Plan does not have to withhold federal income taxes or allow a rollover distribution if the distribution amount is less than \$200.

You can now also roll over a payment from the plan to a Roth IRA. If you roll over the payment to a Roth IRA, the amount of the payment rolled over will be taxed (although Highmark is not required to withhold tax on the distribution). However, the 10% additional income tax on early distributions will not apply unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover. If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed, including earnings accrued after the date of the rollover.

If your surviving [spouse](#) is entitled to receive an eligible distribution due to your death, your [spouse](#) also has the option of authorizing a direct rollover. Your [spouse](#) may transfer your account balance to another qualified retirement plan, traditional IRA, Roth IRA, Section 403(b) annuity, or Section 457 governmental plan. A [beneficiary](#) who is not your [spouse](#), including a [domestic partner](#), may also roll over an eligible rollover distribution directly to an IRA that is established specifically to accept such distribution, and which is treated as an "inherited IRA" subject to minimum distribution rules.

If you are a Pennsylvania resident when you receive your distribution (including annuity payments), your benefit payment is not subject to Pennsylvania income taxes, provided the distribution is made on or after the date you reach age 55. This exemption does not apply to distributions made to you before you reach age 55. Payments to your [beneficiary](#) are also generally exempt from Pennsylvania income tax. Tax laws change from time to time, and the tax impact of receiving payments from the Plan will vary with your individual situation. Because the [Company](#) does not give individual tax advice or counsel, you should

consult a professional tax advisor or financial expert for specific advice about your circumstances.

How to Apply for Benefits

In general, you must apply when you are ready to receive a benefit under the Plan. This section describes how to request pension estimates, file a claim and appeal.

Estimated Projected Pension Payments

You may request estimates of your projected Plan benefit at normal, early or late retirement by calling HR Services at 1-844-242-HR4U (4748). You may want to request these projections to help you determine when you want to retire. You will also want to obtain a current estimate within 180 days of the date on which you wish to retire and begin payment.

You can change your election of a method of payment during the 180-day period ending on the date prior to your retirement date. If you are married, your [spouse](#) must provide written and notarized consent to your election change. Once your annuity starting date occurs, you cannot later change the method of payment.

Filing a Claim

To receive your benefits under the Plan, you should start by contacting HR Services, which will provide you with the necessary information to obtain your benefits. However, if you have been notified about a benefit amount that you believe is incorrect, you may file a claim with Highmark's Director, Retirement Benefit Programs. You may appoint a representative to act on your behalf during the claims and appeals procedures described below. To file a claim, you, your [beneficiary](#), or authorized representative should submit your request for benefits to the following address:

Highmark Health
120 Fifth Avenue, Suite 441
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 Employee Benefits Fiduciary Committee 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 Employee Benefits Fiduciary Committee 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 a claim for benefits is denied, you have certain rights under the law. However, 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. For more information, see the section of this booklet entitled [ERISA Rights](#).

Other 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.

Non-assignment 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. Under federal law, a [domestic partner](#) cannot be assigned benefits under a [QDRO](#).

The [Plan administrator](#) has no discretion in these matters. 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 Highmark'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 Highmark's [QDRO](#) Procedures without charge by requesting them from the HR Services at 1-844-242-HR4U (4748) or Highmark's Corporate Employee Benefits Department at 1-800-341-1524.

Military Service

If you are a participant in the Plan and enter qualified military service, special rules apply to the calculation of your benefits and service under the Plan.

- If you receive differential wage payments from your [participating employer](#) during your military service, these payments will be treated as [compensation](#) and you will be an active participant under the Plan, even if you do not return to employment with the [participating employer](#) at the end of your military service.
- If, following the completion of your military service, you return to employment with the [participating employer](#) within the period provided by law, you will receive credit for benefit accruals and [vesting](#) for the period of your military service as though you had been working for the [participating employer](#) during the period of your military service.
- If you die during your military service, you will receive credit for [vesting](#) purposes (but not for the purpose of calculating your benefit) for the period of your military service.

