

## **Catholic Health East Employee Pension Plan**

### **Summary Plan Description Supplement Effective January 1, 2017**

#### **Sisters of Providence Health System, Inc. Plan Participants**

#### **1. Employer**

For purposes of this supplement, the “Employer” is Sisters of Providence Health System, Inc. and any of its Related Employers that adopted the Pension Plan for Employees of the Sisters of Providence Health System, Inc. and Affiliated Organizations or any predecessor plan to the Sisters of Providence Plan or plan that merged into the Sisters of Providence Plan (“Sisters of Providence Plan”).

#### **2. Freeze Date**

The Freeze Date for the Employer is:

- January 1, 1997 for participants employed at Mercy Hospital or Providence Hospital who are covered under a collective bargaining agreement between the Employer and the Massachusetts Nurses Association;
- April 1, 1997 for participants employed at Providence Hospital and covered under a collective bargaining agreement between the Employer and the United Food and Commercial Workers Union, Local 1459; and
- October 1, 1996 for all other participants.

#### **3. Plan Benefit**

You are not eligible for a Plan Benefit as a result of employment as a Covered Employee of the Employer.

#### **4. Prior Plan Benefit**

If you were a participant in the Sisters of Providence Plan on September 17, 2012, the date the Sisters of Providence Plan merged into the Plan, you have a Prior Plan Benefit under the Plan unless it has been forfeited or already paid to you in accordance with the terms of the Sisters of Providence Plan.

Your monthly Prior Plan Benefit as of a particular date is equal to your monthly Normal Retirement Benefit earned as of that date, payable at your Normal Retirement Date or, if applicable, Late Retirement Date in the form of a single life annuity (Life Only Option) using your Average Annual Compensation and Years of Benefit Service as of the earliest of the date of determination, the date of your termination of employment with the Employer and all of its Related Employers or the applicable Freeze Date.

Your “Average Annual Compensation” is the average of your Compensation from the Employer for the highest five (5) full consecutive calendar years of employment out of ten (10) calendar years of employment immediately preceding the earliest of the date of determination, the date of your termination of employment with the Employer and all of its Related Employers or the applicable Freeze Date. Only full calendar years of employment with the Employer are taken into

account for purposes of computing this five (5) year average. If you received Compensation for less than five (5) full consecutive calendar years, your Average Annual Compensation is the average of your Compensation during such lesser period. Your "Compensation" for any Plan Year is determined based on the provisions of the Sisters of Providence Plan in effect for the applicable Plan Year.

In general, your monthly "Normal Retirement Benefit," payable commencing on your Normal Retirement Date in the form of a Life Only Option is equal to 1/12<sup>th</sup> of the greater of (a) or (b), as follows:

- (a) The benefit determined as of your Normal Retirement Date by applying the benefit formula in (d) for the applicable pension plan which merged into the Sisters of Providence Plan on or after October 1, 1985 ("Prior Pension Plan"), and under which you accrued benefits before the merger, actuarially adjusted to be payable in the form of a Life Only Option if the normal form benefit of such Prior Pension Plan was other than a single life annuity; or
- (b) The benefit determined on the day preceding the date of merger of the Prior Pension Plan with the Sisters of Providence Plan under the benefit formula of the Prior Pension Plan, actuarially adjusted to be payable in the form of a Life Only Option if the normal form benefit of such Prior Pension Plan was other than a single life annuity, plus, for the period from the date of merger to the date of determination, the increase in the accrued benefit determined by applying the benefit formula as set out in (c), below.
- (c) For periods after the date of merger of a Prior Pension Plan into the Sisters of Providence Plan, the Sisters of Providence Plan's benefit formula shall be equal to (i) plus (ii) multiplied by (iii) as follows:
  - (i) Three-quarters of one percent (.75%) of your Average Annual Compensation which is not in excess of thirty percent (30%) of the contribution and benefit base determined under Section 230 of the Social Security Act in effect as of the reference date for which a benefit is being calculated (the "Social Security Taxable Wage Base"), plus
  - (ii) One and three-quarters percent (1.75%) of your Average Annual Compensation which exceeds thirty percent (30%) of the Social Security Taxable Wage Base, multiplied by
  - (iii) Your Years of Benefit Service up to a maximum of thirty (30) Years of Benefit Service. Your "Years of Benefit Service" for any Plan Year are determined based on the provisions of the Sisters of Providence Plan (or any predecessor plan thereto or plan that merged into the Sisters of Providence Plan, as applicable) in effect for the applicable Plan Year.
- (d) The benefit formula of the Prior Pension Plan shall be determined as follows:
  - (i) Pension Plan for Employees of the Mercy Hospital. The accrued benefit payable in the form of a single life annuity is equal to (1) minus (2) multiplied by (3) as follows:
    - (1) two percent (2%) of your Average Annual Compensation, minus

- (2) two percent (2%) of your Social Security Benefit, multiplied by
- (3) Your Years of Benefit Service to a maximum of twenty five (25) years.

