



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.



WEST PENN ALLEGHENY
HEALTH SYSTEM

**Retirement Plan for Eligible
Employees of
West Penn Allegheny Health System**

**Summary Plan Description
As in effect January 1, 2019**

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ADMINISTRATIVE INFORMATION

Here are details about how the Retirement Plan for Eligible Employees of West Penn Allegheny Health System (the “***Retirement Plan***”) is administered.

Official Plan Name

Retirement Plan for Eligible Employees of West Penn Allegheny Health System

Plan Type

Defined Benefit Plan

Plan Sponsor

West Penn Allegheny Health System
c/o HR Services
Allegheny Health Network/Highmark Health
120 Fifth Avenue, Suite 441
Pittsburgh, PA 15222

Plan Administrator and Agent for Service of Legal Process

Plan Administrator
West Penn Allegheny Health System
c/o HR Services
Allegheny Health Network/Highmark Health
120 Fifth Avenue, Suite 441
Pittsburgh, PA 15222

844.242.4748, Option 1

Trustee

Until December 31, 2019:
Bank of America, N.A.
1300 Merrill Lynch Drive
Mail Code NJ2-130-03-27
Pennington, NJ 08534

Effective January 1, 2020:
Bank of New York Mellon
Trustee for the WPAHS Pension Plan
PO Box 360534
Pittsburgh, PA 15251-6534

Employer Identification Number

25-1840484

Plan Number

003

Plan Year

January 1 - December 31

How the Retirement Plan is Funded

The Retirement Plan is funded by contributions from West Penn Allegheny Health System (the “**System**”) and the participating employers who have adopted the Retirement Plan. These contributions are held in a trust by the trustee for the Retirement Plan. The name and address for the trustee is set forth above under the “Trustee” section.

The Retirement Plan’s actuary determines the amount of contributions that will be needed in order to fund the plan adequately.

Who to Contact for Questions Regarding Retirement Plan Benefits and Distributions

West Penn Allegheny Health System
c/o HR Services
Allegheny Health Network/Highmark Health
120 Fifth Avenue, Suite 441
Pittsburgh, PA 15222

844.242.4748, Option 1

Online access is available through [HRservices.highmarkhealth.org](https://hrservices.highmarkhealth.org) or by visiting www.trsrretire.com.

Retirement Plan Status

The Retirement Plan was originally established on January 1, 2009, but it has been amended and restated several times since then. Effective December 31, 2018, the Retirement Plan for Eligible Nonrepresented Employees of West Penn Allegheny Health System (the “**Nonrepresented Plan**”) was merged with and into the Retirement Plan for Eligible Represented Employees of West Penn Allegheny Health System (the “**Represented Plan**”), and the merged plan was renamed the “Retirement Plan for Eligible Employees of West Penn Allegheny Health System.” This SPD describes the terms of the merged Retirement Plan.

INTRODUCTION

While we all might have different plans for retirement, we share one goal for life after work—financial security. Sooner or later, we will be faced with a very important question: Will I have enough income to retire comfortably?

The Retirement Plan was adopted by the System to help provide you with income in retirement. The Retirement Plan is a product of a merger of several plans sponsored by other members of the System, and so the benefits available to you might differ depending on your work history within the System. For example, if you participated in either the Suburban General Hospital Retirement Income Plan or the Retirement Plan for Employees of the Western Pennsylvania Hospital on or before December 31, 1998 and elected to accrue benefits under the “Final Pay” formula in effect under those plans, your benefits are not accrued under the cash balance formula set forth below. Instead, you will have your benefits determined under the “Final Pay” formula you elected.

Except for those who elected the “Final Pay” formula, the Retirement Plan is a “cash balance” pension plan. A cash balance plan is a type of defined benefit pension plan under ERISA. The Retirement Plan maintains a bookkeeping account for each cash balance participant. This is a “bookkeeping account” because no assets are separated from the other assets for your benefit. Instead, the “bookkeeping account” is used to keep track of the amount of your accrued benefit. Each year you earn an annual retirement credit, your bookkeeping account is credited with the amount of the retirement credit you earned that year. Your bookkeeping account will be credited with interest credits (the deemed earnings on the previous balance of your bookkeeping account) each year you have a balance in the Retirement Plan. When you are entitled to receive a distribution, you will receive your choice of the value recorded in this bookkeeping account or a pension benefit that is calculated based on this amount. By maintaining the bookkeeping account, we can tell you what your balance is at a particular time. While your account balance in your bookkeeping account under the Retirement Plan is a way of expressing your Retirement Plan benefit, no Retirement Plan assets are specifically allocated to your bookkeeping account. Instead, the assets are held collectively in a trust for all participants. The System consults with an actuary annually to determine what contributions may be necessary to fund the Retirement Plan in accordance with the requirements of ERISA.

The Retirement Plan also offers other advantages:

- If you are a member of an eligible group and you work at least 1,000 hours, you will automatically participate in the plan and receive an annual retirement credit. Your account also is credited with a guaranteed rate of interest.
- You do not have to contribute to this Plan in order to receive annual retirement credits or to receive interest credits.
- When your benefit is distributed to you, you can choose among a variety of payment options to best suit your needs and lifestyle.

This booklet is an SPD that summarizes the Retirement Plan as in effect on and after January 1, 2019. If the information contained in this SPD and the official plan documents differ, the plan documents always govern. If you left employment with any of the members of the System (or their respective predecessors) before January 1, 2019, your benefits will be determined under the rules of the Retirement Plan (or its predecessor) at the time when you left.

This booklet describes the provisions of the Retirement Plan that apply to employees generally. For special rules for members of certain collective bargaining units eligible to participate in the Retirement Plan, please see Appendix A. For participants accruing Final Pay benefits, please ask the Plan Administrator for the separate descriptions of the Final Pay rules. For those who may have participated in prior plans, please see "*If You Participated in a Prior Plan*".

You may review the official plan document during regular business hours at the West Penn Allegheny Health System, HR Services, Allegheny Health Network/Highmark Health, 120 Fifth Avenue, Suite 441, Pittsburgh, PA 15222. You also may obtain a copy of the official plan document by writing to HR Services. A small charge may be made to cover the copying costs.

WHO IS ELIGIBLE

You are eligible to participate in the Retirement Plan only if you meet the following criteria:

- you are subject to a collective bargaining agreement that specifically provides for your participation in the Retirement Plan; and
- you are at least age 21 and have completed 1 **year of eligibility service** (or you have completed 3 **years of vesting service** regardless of your age and eligibility service).

If you meet the eligibility criteria above, you will be automatically enrolled in the Retirement Plan on the January 1 or July 1 coincident with or next following the date on which you first satisfy these requirements, but only if you are still employed by the System or a Participating Operational Unit on that January 1 or July 1 entry date.

You will earn a **year of eligibility service** if you earn at least 1,000 hours of service during any of the following periods:

- The calendar year that includes your date of hire;
- The 12-month period beginning on your date of hire (if you don't earn a year of eligibility service in your first calendar year); or
- Any calendar year that begins after your date of hire.

Your **years of vesting service** are determined in accordance with the Retirement Plan's vesting rules, which are discussed below in the "*Service*" section of this SPD. You can also refer to the "*Service*" section for additional detail about how your hours of service are calculated for purposes of determining whether or not you have earned a year of eligibility service.

Participating Operational Units

Employees of the following operational units (the "***Participating Operational Units***") may be eligible to participate in the Retirement Plan, but only if they are covered by a collective bargaining agreement that provides for participation on or after January 1, 2018:

Allegheny General Hospital (also includes Suburban General Hospital)
Allegheny Valley Hospital
Canonsburg Hospital
Forbes Hospital
West Penn Hospital
Allegheny Clinic
System Wide Services

WHO IS NOT ELIGIBLE TO PARTICIPATE

The following categories of employees and other individuals are not eligible to participate in the Retirement Plan:

- * Nonrepresented employees (effective December 31, 2017);
- * Individuals represented by a union that does not participate in the Retirement Plan (including individuals represented by a union that participated at one time but has since negotiated out of the Retirement Plan—see Appendix A and the “*Frozen Benefits*” section below);
- * Individuals represented by a union that participates in the Central Pension Fund;
- * Employees of Allegheny General Hospital who are represented by the SEIU Service Unit, Technical Unit or Business Office Clerical, and who are hired, rehired, or transferred into that status on or after August 31, 2018;
- * Students, unless employed in a non-student capacity;
- * Leased employees; and
- * Independent contractors or consultants (even if it is later determined that any such classification was incorrect).