Please contact the [Plan administrator](#) if you have any other questions about how your military service affects your benefits under the Plan.

Payment to Minors

If anyone entitled to income from the Plan is a minor or is judged to be physically or mentally incompetent, the [Plan administrator](#) may pay the income to someone else for the benefit of the recipient (to a legal guardian, for example).

Top-Heavy Rules

Under current tax law, if a qualified retirement plan provides more than 60% of its benefits to "key" employees, that plan is considered to be "top heavy." Both "top-heavy" and "key" employees are terms defined under [IRS](#) regulations.

At present, the Plan is not top-heavy. In the unlikely event that it becomes top-heavy, you will be notified, your benefits may be adjusted, and your [vesting](#) may be accelerated to keep the Plan qualified under [IRS](#) regulations.

Continuance of the Plan

Although the [Company](#) presently intends to continue the Plan indefinitely, the [Company](#) reserves the right to amend or terminate (end) the Plan at any time and for any reason by action of the [Company's](#) Board of Directors or its delegate.

If the [Company](#) terminates the Plan for any reason, the assets in the Plan will be used for the exclusive purposes of paying benefits of Plan participants and their [beneficiaries](#) and defraying the reasonable expenses of the Plan. Any funds that remain after all benefit liabilities to participants and beneficiaries have been satisfied as described in Section 4044 of [ERISA](#) will revert to the [Company](#). If you are affected by a termination of the Plan, you will become 100% [vested](#) in your Plan benefit, to the extent funded. Plan funds can be returned to the [Company](#) only if any assets remain after all liabilities under the Plan have been satisfied.

Although we expect the Plan to have enough money to pay benefits to all participants at termination, if there is not enough money, the Plan assets will be allocated in the order required by law.

ERISA Rights

When you become a participant in the Plan, you are entitled to certain rights and protections under [ERISA](#). The following is a summary of those rights:

- You may examine, without charge, all Plan documents, including insurance contracts and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions. These documents are available in the Corporate Employee Benefits department during regular business hours by calling 1-800-341-1524.
- You may obtain copies of all plan documents by writing to the [Plan administrator](#). There will be a reasonable charge for duplicating documents.
- Each year you will receive a summary of the Plan's annual financial reports. The [Plan administrator](#) is required by law to furnish you with a copy of this information.
- Upon your written request, you may obtain a statement telling whether you have a right to receive a benefit under the Plan, and if so, the amount of the benefit. If you are not eligible for a benefit, the statement will tell how many more years you have to work to get a right to a benefit. This statement is not required to be given more than once a year. It is provided free of charge.

- If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to file an appeal and have the plan review and reconsider the claim.

In addition to creating rights for plan participants, [ERISA](#) imposes duties on the people who are responsible for the operation of employee benefit plans. The people who operate the plan are called “fiduciaries.” Fiduciaries have a duty to operate the plan prudently and in the interest of all plan participants and [beneficiaries](#). No one, including the [Company](#) or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under [ERISA](#).

Under [ERISA](#), there are steps you can take to enforce these rights. For instance, if you make a written request for materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the [Plan administrator](#) to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the [Plan administrator](#). If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the [Plan administrator](#)’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a state or federal court.

If it should happen that the plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in 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 legal fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds that your claim is frivolous.

If you have any questions about the 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 Area Office of the Employee Benefits Security 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, DC 20210.

You may obtain certain publications about your rights and responsibilities under [ERISA](#) by calling the publications hotline of the Employee Benefits Security Administration.

Plan Insurance

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

The PBGC guarantee generally covers:

- Normal and early retirement benefits:
- Disability benefits if you become disabled before the Plan terminates; and

- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guarantee amount set by law for the year in which the Plan terminates;
- 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;
- Benefits that are not [vested](#) because you have not worked long enough for the [Company](#);
- Benefits for which you have not met all of the requirements at the time the Plan terminates;
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) and that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

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

For more information on 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 1-202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

Administrative Information

Plan Sponsor

The Plan sponsor is:

Highmark Inc.
120 Fifth Avenue
Suite FAP 922
Pittsburgh, PA 15222-3099

Name of Plan

The name of the plan is the Highmark Retirement Plan.