In addition, any employees for whom benefits are frozen (as described in the “*Frozen Benefits*” section below) will remain participants in the Retirement Plan for purposes of any previously accrued benefits, but no further benefits will be accrued after the freeze date described below.

FROZEN BENEFITS

Participation and benefit accruals under the Retirement Plan are frozen with respect to the following employees, even if they previously participated in the Retirement Plan:

- All employees who were participants in the Nonrepresented Plan prior to the plan merger, effective January 1, 2018, except for Electing Final Pay Participants, who are eligible to continue accruing benefits until December 31, 2020 (see “*Electing Final Pay Participants*” for more information);
- Employees of Allegheny General Hospital who are represented by the Service Employees International Union (SEIU Healthcare PA) Service Unit, Technical Unit or Business Office Clerical, effective December 31, 2018, except for Electing SEIU Participants (see “*Electing SEIU Participants*” for more information);
- Employees of Canonsburg General Hospital who are represented by the Pennsylvania Professional Fire Fighters Association, A/W International Association of Fire Fighters (PPFFA), effective January 1, 2018;
- Employees of the Western Pennsylvania Hospital who are represented by Local Union 95 IUOE, effective November 23, 2010;

- Employees of Alle-Kiski Medical Center who are represented by Local Union 95 IUOE, effective January 1, 2005; and
- Employees of Allegheny General Hospital who are represented by Local Union 95 IUOE, effective January 1, 2004, except that employees who were represented by Local Union 95 IUOE but were employed by Suburban General Hospital prior to the merger of Allegheny General Hospital and Suburban General Hospital had a delayed freeze date of July 14, 2011.

No additional benefits will accrue under the Retirement Plan with respect to the participants described above, and no new benefits will be credited to your cash balance account after the applicable freeze date (other than interest credits, which will continue to apply until your account is distributed). You will find more information about the Retirement Plan benefit freeze in this Summary Plan Description (“**SPD**”) and in Appendix A to this SPD.

ELECTING FINAL PAY PARTICIPANTS

Prior to January 1, 2018, certain participants in the Nonrepresented Plan who (i) were employed by the System or a Participating Operational Unit on August 31, 2017, (ii) were previously participants in the Suburban Plan or the West Penn Plan (as defined in the “*If You Participated in a Prior Plan*” section) and (iii) elected the Final Pay formula, were permitted to make a one-time election to continue accruing Final Pay benefits under the Nonrepresented Plan through December 31, 2020.

This closed group of “Electing Final Pay Participants” will continue to accrue Final Pay benefits under the Retirement Plan until December 31, 2020. For more information about the Final Pay rules, please ask the Plan Administrator for the separate descriptions of the Final Pay rules.

ELECTING SEIU PARTICIPANTS

Certain participants who were employed by Allegheny General Hospital and represented by SEIU Service, Technical and Business Office Clerical on August 31, 2018 and who elected to not participate in the Allegheny Health Network 401(k) Plan, were permitted to make a one-time election to continue accruing annual retirement credits under the Retirement Plan after December 31, 2018. Except for this closed group of “Electing SEIU Participants,” no additional benefits will accrue after December 31, 2018 for any employee of Allegheny General Hospital who is represented by the SEIU Service, Technical or Business Office Clerical.

CHOOSING A BENEFICIARY

You may select a beneficiary to receive the value of your account if you die before your benefits are paid. If you are married, the value of your retirement account will automatically be paid to your spouse, unless your spouse agrees, in writing, to another beneficiary. Your spouse's signature must be witnessed by a notary public or a plan representative and is irrevocable.

If you are single and do not name a beneficiary, the value of your account will be paid either to the beneficiary you designated on your employer's group term life insurance plan or, if none, to your legal heirs under Pennsylvania law (determined as if you had died without a will).

To name your beneficiary (or beneficiaries), you can log on to your Retirement Account at HRservices.highmarkhealth.org or by visiting www.trsrretire.com. You can also request a paper beneficiary form from HR Services by calling 844.242.4748, Option 1. Please return the completed form to the address shown on the form.

Changing Your Beneficiary

You can change your beneficiary at any time. Remember, if you are married, your spouse must consent in writing to the designation of a non-spouse beneficiary. Contact HR Services to request a beneficiary designation form.

From time to time, you may want to review your beneficiary designation to make sure it is up to date and reflects your current status. For instance, you may want to name a new beneficiary if:

- * You get married or divorced;
- * Your spouse or other beneficiary dies; or
- * You separate from service and defer payment of your account.

You may obtain information about your current beneficiary designation by accessing the System's retirement website at HRservices.highmarkhealth.org or by visiting www.trsrretire.com (for designations made electronically), or by contacting HR Services at 844.242.4748 and selecting Option 1.

SERVICE

Your service with the System (or in some circumstances, an affiliate of the System) determines:

- * When you become eligible to participate in the Retirement Plan;
- * The amount of **annual retirement credits** allocated to your bookkeeping account for a year (see “*Credits to Your Account*” for more details); and
- * When you become **vested** in your Retirement Plan account.

Years of Vesting Service

You earn a year of vesting service during any calendar year in which you:

- * Are an employee of the System or an affiliate of the System, including your first year of employment; and
- * Earn at least 1,000 hours of service.

For purposes of determining service for certain purposes under the Retirement Plan, prior employment with Highmark Inc. (and certain affiliates) may be counted.

If your participation is “frozen” under the Retirement Plan, you will continue to earn service for vesting purposes even after the benefit freeze date.

Hours of Service

You earn an hour of service for every hour you are paid or are entitled to be paid, such as vacation, sick, personal, funeral, back pay, etc.

How Hours of Service Are Calculated

If you are an hourly employee, your hours of service are generally the actual hours you work during the calendar year. If you are a salaried exempt employee, your hours of service are generally determined as follows:

Your Status	Hours of Service Earned Each Payroll Period
Full-time and paid every two weeks	90 hours
Full-time and paid semi monthly	95 hours
Full-time and paid once a month	190 hours
Part-time	Generally, regularly-scheduled hours times 4/3. (For example: If you had 30 regularly scheduled hours during the payroll period, your hours of service will equal 30 x 4/3 or 40.) You may be entitled to have more hours counted if your pay changes during the year.

Breaks in Service

Generally, you will have a break in service if you earn 500 or fewer hours of service during a calendar year. As a special rule, if you were a participant in the Canonsburg General Hospital Retirement Plan prior to January 1, 1998 and you had earned at least 3 years of service for vesting purposes, you will have a break in service for any calendar year in which you fail to complete at least 1 hour of service.

In order to prevent a break in service, you can receive up to 501 additional hours of service during the calendar year in which you have an authorized leave of absence for any of the following reasons, provided that you timely submit any required information:

- * Your pregnancy;
- * The birth of your child;
- * The placement of a child with you in connection with your adoption of the child; or
- * Caring for your child immediately following a birth or placement.

If you do not need hours to prevent a break in service during the year in which your leave begins, these hours may be credited in the following year. These hours are not counted for any purpose other than determining whether you have had a break in service.

If you have a break in service and later return to work, you may be re-credited with your prior years of service. You also may be re-credited with the benefit accrued at the time of your break (as long as you did not receive a full distribution of your benefit at that time). However, no new benefits will accrue under the Retirement Plan on or after the applicable benefit freeze dates identified in the section entitled “*Frozen Benefits*” above.

Your Vesting Status Before the Break Began	Number of Consecutive Years in Which You Have a Break in Service	Effect on Prior Service and Accrued Benefit When You Return to Work
Vested	1 or more	As soon as you complete 1 year of service, your pre-break years of service will be restored. Also, because you were fully vested at the time of the break, you always have a permanent right to your benefit. If you received a distribution of your benefit at the time your break began, your account will start at \$0 and increase each year you earn a year of service.
Not vested	Less than 5	As soon as you complete 1 year of service, your pre-break years of service and your account balance will be restored.
Not vested	5 or more	Your pre-break service will be lost. You will forfeit the accrued value of your account at the time the break began.

Here Are Some Examples to Illustrate How “Breaks in Service” Could Affect You

Example 1: Kristen earned 6 years of service with a Participating Operational Unit before she left. She returns to work 7 years later. Once Kristen completes 1 year of eligibility service, her prior years of service will be re-credited immediately upon rehire. Also, Kristen always retains a permanent right to her benefit because she was fully vested at the time the break began. If she received the value of her benefit at the time her break began, her beginning account balance will be \$0 once she returns to work. If she did not receive a distribution, her account was credited with interest during the years she was gone and will be restored to her once she returns.

Example 2: Keith earned 2 years of service with a Participating Operational Unit before he left. He is rehired 2 years later. Once Keith completes a year of eligibility service, his prior 2 years of service will be re-credited, along with his accrued account balance.

Example 3: Lydia earned 2 years of service with a Participating Operational Unit before she left. She was not vested in her accrued benefit. She is rehired 6 years later. Her prior 2 years of service are not re-credited because her break was more than 5 consecutive years. Lydia has also forfeited the right to her accrued benefit at the time the break began.

Notwithstanding the foregoing, no new benefits will accrue under the Retirement Plan on or after the applicable benefit freeze dates identified in the section entitled “*Frozen Benefits*” above.

CREDITS TO YOUR ACCOUNT

Under the Retirement Plan, your benefit is made up of **annual retirement credits** and **interest credits**.

When Your Account Earns Credits

You earn an **annual retirement credit** for every year you complete a year of accrual service (meaning you earn at least 1,000 hours of service as an eligible employee of the System or a Participating Operational Unit), including the year that you retire or otherwise separate from service.

Accrual of benefits under the Retirement Plan is frozen with respect to the participants identified under the section entitled “*Frozen Benefits*” above, which means such participants will not earn annual retirement credits under the Retirement Plan after the applicable benefit freeze dates. Electing Final Pay Participants will continue to accrue benefits under the Final Pay rules until December 31, 2020.

Your account will continue to earn **interest credits** until you receive, or begin to receive, benefit payments from the Retirement Plan.

Annual Retirement Credits

Annual retirement credits are made to your account as of December 31 of each year in which you are eligible to receive a credit (as described above). The amount of your annual retirement credit depends on your age or your total years of vesting service (whichever produces the higher credit) and your Compensation and is calculated in the following manner:

If You Are Age	And/or Your Years of Vesting Service Are	Your Annual Retirement Credit Is
35 or younger	Less than 10	2.5% of Compensation
36 to 45	10 to 19	3.25% of Compensation
46 to 55	20 to 24	4% of Compensation
56 to 60	25 to 29	5% of Compensation
61 or older	30 or more	6% of Compensation

Your age and years of vesting service are determined as of December 31 each year or, if you stop working during the year for any reason, as of the date you stop working.

Notwithstanding the foregoing, participants whose benefits under the Retirement Plan have been frozen will no longer receive annual retirement credits after the applicable benefit freeze date.

Compensation means your annual wages as reported on your Form W-2 plus any benefit credits not otherwise included and salary reduction contributions you make to the West Penn Allegheny Health System Savings Plan. Compensation does not include:

- * Reimbursements and expense allowances;

- * Deferred compensation;
- * Welfare benefits;
- * Severance pay (including Income Continuation Plan payments);
- * Tuition assistance;
- * Retirement allowance make-up payments; and
- * Other cash or non-cash fringe benefits.

The Internal Revenue Code sets certain limits on the amount of Compensation that can be considered under the Retirement Plan. The 2019 limit on the amount of Compensation considered under the Retirement Plan for determining annual retirement credits is \$280,000. The limit may change each year.

Interest Credits

Each year, your account is credited with a rate of interest determined on the basis of the annual effective interest rate for 30-year Treasury securities as determined during the month of September in the years preceding the calendar year of application. However, in no event will your account be credited with more than 5.5% interest.

If you separate from service, your account will continue to be credited with annual interest until your benefit is distributed to you (or begins to be distributed to you).

Tracking Your Account

You may access the System's retirement website, [HRservices.highmarkhealth.org](https://hrservices.highmarkhealth.org) or by visiting www.trsretire.com at any time and view your account value.

WHEN YOU CAN RECEIVE A DISTRIBUTION FROM THE RETIREMENT PLAN

Your benefit under the Retirement Plan is based on the amount in your account. Here is a review of when your benefit can be paid.

If You Separate from Service Before Retirement

*Your **normal retirement date** is the first day of the month on or after the day you reach normal retirement age (usually age 62).*

If you separate from service before your **normal retirement date** but after you are fully vested (*i.e.*, after 3 years of service), you have a nonforfeitable right to your benefit.

You can receive a distribution of your benefit after you separate from service (provided that you are not working for a related employer), or you can defer payment of your benefit and leave it in the Retirement Plan. If you defer payment, your account will continue to accrue annual interest credits.

Federal tax law may require that you commence your benefit when you reach a certain age. If you are no longer employed by the System or an affiliate of the System, distributions must begin no later than April 1 of the year following the year in which you turn age 70-1/2. In general, if you are still employed by the System or an affiliate of the System when you reach age 70-1/2, your distributions are not required to begin until you actually retire.

You will not be entitled to receive a distribution of your benefit as a result of your separation from service if you return to work for the System or an affiliate of the System before commencing a benefit under the Retirement Plan.

If You Retire

*For plan years beginning on or after January 1, 2009, **normal retirement age** for cash balance plan participants means age 62.*

You can receive your benefit when you retire on or after your normal retirement date.

You will be fully vested in your benefit under the Retirement Plan if you reach **normal retirement age** while you are employed at the System or a Participating Operational Unit, even if you do not have 3 years of service.

You choose how your benefit is paid to you. Refer to “*How Your Benefit Is Paid*” for more details.

When Payments Begin

You will generally receive a distribution package within 4-6 weeks after HR Services receives notice of your last date worked. You may request a distribution package up to 6 months in advance of your last day of work, or if you do not receive a distribution package following your last day of work, by contacting HR Services at 844.242.4748, Option 1. You may also request your distribution package online at HRservices.highmarkhealth.org. All payments are made on the first of the month. If your payment election form is received by HR Services on or before the

fifth of the month, you will receive a payment on the first day of the following month. Retroactive payments cannot be made.

You may elect to defer payment until a later date. Your account will earn interest credits until you elect to commence your benefits under the Retirement Plan.

If the System sells or transfers its interest in a System facility (or outsources a complete function) and you are employed by the entity that bought or received those assets or interest (or performs the outsourced function), you will not be entitled to a distribution from the Retirement Plan as a result of such sale, transfer or outsourcing until you terminate service with the new entity. If you continue to work after the sale, transfer or outsourcing for the new entity (the purchaser, receiver or outsourcing entity), you will not be deemed to have a separation from employment for purposes of the Retirement Plan. Your account will continue to receive interest credits while you work for the new entity but you will not be credited with additional service for any purpose. This does not apply to physician practices that spin off and become private practices.

In accordance with human resources policies, an employee who receives a distribution under the Retirement Plan shall not be eligible for employment for a period of 1 year following his or her termination of employment date. After the 1-year period, reemployment shall not be restricted. Reemployment for an employee who does not submit a claim for benefits under the Retirement Plan shall not be restricted.

IF YOU BECOME DISABLED

For disabilities occurring on or after January 1, 2005, you might be eligible to continue to earn annual retirement credits, annual interest credits and service for up to 24 months after your date of disability or application for worker's compensation benefits as if you were still an active employee. Alternatively, you can choose to take a distribution from the Retirement Plan on account of your disability, provided that these additional credits and service accruals will end on the date when you take a distribution of any kind from the plan.