Employer Identification Number (EIN)

The employer identification number (EIN), as assigned by the IRS, is 23-1294723.

Plan Number

333

Plan Type

The plan is a defined benefit pension plan.

Plan Year

The [plan year](#) is the calendar year (January 1 to December 31).

Plan Administrator

The [Plan administrator](#) is the Employee Benefits Fiduciary Committee. 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.

However, day-to-day plan recordkeeping is handled by Mercer, which can be contacted through HR Services. You can contact the Employee Benefits Fiduciary Committee at the following address:

Highmark Health
c/o Director, Retirement Benefit Programs
120 Fifth Avenue, Suite 441
Pittsburgh, PA 15222-3099
1-844-242-HR4U (4748)

You can contact Mercer by calling HR Services at 1-844-242-HR4U (4748) or by visiting HRservices.highmarkhealth.org. Hearing impaired calls can be made to HR Services at 1-844-576-1250.

Agent for Service of Legal Process

For disputes arising under the Plan, service of legal process can be made upon the Employee Benefits Fiduciary Committee at the following address:

Highmark Health
c/o Director, Retirement Benefit Programs
120 Fifth Avenue, Suite 441
Pittsburgh, PA 15222
1-844-242-HR4U (4748)

Service of legal process may also be made upon the Plan's trustee.

Plan Trustee

The name and address of the Plan's Trustee is:

Benefits Disbursements - BNYM
Plan Trustee for the Highmark Retirement Plan
PO Box 360534
Pittsburgh, PA 15251-6534

Participating Employers

The following is a list of companies participating in the Plan:

- Caring Foundation
- Gateway Health Plan, LP (and its subsidiaries)
- Highmark BCBSD, Inc.
- Highmark Health
- Highmark Inc. (Plan sponsor)
- HM Benefits Administrators, Inc.
- HM Health Solutions Inc.
- HM Home and Community Services LLC
- HM Insurance Group, Inc.
- HM Life Insurance Co.
- United Concordia Companies, Inc. (UCCI)
- United Concordia Dental Plans of CA, Inc.

Glossary

“Accrued benefit” means the benefit you have earned under the Plan as of a particular date, as though you terminate employment on that date (or, if earlier, on your actual termination date) but do not begin to receive pension payments until your [normal retirement date](#). You are not automatically vested just because you have an [accrued benefit](#). Your accrued [legacy benefit](#) is your accrued benefit through April 2, 2010 under the [legacy benefit](#) formula. The accrued benefit of a WVA Participant is the sum of: (1) the legacy benefit earned as of the earlier of the date of determination or December 31, 2010; and (2) the balance of the WVA Participant’s retirement account. The accrued benefit of a Delaware participant is the balance of the retirement account.

“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 Highmark Health, either directly or indirectly, or is part of an affiliated service group with Highmark Health. Your service with an [affiliate](#) that is not also a [participating employer](#) will count for eligibility and [vesting](#) purposes, but not for [benefit service](#). Beginning January 1, 2016, the AHN Hospitals are affiliates.

“Anniversary date” means the anniversary of your first day of employment with the [Company](#), an [affiliate](#). If you leave the [Company](#) and are rehired after a [one-year break in service](#), you will have a new anniversary date on your date of rehire.

“BCBSD” means Highmark BCBSD, Inc., formerly Blue Cross Blue Shield of Delaware.

“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. If you are married, you may not designate a [beneficiary](#) other than your [spouse](#) without your [spouse](#)’s notarized consent.

“Benefit service” means the years of service used for purposes of determining your retirement benefit. You will earn a year of [benefit service](#) for each 12-month period during which you complete at least 1,000 [hours of service](#) with a [participating employer](#). For purposes of your [legacy benefits](#), the 12-month period begins on your date of hire and each anniversary thereafter. After April 2, 2010, the 12-month period is the calendar year (including the 2010 calendar year). Years of service with an [affiliate](#) that is not a [participating employer](#) or in a non-eligible job classification do not count as [benefit service](#). For former participants in the [Delaware Plan](#), [benefit service](#) for periods prior to January 1, 2014, is determined under the terms of the [Delaware Plan](#). See the [Delaware Plan](#)’s summary plan description for further information about how service was determined under the [Delaware Plan](#). For purposes of [legacy benefits](#) for WVA Participants, benefit service is determined under the terms of the WVA Retirement Plan.