How Annual Retirement Credits Are Determined While Disabled

If you are receiving earnings (such as your accrued sick time or paid time off from the System or a Participating Operational Unit), your annual retirement credit will be based on those earnings, your actual age and your years of service.

If you do not receive any earnings from the System or a Participating Operational Unit, or if you are in an alternate work program, your annual retirement credits will be based on the earnings you were receiving at the onset of your disability.

Notwithstanding the foregoing, the participants identified under the section entitled "*Frozen Benefits*" above will not earn annual retirement credits under the Retirement Plan after the applicable benefit freeze dates.

What Disabled Means

You are considered disabled if you are unable to work due to bodily injury or disease and any one of the following applies:

- * You are entitled to sick pay, weekly indemnity insurance, long-term disability benefits under any Participating Operational Unit program, workers' compensation or similar benefits;
- * You are in an alternate work program, which is designed to help disabled employees reenter the workforce; or
- * The Plan Administrator, based on medical evidence, determines that you cannot perform your job duties.

When Payment Can Be Requested

You can choose to receive your accrued benefit from the Retirement Plan while you are disabled or on worker's compensation if you separate from service and:

- * Have been approved for payment of benefits under a long-term disability plan maintained by the System;
- * Have been receiving payments under the worker's compensation program for at least 6 months; or
- * The Plan Administrator, based on medical evidence, determines that you are totally and permanently disabled.

No retirement or interest credits will be allocated to your account after the date you receive your distribution.

HOW TO APPLY FOR A DISTRIBUTION

When you separate from service, retire or request a distribution on account of disability, the total value of your account will be determined. You may contact HR Services to request a calculation of your benefit under the Retirement Plan.

The Application Process

It is important that you notify your supervisor of your separation from service, retirement or disability to ensure that your distribution request is completed in a timely manner and to avoid a delay in your distribution.

Before your calculation is processed and distribution election paperwork is sent to you, HR Services will verify your final pay information, including prior wage and hour totals, and other information, such as date of birth and spousal information. This process will generally be completed within 4-6 weeks after you separate from service. However, you can also request a distribution package from HR Services up to 6 months prior to the date you want your benefits to start.

In order to receive a distribution from your account, you will need to complete a number of forms and supply certain documents, including:

- * A copy of your birth certificate;
- * A copy of your marriage certificate (if you are married) or divorce decree (if you are divorced);
- * A copy of your spouse's death certificate, if you were married and your marriage ended because of your spouse's death; and
- * A completed rollover form, if you wish to transfer your entire lump sum payment directly to another qualified retirement plan which accepts rollovers or to an individual retirement account or annuity ("IRA").

In order to avoid a delay in the payment of your benefit under the Retirement Plan, you may want to begin gathering the necessary documents before you contact HR Services.

Once your calculation is completed, you will receive a letter describing your payment options. Several forms will be enclosed with this letter, including:

- * **Retirement Payment Option Election Form** - You must complete this form to select your payment option. If you are married, and if you wish to elect any form of payment other than a Qualified Joint & Survivor Annuity, your spouse will need to complete the spousal consent section. This section must be witnessed by a notary public before your application can be processed.
- * **Tax Withholding/Direct Deposit Form** - You must complete this form if you are electing a monthly annuity.

Return the completed forms to the address shown in the letter.

Payments are issued the first day of each month as long as all completed paperwork is received by the Retirement Center by the fifth of the prior month. For example, to receive a payment on September 1, you need to have all forms completed and returned no later than August 5.

The amounts quoted in your letter are only applicable for the period shown. Payout values can increase or decrease depending on the interest rates in effect under the Retirement Plan at the time of distribution.

If you elect to defer payment of your benefits until a later date, you must call HR Services 180 days prior to the date that you want your benefits to start to request new distribution election forms. Distribution election forms expire after 180 days.

HOW YOUR BENEFIT IS PAID

An **annuity** pays your account value in monthly payments over your lifetime, your lifetime and the lifetime of your designated survivor (such as your spouse) or a specified period (e.g., 5, 10 or 15 years).

If your account value is more than \$1,000 when you retire or otherwise separate from service, you may receive your benefit as a lump-sum payment or as an **annuity**. If you receive an annuity, the amount of each monthly payment will be actuarially determined based on your account balance. If you elect a lump sum, you will receive your account balance in a single payment.

Payment Methods

You may elect to receive your benefit in any form of payment available under the Retirement Plan for which you are eligible. However, if you are married, your spouse must consent to your election of any form of payment other than a Qualified Joint & Survivor Annuity.

The annuity form of payment is the default form of payment under the Retirement Plan. There are several annuity payment options. The default form of payment depends on your marital status:

- * If you are single, the default payment option is a Single Life Annuity.
- * If you are married, the default payment option is a Qualified Joint & Survivor Annuity.

Participants in prior plans may have payment options in addition to the options described in this section. Refer to *"If You Participated in a Prior Plan"* for more details.

For information about when a benefit is payable, refer to *"When You Can Receive a Distribution From The Retirement Plan."*

Single Life Annuity

A Single Life Annuity provides you with a monthly benefit as long as you live. Under this option, no payments are made to survivors.

If you are not married and you do not elect an alternative payment option, your benefit will automatically be paid in the form of a Single Life Annuity. If you are married, your spouse must consent to your election of a Single Life Annuity. Your spouse's consent must be in writing and witnessed by a notary public.

Qualified Joint & Survivor Annuity

A Qualified Joint & Survivor Annuity provides you with a monthly benefit for your lifetime. After your death, your surviving spouse also receives a monthly benefit until he or she dies (if he or she survives you). You may choose to have your spouse receive either 50%, 75% or 100% of the monthly amount you received during your lifetime. If you do not make an election, your spouse will receive 50% of your monthly benefit.

Payment amounts are based on your account balance, your life expectancy and your spouse's life expectancy. Your monthly benefit amount under this option will be less than the amount under the Single Life Annuity option. The greater the percentage that you select for your spouse, the lower your monthly payments will be during your lifetime.

Lump Sum Payment

If your account value is \$1,000 or less, your account automatically will be paid to you as a lump sum.

A lump sum is a one-time payment of the total value of your account. If you are married and your account value is over \$1,000, your spouse must consent to your election of a lump sum. Your spouse's consent must be in writing and witnessed by a notary public.

Joint & Contingent Annuity

This option is similar to the Qualified Joint & Survivor Annuity, except you may choose someone other than your spouse to receive payments after your death. You may choose to have your annuitant receive either 50%, 75% or 100% of the monthly benefit received during your lifetime. Payments will stop at your contingent annuitant's death. If you select an annuity which pays 100% of your monthly benefit to your contingent annuitant after your death, you may not choose a contingent annuitant who is more than 10 years younger than you.

If you are married, your spouse must consent to your election of a Joint & Contingent Annuity and your choice of a non-spouse beneficiary or contingent annuitant. Your spouse's consent must be in writing and witnessed by a notary public.

Like the Qualified Joint & Survivor Annuity, your monthly benefit amount will be less than the amount under the Single Life Annuity option because payments will be made over two lifetimes, instead of your life only. Also, the greater the percentage that you select for your surviving annuitant, the lower your monthly payments will be during your lifetime.

Life Annuity With 5-Year Period (60 months) Certain

This option is similar to the Single Life Annuity because it pays you a monthly annuity until you die. However, if you die in the first 5 years (60 months) after payments commence, payments will continue for the remainder of the 5 year period to your beneficiary. Because payments during the first 5 years are guaranteed, your monthly payment is less than it would be under the Single Life Annuity. If you die after 60 months, no further payment will be made to your beneficiary.

Life Annuity With 10-Year Period (120 months) Certain

This option is similar to the Life Annuity with 5-Year Period Certain, except that payments are guaranteed for a period of 10 years (120 months), even if you die within that period of time. Because payments during the first 10 years are guaranteed, your monthly payment is less than it would be under the Single Life Annuity or the Life Annuity with 5-Year Period Certain. If you die after 120 months, no further payments will be made to your beneficiary.

Life Annuity With 15-Year Period (180 months) Certain

This option is similar to the Life Annuities with 5- or 10-Year Period Certain, except that payments are guaranteed for a period of 15 years (180 months), even if you die within that period of time. Because payments during the first 15 years are guaranteed, your monthly payment is less than it would be under the Single Life Annuity or the Life Annuities with 5- or 10-Year Period Certain. If you die after 180 months, no further payments will be made to your beneficiary.

Social Security Adjustment Option

This option is available only if you terminate employment between ages 55 and 61 with at least 3 years of vesting service. Under this option, you receive monthly annuity payments for your life, but the amount you receive before age 62 is increased, and the amount you receive after age 62 is decreased, so that the amount you receive from the Retirement Plan, when added to the amount you could receive from Social Security beginning at age 62, is approximately level before and after age 62.

If You Separate From Service Prior to Your Normal Retirement Date

If you separate from service and elect to begin receiving an annuity before your normal retirement date, the amount of any monthly payments you receive will be less than if you had waited until your normal retirement date to commence your annuity payments. This is because you will receive payments over a longer period of time.

Choosing a Payment Option

Once you have received the final calculation of your account value, you will need to elect a payment option. Refer to "*How to Apply for a Distribution*" for more details on what forms and other documentation are needed to process your application.

If You Die Before Receiving a Distribution

If you die after you have a vested right to your benefit under the Retirement Plan but before you receive a distribution or payment thereunder, any payment option election you previously made will be canceled and your account value will be paid to your beneficiary.

If your account value is **more than \$1,000**, and your beneficiary is an individual, he or she can choose between a Lump Sum payment or Single Life Annuity.

Generally, payments will begin as soon as possible. However, if your beneficiary is your surviving spouse, he or she may defer payment of your account until the date you would have reached normal retirement age. Your account will continue to accrue interest credits until it is distributed.

If your beneficiary does not choose a payment option, he or she will receive a lump sum payment. If your account value is \$1,000 or less, your beneficiary will also receive a lump sum payment following your death.

If you die before you have a vested right to your benefit, no benefit will be payable from the Retirement Plan.

If Your Beneficiary Dies

If your beneficiary dies before benefits commence under the Retirement Plan, your payment election on file will be canceled. You will then receive payments in the form of a Single Life Annuity (or Qualified Joint & Survivor Annuity, if you are married) unless you choose otherwise.

If your beneficiary dies after benefits commence under the Retirement Plan, payments will continue under the same payment method you selected. **You can only choose a new beneficiary if you are being paid under one of the Life Annuities with a Period Certain (5-year, 10-year or 15-year periods).** If you are being paid under any option other than a Life Annuity with a Period Certain, payments will end when you die.

Taxes

Your benefit payments are subject to Federal income taxes. If you separate from service before age 55, any non-annuity payments you receive before you turn age 59½ are generally subject to a 10% penalty tax. Any lump sum distribution, regardless of when it is made, is also subject to 20% mandatory tax withholding.

To defer taxes and avoid penalties on a lump sum distribution, you may elect to roll over part or all of your distribution to another qualified retirement plan which accepts rollovers or to an IRA. You will receive further information about rollovers when you apply for a distribution.

SITUATIONS THAT MAY AFFECT YOUR RETIREMENT PLAN BENEFITS

The following information describes situations that may affect your benefits.

Notwithstanding any of the situations described below, the participants identified under the section entitled “*Frozen Benefits*” above will not earn annual retirement credits under the Retirement Plan after the applicable benefit freeze dates.

If You Do Not Submit the Proper Paperwork

If you do not notify your employer of your plans to retire, or if you fail to submit the proper paperwork when you apply for a distribution under the Retirement Plan, the payment of your benefits may be delayed.

If Your Address Changes

Make sure to notify HR Services if your address changes. Failure to notify the Retirement Center in a timely manner may result in a delay in your benefit distribution.

Domestic Relations Order

A court order such as a domestic relations order may require the Retirement Plan to pay a part of your benefits to your former spouse or to your child. The court order may also require, upon your death, that your benefit be payable to your former spouse, even if you remarried. Contact HR Services at 844.242.4748, Option 1 for sample language and additional questions.

If You Transfer from Eligible to Ineligible Employment

If you transfer from employment as an eligible employee under the Retirement Plan to a position that makes you ineligible to continue accruing benefits under the Retirement Plan, all of your hours of service during the year of the transfer will be considered in determining whether you are eligible to receive an annual retirement credit for that year. However, only the compensation you received for services performed as an eligible employee will be taken into account when calculating your retirement credit for that year. Future years of service will be counted for purposes of determining vesting under the Retirement Plan (subject to the vesting requirements described in the “*Service*” section above). Also, your account will continue to receive interest credits until you begin to receive a distribution.

If You Transfer to Eligible Employment

If you are employed by any of the Participating Operational Units or certain affiliates in an ineligible status prior to becoming an eligible employee under the Retirement Plan, your service prior to the transfer will be taken into account for purposes of determining eligibility to participate and vesting in benefits under the Retirement Plan (subject to the Retirement Plan’s 1,000 hours of service requirement for eligibility and vesting credits). In addition, if you become a participant in the Retirement Plan in the year of transfer before the end of the plan year, your hours of service with Participating Operational Units or certain affiliates during that year (before and after the transfer) will be considered in determining whether you have completed a year of accrual service for purposes of determining your annual retirement credit for that year. However, only compensation you receive for services as an eligible employee will be taken into account.

If You Return to Work

You will not be entitled to receive your benefit if you return to work for the System or an affiliate of the System before distribution of your benefit begins.

If you return to work and you have already begun receiving an annuity, your annuity payments will continue. When you retire again, your additional benefit will be determined without regard to the benefit you previously earned.

If you receive a lump sum payment and return to work, a new account will be opened for you with a \$0 value. If you did not have a break in service (meaning you earned more than 500 hours of service during the year), you will immediately begin to earn annual retirement credits. If you did have a break in service of one or more consecutive years, you must earn one (1) year of eligibility service before you are able to receive annual retirement credits, but you will then receive a retroactive retirement credit for that first year.

If You Take a Lump Sum Payment

If you elect a lump sum payment of your benefit under the Retirement Plan and you do not return to work, no further benefits will be payable to you.

If the Retirement Plan Becomes Top-Heavy

The Internal Revenue Code provides special rules for plans that are top-heavy—that is, plans that provide most of their benefits to certain key employees. It is very unlikely that the Retirement Plan would ever become top-heavy. If it did, however, certain minimum benefit and minimum vesting requirements would apply.

Restrictions Based on Retirement Plan Funding

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

Pension Benefit Guaranty Corporation

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

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

For more information about the PBGC and the benefits it guarantees, please refer to the Annual Funding Notice sent to all eligible participants by April 30th of each year, or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, DC 20005-4026 or call 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 202.326.4000. Additional information about the PBGC's pension insurance program is available through the PBGC's web-site on the internet at <http://www.pbgc.gov>.

If the Retirement Plan is Amended or Terminated

The System and the participating employers reserve the right to amend or terminate the Retirement Plan at any time. If the Retirement Plan is terminated, you will automatically become vested in your benefit, to the extent funded, regardless of how many years of service you have earned. No more annual retirement credits will be made to your account, but you will continue to receive interest credits until payment of your benefit begins.

Any amounts that remain in the trust after all benefit liabilities to participants and beneficiaries have been satisfied will be returned to the System.

If Laws and Regulations Change

In some cases, it may be necessary to change benefits to comply with new laws and regulations. You will be notified if any of these changes affect you.

Assignment of Benefits

Your pension benefits may not be sold, assigned, transferred, pledged or garnisheed, under most circumstances. However, your benefit may be reduced under certain circumstances if you have committed a breach of fiduciary duty or committed a criminal act against the Retirement Plan. In addition, a former spouse's interest in or rights to a participant's benefit may be recognized in accordance with the terms of a qualified domestic relations order that is approved by the Retirement Plan.

If you or your beneficiary is unable to care for your own affairs, payments may be made to someone who is authorized to conduct your affairs. This may be a relative or a court-appointed guardian.