“Company” means Highmark Inc., the sponsor of the Plan.

“Compensation” means your basic salary or wages paid by the [participating employer](#), including (a) your elective contributions to the Highmark Investment Plan or Flex Plan and reimbursement of qualified transportation expenses, (b) overtime, shift differentials, commissions and bonuses, (c) incentive compensation actually paid under the Annual Employee Incentive Plan, (d) salary continuation received under a short-term disability plan, and (e) differential wage payments made while on qualified military leave. Compensation does not include contributions to the Plan, non-qualified deferred compensation, any fringe benefits (including “opt out” payments under the Flex Plan), insurance, severance pay,

pension benefits, long-term incentive awards, and amounts paid after termination of employment, unless those amounts are regular compensation for services performed during employment. The amount of [compensation](#) that may be taken into account under the Plans is limited during each year by tax laws – in 2017, this limit is \$270,000. Compensation for a WVA Participant for any plan year before January 1, 2016 shall be his or her compensation for such plan year as determined under the terms of the WVA Retirement Plan. Further, for purposes of pay credits and transition credits on and after January 1, 2017, compensation will not include signing bonuses, retention bonuses, or other special one-time bonuses.

“Covered compensation” is the average of the annual maximum [Social Security taxable wage base](#) (on which you and your participating employer pay Social Security taxes) in effect for each calendar year during the 35-year period ending on the last day of the calendar year in which you reach your Social Security retirement age. This amount changes from year to year based on cost-of-living adjustments to the [Social Security taxable wage base](#), but no change in the taxable wage base is deemed to occur after you leave employment (or after April 2, 2010, if earlier).

“Delaware participant” means an individual who was a participant in the [Delaware Plan](#) when it was merged into this Plan effective January 1, 2014.

“Delaware Plan” means the Highmark Delaware Retirement Plan, formerly known as the Blue Cross Blue Shield of Delaware Retirement Plan. The [Delaware Plan](#) was merged into the Plan effective January 1, 2014, but benefits for participants who do not have an [hour of service](#) after December 31, 2013 will be calculated and paid under the terms of the [Delaware Plan](#).

“Disabled” or **“disability”** means a physical or mental condition that renders you eligible for benefits under the Company’s Long Term Disability Plan for a period of at least 12 consecutive months. You will continue to be [disabled](#) as long as you remain eligible for such benefits. If you were a participant in the Delaware Plan and were [disabled](#) under the terms of that plan when the [Delaware Plan](#) was merged into the Plan effective January 1, 2014, the definition of [disability](#) in the [Delaware Plan](#) will continue to apply to you until you recover from such [disability](#).

“Disability retirement date” means the date as of which you have become [disabled](#) while an employee of a [participating employer](#), but prior to your [normal retirement date](#), and after you have completed 10 years of [benefit service](#) (3 years if you were a participant in the [Delaware Plan](#) who was disabled when the [Delaware Plan](#) was merged into the Plan effective January 1, 2014).

“Domestic partner” means an adult you have designated as such on a Highmark Declaration of Domestic partnership form if:

- You have registered as domestic partners in accordance with applicable city, county or state laws; or
- In the absence of domestic partner registration, all of the following requirements are met:
 1. You and your [domestic partner](#) are at least 18 years of age;
 2. You and your [domestic partner](#) are not related to one another to a degree that would prevent marriage under the law of the state in which you reside;

3. Neither you nor your [domestic partner](#) is married to another person under statutory or common law, and neither of you is in another domestic partnership;
4. You and your [domestic partner](#) are in a single, dedicated relationship with each other and have been in such relationship for a minimum of six consecutive months and intend to remain in the relationship indefinitely; and
5. You and your [domestic partner](#) share the same residence and have shared the same residence for a minimum of six consecutive months.
6. You and your [domestic partner](#) are jointly financially responsible for basic living expenses defined as the cost of food, shelter, and any other expenses of maintaining a household. Domestic partners need not contribute equally or jointly to the cost of these expenses as long as they agree that both are responsible for the cost.