Recovery of Overpayments

If the Retirement Plan pays you more than the amount to which you are entitled, you must repay that overpaid amount with appropriate interest. That amount, until you repay it, belongs to the Retirement Plan and you are holding it in trust for the Retirement Plan.

Employee Rights Not Implied

Your participation in the Retirement Plan does not give you the right to be retained in employment with the System or any of the Participating Operational Units, nor does it interfere with the right of your employer to discharge or terminate you.

CLAIMS FOR BENEFITS

Claims Procedure

Non-Disability Claims. Except as provided under “*Disability Claims*” below, you may submit a claim for benefits under the Retirement Plan to the Plan Administrator for review. In most instances, the Plan Administrator will either approve or disapprove the claim within 60 days after the claim is submitted. If the Plan Administrator determines that an extension of time for processing the claim is required, the Plan Administrator may extend the date by which a decision is required to 120 days after the claim is submitted provided that the Plan Administrator provides written notice of the extension to you prior to the termination of the initial 60-day period, including the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render a decision.

Disability Claims. If your claim for benefits is based on your disability (a “*Disability Claim*”), the claim should be submitted to the Plan Administrator for review and, in most instances, will be decided within 45 days after submission. If the Plan Administrator determines that an extension of time for processing the Disability Claim is required, the Plan Administrator may extend the date by which a decision is required to 75 days after the Disability Claim is submitted, provided that the Plan Administrator provides written notice of the extension to you prior to the termination of the initial 45-day period, including the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render a decision. If the Plan Administrator determines that, due to matters beyond the control of the Retirement Plan, a decision on a Disability Claim cannot be rendered within 75 days after the Disability Claim is submitted, the Plan Administrator may extend the date by which a decision is required to 105 days after the Disability Claim is filed, provided that the Plan Administrator notifies you, prior to expiration of the 75-day period, of the circumstances requiring the extension and the date as of which the Retirement Plan expects to render a decision. In the case of any extension of the 45-day or 75-day review period, the notice of extension will specifically explain the circumstances requiring the extension, the date by which a claim determination is expected to be made, the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the Disability Claim, and the additional information needed to resolve those issues, and the claimant shall be afforded at least 45 days within which to provide the specified information. In the event that the extension is due to your failure to submit information necessary to decide a Disability Claim, the period for making the claim determination will be tolled from the date the Plan Administrator notifies you of the extension until the date you respond to the request or, if earlier, the expiration of 45 days.

Information Provided Upon Denial of Claim (Including Disability Claims). You will receive a written notice of the decision on any claim (including any Disability Claim) for benefits under the Retirement Plan. If the claim is wholly or partially denied, the notice will contain (i) the specific reason or reasons for the denial, (ii) reference to the specific plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for the Plan Administrator to approve the claim and an explanation of why such material or information is necessary, and (iv) a description of the review procedures and the time limits applicable to such procedures, including a statement of the claimant’s right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”) following the denial of a claim on review.

In the case of a denial of a Disability Claim, the notice will also contain (i) if an internal rule, guideline, protocol, standard or other criterion was relied upon in making the adverse

determination, either the specific rule, guideline, protocol, standard or other similar criterion or a statement that such a rule, guideline, protocol, standard or other similar criterion was relied upon in denying the claim and that a copy of such rule, guideline, protocol, standard or other criterion will be provided free of charge to you upon request; (ii) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation for the determination applying the terms of the Retirement Plan to your medical circumstances, or a statement that such explanation will be provided free of charge upon request; and (iii) for claims submitted on or after April 1, 2018, a discussion of the adverse benefit determination including an explanation of the basis for disagreeing with or not following (a) the views presented to the Retirement Plan of health care professionals treating you or vocational professionals who evaluated you; (b) the views of the medical or vocational experts whose advice was obtained on behalf of the Retirement Plan, without regard to whether such advice was relied upon; and (c) a Social Security Administration disability determination presented by you to the Retirement Plan.

Review of Denial of Non-Disability Claim. Except as provided under “*Review of Denial of Disability Claim*” below, you may request a review by the Allegheny Health Network Employee Benefits Fiduciary Committee (the “**Committee**”) of a decision denying a claim in writing within 60 days following receipt of the denial. The claimant shall have the right to request in writing an extension of up to 60 days in order to gather documents and records and/or prepare positions with respect to the appeal and any such request which is not frivolous shall be granted by the Committee. All such reviews shall be decided in writing by the Committee within 60 days after receipt of the request for review. If the Committee determines that an extension of time for processing the review is required, the Committee may extend the date by which a decision is required to 120 days after the request for review is submitted provided that the Committee provides written notice of the extension to you prior to the termination of the initial 60-day period, including the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision.

Review of Denial of Disability Claim. You may request a review by the Committee of a decision denying a Disability Claim in writing within 180 days following receipt of the denial. You may submit written comments, documents, records and other information relating to Disability Claim. You will receive reasonable access to or copies (free of charge) of all documents, records and other information relevant to your Disability Claim, as well as any new or additional evidence considered, relied upon, or generated in connection with your Disability Claim and any new or additional rationales forming the basis of the Retirement Plan’s determination of the claim. Any request for review not filed within 180 days after receipt of an initial adverse determination notice shall be untimely.

All such reviews shall be decided in writing by the Committee within 45 days after receipt of the request for review. If the Committee determines that an extension of time for processing the review is required, the Committee may extend the date by which a decision is required to 90 days after the request for review is submitted provided that the Committee provides written notice of the extension to you prior to the termination of the initial 45-day period, including the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision. In the case of any extension of the 45-day review period, the notice of extension will specifically explain the circumstances requiring the extension, the date by which a claim determination is expected to be made, the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the Disability Claim, and the additional information needed to resolve those issues, and the claimant shall be afforded at least 45 days within which to provide the specified information. In the event that the extension

is due to your failure to submit information necessary to decide a Disability Claim, the period for making the claim determination will be tolled from the date the Plan Administrator notifies you of the extension until the date you respond to the request or, if earlier, the expiration of 45 days.

The Committee may delegate its duty to review denied Disability Claims provided that the person or entity to whom such duty is delegated shall not be the Plan Administrator or a subordinate of the Plan Administrator. Any review of a denied Disability Claim hereunder will be without deference to the Plan Administrator's denial of the Disability Claim.

Review Procedures for All Claims. In connection with a review of a denied claim for benefits (including a Disability Claim), you will (i) have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits, and (ii) be provided, upon request and free of charge, reasonable access to, and copies of all documents, records, and other information relevant to your claim for benefits. The review of a denied claim shall take into account all comments, documents, records, and other information submitted by the claimant related to the claim, without regard to whether such information was submitted or considered in the initial review of the claim. If a claim is denied upon review, the written notice of the denial shall specify (i) the specific reason or reasons for the denial, (ii) reference to the specific plan provisions upon which the denial is based, and (iii) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits.

Additional Review Procedures for Disability Claims. If the denial of a Disability Claim upon review is based in whole or in part on a medical judgment, the Retirement Board or its delegate will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. Such professional will be an individual who is neither an individual who was consulted in connection with the initial denial of the Disability Claim nor the subordinate of any such individual. The Retirement Board or its delegate will provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Retirement Plan in connection with a denied Disability Claim without regard as to whether the advice was relied upon in making the benefit determination. The review will take into account all comments, documents, records and other information submitted by the claimant relating to the Disability Claim, without regard to whether such information was submitted or considered in the initial benefit determination and will not afford deference to the initial adverse benefit determination.