If your domestic partnership ends, you must notify the HR Services at 1-844-242-HR4U (4748).

“Early retirement date” means the first day of the month after you have attained age 55 and completed three years of service (five years for participants (other than WVA Participants) for who do not earn an hour of service after December 31, 2009; or for WVA Participants, who do not earn an hour of service after December 30, 2011).

“ERISA” means the Employee Retirement Security Income Act of 1974, as amended.

“Final average compensation” is used to determine your [legacy benefit](#) and is the average of your 130 highest consecutive biweekly pay periods of [compensation](#) out of the last 260 consecutive biweekly pay periods of your employment. If you have less than 130 consecutive pay periods, your average will be determined using all your pay periods. [Final average compensation](#) will not change after April 2, 2010. Final average compensation for a WVA Participant’s legacy benefit will not change after December 31, 2010 and is based on the terms of the WVA Retirement Plan.

“Five-year break in service” means that you have at least five consecutive [one-year breaks in service](#).

“Grandfathered participant” means an individual who was “grandfathered” into a benefit accrual formula under the [Delaware Plan](#). You are considered a [grandfathered participant](#) if you meet either of the following requirements:

- You were an active employee of Highmark Delaware (or a subsidiary) on March 22, 2000, and the sum of your age and years of service was equal to or greater than 60 as of March 31, 1999; or
- You terminated employment from Highmark Delaware (or a subsidiary) prior to January 1, 2003 with a vested right to a retirement benefit under the [Delaware Plan](#).

“Hour of service” is each hour you actually work for a [participating employer](#) or an [affiliate](#), plus:

- Each regularly scheduled work hour that you are absent due to an approved absence – a maximum of up to 501 hours of service in a computation period. Approved absences include vacation, holidays, personal leave, illness, disability, temporary layoff, jury duty, military leave (if you return to work within the period allowed by law) or other approved leave of absence.
- Each hour for which back pay has been either awarded or agreed to by the [Company](#) or an [affiliate](#) (to the extent not already counted above).

For former participants in the [Delaware Plan](#), [hours of service](#) for periods prior to January 1, 2014, were determined under the terms of the [Delaware Plan](#).

“Interest credits” are credits to your [retirement account](#) that are added each year as a percentage of your [retirement account](#) balance at the beginning of the year. The interest rate is no less than 3% and no more than 8%. You earn [interest credits](#) until the distribution of your [retirement account](#) begins, even if you are not working for a [participating employer](#) or any [affiliates](#).

“IRS” means the Internal Revenue Service.

“Joint and survivor annuity” provides a monthly benefit to you for your lifetime, and after your death, your [beneficiary](#) will receive a percentage (50%, 66⅔%, 75% or 100%, as you elect) of your monthly benefit for his or her lifetime. The monthly benefit you receive will be less than a single life annuity because it will be paid over two lifetimes – your lifetime and your [beneficiary](#)’s lifetime. The amount of the reduction depends on your age and the age of your [beneficiary](#) when benefit payments begin. If you are married when your benefits under the Plan begin, your [normal form of payment](#) is a 50% [joint and survivor annuity](#) with your [spouse](#) as your [beneficiary](#).

“Legacy benefit” is the [“final average compensation”](#) benefit under the Plan that you earned if you were employed by the [Company](#) and were a participant in the Plan prior to April 3, 2010. If you were eligible to participate in the WVA Retirement Plan prior to January 1, 2011, you earned a legacy benefit.