In addition to the items described above in the written notice for other claim denials, the notice will also contain (i) if an internal rule, guideline, protocol, standard or other criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, standard or other similar criterion or a statement that such a rule, guideline, protocol, standard or other similar criterion was relied upon in denying the claim and that a copy of such rule, guideline, protocol, standard or other criterion will be provided free of charge to you upon request; (ii) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation for the determination applying the terms of the Retirement Plan to your medical circumstances, or a statement that such explanation will be provided free of charge upon request; (iii) for claims submitted on or after April 1, 2018, a discussion of the adverse benefit determination including an explanation of the basis for disagreeing with or not following (a) the views presented to the Retirement Plan of health care professionals treating you or vocational professionals who evaluated you; (b) the views of the medical or vocational experts whose advice was obtained on behalf of the Retirement Plan, without regard to whether such advice was relied upon; and (c) a Social Security Administration

disability determination presented by you to the Retirement Plan; (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of the ERISA and a description of any applicable plan-imposed limitations period, including the calendar date when the limitations period will expire. Any notice denying a Disability Claim upon review will contain the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

LIMITATION ON CLAIMS. NO LEGAL ACTION WITH RESPECT TO YOUR CLAIM (OR A BENEFICIARY'S CLAIM) FOR BENEFITS UNDER THE RETIREMENT PLAN MAY BE COMMENCED LATER THAN ONE (1) YEAR AFTER THE DATE OF THE FINAL DETERMINATION REGARDING THE CLAIM FOR BENEFITS AS PROVIDED UNDER THIS CLAIMS PROCEDURE.

Agent for Service of Legal Process

The Plan Administrator is the Retirement Plan's agent for the service of legal process.

YOUR ERISA RIGHTS

As a participant in the Retirement Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that, as a plan participant, you are entitled to:

- * Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Retirement Plan, including collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Retirement Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- * Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Retirement Plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- * Receive a summary of the Retirement Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- * Obtain a statement telling you whether you have a right to receive a pension at your normal retirement age (generally age 62) and, if so, what your benefits would be at that age if you stopped working under the Retirement Plan now. If you do not have a right to pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Retirement Plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who operate your plan, called "fiduciaries" of the Retirement Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Retirement Plan and do not receive them within 30 days, you may file suit in a Federal court (please review the Plan's claims procedures described in this booklet for more information regarding the process for claiming benefits under the Retirement Plan). 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 Retirement Plan's decision (or lack thereof) concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the Retirement Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

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

IF YOU PARTICIPATED IN A PRIOR PLAN

The following pages contain a summary of grandfathered provisions that might affect how your years of service, annual retirement credits, vesting or payment options are calculated as a result of your participation in certain prior plans. This section is organized by the prior plan name. It only applies to you if you participated in the named prior plan and participate in this Retirement Plan.

As of December 30, 2001, the following plans were merged with and into the Retirement Plan:

- Retirement Plan for Employees of The Western Pennsylvania Hospital (the “**West Penn Plan**”);
- Retirement Account Plan for Employees of Allegheny General and Allegheny University Medical Centers (Part A) (the “**AGH Plan**”); and
- Suburban General Hospital Retirement Income Plan (the “**Suburban Plan**”)

These plans also provide for certain “grandfathered benefits” with respect to prior plans that were assumed or merged into these plans. Together the West Penn Plan, the AGH Plan and the Suburban Plan (as well as any prior plans assumed or otherwise merged into those plans) are called the “**2001 Merged Plans**” in this SPD. Following the merger, the Retirement Plan assumed liability for the payment of benefits accrued for participants in the 2001 Merged Plans. Accordingly, your opening balance under the Retirement Plan was the balance accrued for you under any of the 2001 Merged Plans. In certain cases, if the prior plan in which you accrued a benefit was not a cash balance type of plan, you have a grandfathered benefit rather than an account balance.

The Retirement Plan retains virtually all of the material provisions applicable under the 2001 Merged Plans for the designated former participants of those plans with regard to service, eligibility, vesting and distribution rules.

If you participated in a prior plan which was merged into the AGH Plan, and you actively participated in the AGH Plan at any time after the merger, you were credited with an initial account balance under the AGH Plan as of the date of the merger based on the amount of the benefit you had accrued under the prior plan. Your benefit under the AGH Plan will never be less than the benefit you had earned under the prior plan as of the date the plans were merged.

Retirement Plan for Employees of Allegheny General Hospital

If you participated in the AGH Plan (or its predecessor) before July 1, 1992:

- * You will receive vesting credit under the AGH Plan for your years of continuous service in the Retirement Plan for Employees of Allegheny General Hospital before January 1, 1992, and for your service since January 1, 1992, under the rules of the Retirement Plan. The normal rules for breaks in service (as described under “*Breaks in Service*”) will generally apply.
- * You are entitled to continue to accrue benefits under a “grandfathered” benefit formula if, as of June 30, 1993, you were at least 45 years old, had at least 5 years of vesting service under the Retirement Plan for Employees of Allegheny General

Hospital, and were an active participant on that date. If you are eligible, your benefits will be calculated under the grandfathered benefit formula (with an offset for employer contributions under the Savings Plan). Also, the value of your account under the AGH Plan will be determined and annuitized. You will receive the greater benefit amount, but not both amounts. As long as you are continuously employed by the System or a Participating Operational Unit, you continued to accrue grandfathered benefits until June 30, 2002. After that date, no additional grandfathered benefits accrued.

- * If you were employed by the AGH Surgi-Center between 1986 and 1994, you will not receive any credit for years of service under the Retirement Account Plan for this Surgi-Center service. However, you will not have a break in service for any of those years.

Retirement Plan for Employees of the Forbes Health System

If you participated in the Retirement Plan for Employees of the Forbes Health System before January 1, 1998:

- * You will receive vesting credit under the Retirement Plan for your Forbes service before that date (subject to break in service rules).
- * You are entitled to continue to accrue benefits under a “grandfathered” benefit formula if, as of December 31, 1997, you were at least 45 years old, had at least 5 years of vesting service under the Forbes plan, and were an active participant on that date (or had previously transferred to the AGH Plan in connection with the acquisition of Forbes by AHERF). If you are eligible, your benefits will be calculated under the grandfathered benefit formula (with an offset for employer contributions under the Savings Plan). Also, the value of your account under the AGH Plan will be determined and annuitized. You will receive the greater benefit amount, but not both amounts. As long as you are continuously employed by the System or a Participating Operational Unit, you will continue to accrue grandfathered benefits until December 31, 2007. After that date, no additional grandfathered benefits will accrue.

Retirement Plan for Employees of Allegheny Valley Hospital or Allegheny Valley Hospital Retirement Savings Plan

If you participated in either the Retirement Plan for Employees of Allegheny Valley Hospital or the Allegheny Valley Hospital Retirement Savings Plan before January 1, 1998:

- * You will receive vesting credit under the Retirement Plan for your AVH service before that date (subject to break in service rules).
- * If you participated in the AVH Retirement Plan, you are entitled to continue to accrue benefits under a “grandfathered” benefit formula if, as of December 31, 1997, you were at least 45 years old, had at least 5 years of vesting service under the AVH plan, and were an active participant on that date (or had previously transferred to the AGH Plan in connection with the acquisition of AVH by AHERF). If you are eligible, your benefits will be calculated under the grandfathered benefit formula (with an offset for employer contributions under the Savings Plan). Also, the value of your

account under the AGH Plan will be determined and annuitized. You will receive the greater benefit amount, but not both amounts. As long as you are continuously employed by the System or a Participating Operational Unit, you will continue to accrue grandfathered benefits until December 31, 2007. After that date, no additional grandfathered benefits will accrue.

Canonsburg General Hospital Retirement Plan

If you participated in the Canonsburg General Hospital Retirement Plan (a Final Average Pay Plan) before January 1, 1998:

- * You are entitled to continue to accrue benefits under a “grandfathered” benefit formula if, as of December 31, 1997, you were at least 45 years old, had at least 5 years of vesting service under the Canonsburg plan, and were an active participant on that date (or had previously transferred to the AGH Plan in connection with the acquisition of Canonsburg by AHERF). If you are eligible, your benefits will be calculated under the grandfathered benefit formula (with an offset for employer contributions under the Savings Plan). Also, the value of your account under the AGH Plan will be determined and annuitized. You will receive the greater benefit amount, but not both amounts. As long as you are continuously employed by the System or a Participating Operational Unit, you will continue to accrue grandfathered benefits until December 31, 2007. After that date, no additional grandfathered benefits will accrue.

Retirement Plan for Employees of the Western Pennsylvania Hospital

If you participated in the Retirement Plan for Employees of the Western Pennsylvania Hospital before December 30, 2001:

- * You will receive vesting credit under the Retirement Plan for your West Penn service before that date (subject to break in service rules).

If you participated in this plan on or before December 31, 1998 and elected, under the Transition Rules, to accrue benefits under the “Final Pay” rules, your benefits will be determined under the Final Pay formula and distribution rules you elected and not under the cash balance formulas and rules.

If you participated under the contributory Final Pay rules and are involuntarily transferred to another Participating Operational Unit, you will continue to participate under the contributory Final Pay rules. If you participated under the contributory Final Pay rules and voluntarily transfer to another Participating Operational Unit, you will no longer participate under the Final Pay rules and instead begin to accrue benefits under the cash balance formula.

If you participated under the contributory Final Pay rules, separate from service, and then are rehired, the benefit that you earned under these rules prior to your separation from service will be preserved as a separate benefit upon your rehire and will continue to be subject to all of the Final Pay rules. Benefits that you earn after your rehire will be kept separate and will be calculated under and be subject to all of the Cash Balance rules.

If you participated under the non-contributory Final Pay rules, separate from service, and then are rehired, the benefit that you earned under these rules prior to your separation from service

will be converted to a starting cash balance upon your rehire. After your rehire, you will earn benefits under the Cash Balance rules which will be added to your starting cash balance. All benefits earned will be subject to the Cash Balance rules.

Retirement Plan for Employees of the Suburban General Hospital

If you participated in the Retirement Plan for Employees of the Suburban General Hospital before December 30, 2001:

- * You will receive vesting credit under the Retirement Plan for your Suburban service before that date (subject to break in service rules).

If you participated in this plan on or before December 31, 1998 and elected, under the Transition Rules, to accrue benefits under the "Final Pay" rules, your benefits will be determined under the Final Pay formula and distribution rules you elected and not under the cash balance formula and rules.

If you participated under the contributory Final Pay rules and are involuntarily transferred to another Participating Operational Unit, you will continue to participate under the contributory Final Pay rules. If you participated under the contributory Final Pay rules and voluntarily transfer to another Participating Operational Unit, you will no longer participate under the Final Pay rules and instead begin to accrue benefits under the cash balance formula.

APPENDIX A
Certain Represented Employees

1. An employee who is an employee at Canonsburg General Hospital and is or becomes a member of District 1199P, Service Employees International Union, AFL-CIO, CIC (other than Technical and Clerical Employees described in subsections (2) and (3) below) (the “**Service Employees**”) subject to a collective bargaining agreement between Canonsburg General Hospital (or its predecessor in interest, Allegheny University Medical Centers) and the Service Employees shall participate in this Retirement Plan and, for service prior to January 1, 2004, shall accrue benefits under Schedule H of the Retirement Plan (“Schedule H”) and, for service on or after January 1, 2004, such Service Employees shall be Cash Balance participants, subject to the definitions applicable to the Cash Balance portion of the Retirement Plan and shall accrue benefits under Article IV of the Retirement Plan; provided, however, that Service Employees who were participants on January 1, 2004 and have service on or after January 1, 2004 shall have their respective benefits determined as the greater of:
 - a. The benefit determined under Schedule H using all Years of Accrual Service (as defined in Schedule H) for all periods of employment as a Service Employee and Final Average Compensation (as defined in Schedule H) determined with respect to the date of his or her retirement or other separation from service, except for Service Employees who have a separation from service and are rehired by a Participating Operational Unit, whose benefit under this clause shall be determined as of the date of such employee's initial separation from service and no amount shall be credited for such employee for service rendered after he or she is rehired; or
 - b. The sum of (i) the benefit accrued for such Service Employee as of December 31, 2003 under Schedule H (using Years of Accrual Service and Final Average Compensation determined with respect to December 31, 2003) and (ii) the benefit determined under Article IV of the Retirement Plan with respect to service rendered on or after January 1, 2004.

For purposes of determining the greater of (a) or (b) in the previous sentence, the value of all benefits under consideration shall be converted into the Life Annuity form of benefit using the 1994 GAR mortality table and, for the benefit described in clause (a) and subclause (b)(i) above, an interest rate equal to the GATT interest rate determined as of the 1st day of November of the year prior to the year under consideration and, for the benefit described in subclause (b)(ii), an interest rate equal to the GATT rate determined as of the 1st day of September of the year prior to the year under consideration. Any reduction for early payment applicable for a separation from service after a Service Employee attains age 55 shall use the early reduction factors in effect under Schedule H and for separation from service after a Service Employee attains, the early reduction facts shall be an interest rate of 7% and the 1983 Group Annuity Table for females. Benefits accrued for Service Employees under Schedule H shall be distributable only in the options set forth in Schedule H and benefits accrued for Service Employees under Article IV of the Retirement Plan shall be distributable only in the forms applicable to benefits accrued under Article IV for other participants. Service Employees who become employees on or after January 1, 2004 shall have benefits accrued only under Article IV of the Retirement Plan.

2. An employee who is an employee at Canonsburg General Hospital and is or becomes a member of District 1199P, Service Employees International Union, AFL-CIO, CIC and is a Clerical Worker (a "**Clerical Employee**") subject to a collective bargaining agreement between Canonsburg General Hospital (or its predecessor in interest, Allegheny University Medical Centers) and the Clerical Employees shall participate in the Retirement Plan and, for service prior to January 1, 2005, shall accrue benefits under Schedule I of the Retirement Plan ("Schedule I") and only under Schedule I and, for service rendered on or after January 1, 2005, such Clerical Employee shall be a Cash Balance participant, subject to the definitions applicable to the Cash Balance portion of the Retirement Plan and shall accrue benefits under Article IV of the Retirement Plan. Distributions of benefits accrued for Clerical Employees accrued under Schedule I shall be distributed in accordance with Schedule I and distribution of benefits accrued in accordance with Article IV of the Retirement Plan shall be distributed in accordance with the Cash Balance provision of the Retirement Plan.
3. An employee who is an employee at Canonsburg General Hospital who was previously represented by District 1199P, Service Employees International Union, AFL-CIO, CIC and is a Technical Worker (a "**Technical Employee**") subject to a collective bargaining agreement between Canonsburg General Hospital (or its predecessor in interest, Allegheny University Medical Centers) and the Technical Employees shall participate in the Retirement Plan and, for service prior to January 1, 2005, shall accrue benefits under Schedule I and only under Schedule I and, for service rendered on or after January 1, 2005, such Technical Employee shall be a Cash Balance participant, subject to the definitions applicable to the Cash Balance portion of the Retirement Plan and shall accrue benefits under Article IV of the Retirement Plan. Distributions of benefits accrued for Technical Employees accrued under Schedule I shall be distributed in accordance with Schedule I and distribution of benefits accrued in accordance with Article IV of the Retirement Plan shall be distributed in accordance with the Cash Balance provision of the Retirement Plan.
4. An employee who is an employee at Canonsburg General Hospital and is or becomes a member of District 1199P, Service Employees International Union, AFL-CIO, CIC (other than Technical Employees) (the "**Service Employees**") subject to a collective bargaining agreement between Canonsburg General Hospital (or its predecessor in interest, Allegheny University Medical Centers) and the Service Employees shall participate in the Retirement Plan and, for the period of service after January 1, 2009 and prior to the expiration of the collective bargaining agreement in effect on that date, shall accrue a benefit based on the provisions of the Retirement Plan as in effect on December 31, 2008.
5. An employee who is an employee at Allegheny General Hospital (Allegheny Campus only) and is or becomes a member of District 1199P, Service Employees International Union, AFL-CIO, CIC (the "**Allegheny Service Employees**") and is a registered nurse subject to a collective bargaining agreement between Allegheny General Hospital and the Allegheny Service Employees shall participate in the Retirement Plan and, for the period of service after January 1, 2009 and prior to the expiration of the collective bargaining agreement in effect on that date, shall accrue a benefit based on the provisions of the Retirement Plan as in effect on December 31, 2008.