“Normal form of payment” refers to how your benefits are paid from the Plan if you do not elect otherwise (and the value of your benefit is over \$5,000). If you are single on the date benefit payments are scheduled to begin, your benefit is payable as a [single life annuity](#). If you are married on the date your benefit payments are scheduled to begin, your retirement benefit is payable as a 50% [joint and survivor annuity](#) with your [spouse](#) as your [beneficiary](#).

“Normal retirement age” is your 65th birthday. However, if you do not complete at least one [hour of service](#) after December 31, 2013, your [normal retirement age](#) is defined below:

- If you do not complete at least one [hour of service](#) after December 31, 2009, your [normal retirement age](#) is the later of your attainment of age 65 or your completion of five [years of service](#).
- If you complete at least one [hour of service](#) after December 31, 2009 but you do not complete one hour of service after December 31, 2013, your [normal retirement age](#) is the later of your attainment of age 65 or your completion of three [years of service](#).

“Normal retirement date” means the first day of the month on or after your [normal retirement age](#).

“Normal retirement benefit” is the [legacy benefit](#) payable beginning when you attain age 65 or, if later, when you actually retire.

“One-year break in service” means any 12-month period beginning on your most recent date of hire or any [anniversary date](#) during which you complete less than 501 [hours of service](#). For participants in the [Delaware Plan](#), for periods prior to January 1, 2014, a [one-year break in service](#) was determined under the terms of the [Delaware Plan](#). For participants in the WVA Retirement Plan, for a break in service beginning before January 1, 2016, such break in service is determined under the terms of the WVA Retirement Plan.

“Optional form of payment” means the different benefit payment options that are available under the Plan.

“Participating Employer” means the [Company](#) and each [affiliate](#) of the [Company](#) that participates in the Plan. The [participating employers](#) are listed on page 60.

“Pay credits” are the basic additions to your [retirement account](#) that are based on your [compensation](#). The [pay credit](#) is calculated by multiplying your [compensation](#) times a percentage that is determined according to the number of [points](#) you have as of January 1 of each [plan year](#) (except that if you were hired by the [Company](#) before July 2, 2010, [pay credits](#) in 2010 will be based on the [points](#) you have on April 3, 2010). No pay credits will be credited to your retirement account after December 31, 2020.

“PEP Balance” is, for former participants in the [Delaware Plan](#), the account balance under that plan on December 31, 2013 when it was merged into the Plan effective January 1, 2014. The [PEP Balance](#) became the opening balance in the Plan for participants in the [Delaware Plan](#) who continued in employment with a [participating employer](#) on January 1, 2014.

“Plan year” means the calendar year.

“Points” is the sum of (a) your age and (b) your years of [benefit service](#), generally determined as of January 1 of each [plan year](#). Your [points](#) are used to determine the percentage of [compensation](#) that you will receive in [pay credits](#) and [transition credits](#), and your eligibility to receive [transition credits](#).

“Pre-Retirement Death Benefit” is the benefit that will be paid to your [spouse](#) or [domestic partner](#) if you die before your retirement benefits begin and you are vested in your Plan benefit. If you terminated employment before January 1, 2010, you also must have been married (or had a declaration of domestic partnership form on file with Highmark) for at least one year when you die.

“Primary Social Security Benefit” applies to participants in the [Delaware Plan](#) for periods prior to December 31, 2002. It is based upon your primary insurance amount under the federal Social Security system, determined at December 31, 2002. The [Delaware Plan](#)’s actuary estimated your primary Social Security benefit at December 31, 2002, when it calculated your Opening [PEP Balance](#) as of January 1, 2003. However, if you think the estimate of your [Primary Social Security Benefit](#) is too high (meaning it lowers your opening pension equity credits too much), you may submit an actual year-by-year earnings history

that you receive from the Social Security Administration and ask that your [PEP Balance](#) be recalculated as described in the summary plan description.

“Prior plan” means the Pension Plan of Veritus, Inc. or the Retirement Plan for Eligible Employees of Pennsylvania Blue Shield as of December 31, 1997.

“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.

“Retirement account” is the sum of the [pay credits](#), [interest credits](#) and [transition credits](#) that you earn under the Plan on and after April 3, 2010. For participants in the [Delaware Plan](#) who became participants in the Plan on January 1, 2014 (or as a result of transfer of employment between August 19, 2010 and December 31, 2013), the opening balance in your [retirement account](#) includes your [PEP Balance](#) as of December 31, 2013. For participants in the WVA Retirement Plan who became participants in the Plan on January 1, 2016, the opening balance in your retirement account is equal to your retirement account balance determined under the WVA Retirement Plan as of December 31, 2015.

“Social Security taxable wage base” is the maximum annual amount of wages that is subject to Federal Insurance Contributions Act (FICA) taxes. This is also the maximum annual amount of wages that is used to compute your Social Security benefits. For 2017, this amount is \$127,200. It is subject to change each year.

“Spouse” means your [spouse](#) or surviving [spouse](#), as recognized under the laws of the state or country in which the marriage was entered into.

“Single life annuity” means benefit payments that are made monthly to you for life. When you die, payments end and no income will be paid to anyone else.

“Transition credits” are credits under the Plan that are available to participants who (a) were employed by a [participating employer](#) or an [affiliate](#) on April 3, 2010 (b) are eligible to receive a [legacy benefit](#), (c) have at least 50 [points](#) as of April 3, 2010, and (d) have at least 10 [years of service](#) on April 3, 2010. [Transition credits](#) are calculated as your [compensation](#) times a percentage that is determined as of January 1 of each [plan year](#) (except that if you were hired before July 2, 2010, [transition credits](#) in 2010 will be based on the [points](#) you have on April 3, 2010). An employee of Highmark Delaware may qualify for [transition credits](#) if he or she (a) was an active participant in the [Delaware Plan](#) on December 31, 2013 and an active employee of a [participating employer](#) on January 1, 2014, (b) had at least 50 [points](#) as of January 1, 2014 and (c) had at least 10 years of [benefit service](#) under the [Delaware Plan](#) immediately before its merger into the Plan on January 1, 2014. If you were eligible to receive transition credits under the WVA Retirement Plan and you transferred to a [participating employer](#), you will be eligible to receive [transition credits](#) in this Plan, provided that you continue to meet the requirements to earn them, through the pay periods on or after January 1, 2016, but not after December 31, 2020 (the date [transition credits](#) are due to end for WVA Participants).

“Veritus Plan” means the Pension Plan of Veritus, Inc., which is one of the [prior plans](#).

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

“WVA Participant” means a participant who, immediately before January 1, 2016, was an employee of Highmark West Virginia, Inc. (or an affiliate of Highmark West Virginia, Inc. participating in the WVA Retirement Plan) or a former employee of Highmark West Virginia, Inc. (or an affiliate of Highmark West Virginia, Inc. participating in the WVA Retirement Plan) and who, on December 31, 2015, had an accrued benefit under the WVA Retirement Plan.

“Year of service” means a computation period during which you complete at least 1,000 [hours of service](#) with the [Company](#) or any [affiliate](#) of the [Company](#). For participation in the Plan, a computation period is the 12-month period beginning on your most recent date of hire and each calendar year thereafter. For eligibility to receive [pay credits](#) and [transition credits](#) under the Plan, the computation period is the calendar year, and only [benefit service](#) is counted. If you were hired before 2010, for [vesting](#) purposes under the Plan, you will also get [vesting](#) credit for service with another Blue Cross/Blue Shield employer that you worked for within six months of your hire date at the [Company](#), after you meet the eligibility criteria for the Plan. For former participants in the [Delaware Plan](#), [years of service](#) for periods prior to January 1, 2014, is determined under the terms of the [Delaware Plan](#). See the [Delaware Plan](#)’s summary plan description for further information about how [years of service](#) was determined under the [Delaware Plan](#). For periods before January 1, 2016, a WVA Participant (excluding any WVA Participant who transferred from Highmark West Virginia, Inc. or one of its affiliates to an affiliated employer during the period during January 1, 2002 through December 31, 2015) shall be credited with years of service equal to his or her period of service recognized for the corresponding purpose under the terms of the WVA Retirement Plan.