For purposes of this benefit formula only, "Average Annual Compensation" means the average of your two hundred sixty (260) highest consecutive weekly amounts of Compensation earned during the last ten (10) calendar years of employment immediately preceding the earliest of the date of determination, the date of your termination of employment with the Employer and all of its Related Employers or the applicable Freeze Date. If you received Compensation for less than two hundred sixty (260) consecutive weeks, your Average Annual Compensation is the average of your Compensation during such lesser period. Your "Compensation" for any Plan Year shall be determined based on the provisions of the Sisters of Providence Plan (or any predecessor plan thereto or plan that merged into the Sisters of Providence Plan, as applicable) in effect for the applicable Plan Year.

Your "Social Security Benefit" is the annual benefit to which you would be initially entitled under the provisions of Title II of the Social Security Act in effect as of the date of your termination of employment with the Employer and all of its Related Employers or attainment of age 65, if earlier, without regard to any increase in the Social Security Taxable Wage Base or benefit levels that take effect subsequently. If the date of your termination of employment with the Employer and all of its Related Employers is before your reach age 55, your Social Security Benefit is based upon the assumption that you will continue to receive a salary until you reach age 65 which would be treated as wages for purposes of the Social Security Act at an annual rate equal to your most recent annual Compensation (or the average of his annual Compensation over the last five (5) full years worked, if greater). If the date of your termination of employment with the Employer and all of its Related Employers occurs on or after the date you turn age 55 and has completed five (5) Years of Vesting Service, your Social Security Benefit shall be based upon the assumption that you will receive no further compensation which would be wages for purposes of the Social Security Act.

(ii) The Pension Plan for Employees of Providence Hospital. The accrued benefit payable in the form of a single life annuity is equal to the future service benefit of (I) plus the past service benefit of (II) as hereinafter defined:

- (I) Your annual future service benefit to be accrued for each Year of Benefit Service you complete on and after the later of April 1, 1968 and the date of your participation in the plan shall be equal to:
  - (1) three quarters of one percent (3/4%) of that portion of your annual Compensation for such year not in excess of six thousand six hundred dollars (\$6,600), plus
  - (2) one and one-half percent (1-1/2%) of that portion of your annual Compensation for such year in excess of six thousand six hundred dollars (\$6,600).

- (II) Your annual past service benefit as of April 1, 1968 shall be equal to three quarters of one percent (3/4%) of your annual Compensation as of April 1, 1968 multiplied by the number of Years of Benefit Service you completed as of April 1, 1968. For purposes of determining Years of Benefit Service prior to April 1, 1968, Years of Benefit Service before the third (3rd) anniversary of your date of employment and Years of Benefit Service before the date you turned age thirty (30) are disregarded.
- (iii) Sisters of Providence Retirement Program. The accrued benefit payable in the form of a life annuity with one hundred twenty (120) payments certain and continuous shall be equal to (I) plus (II) multiplied by (III), as hereinafter defined:
- (I) five-eighths of one percent (5/8%) of your Average Annual Compensation covered by Social Security, plus
- (II) one and one-half percent (1-1/2%) of your Average Annual Compensation not covered by Social Security, multiplied by
- (III) Your Years of Benefit Service to a maximum of 40 years.

For purposes of this subsection (iii), Average Annual Compensation covered by Social Security shall be determined based on the year you reach age 65 and the corresponding amount from the table below:

| <u>Year Participant Reaches' Age 65</u> | <u>Average Annual Compensation Covered by Social Security</u> |
|---|---|
| 1982                                    | \$10,800  |
| 1983                                    | 12,000  |
| 1984                                    | 12,600  |
| 1985                                    | 13,200  |
| 1986                                    | 14,400  |
| 1987                                    | 15,000  |
| 1988                                    | 15,600  |
| 1989                                    | 16,200  |
| 1990                                    | 16,800  |
| 1991                                    | 16,800  |
| 1992                                    | 17,400  |
| 1993                                    | 18,000  |
| 1994                                    | 18,600  |
| 1995                                    | 19,200  |
| 1996                                    | 19,800  |
| 1997                                    | 21,000  |
| 1998                                    | 21,600  |
| 1999                                    | 22,200  |
| 2000                                    | 22,800  |
| 2001                                    | 24,000  |

|                        |        |
|------------------------|--------|
| 2002                   | 24,600 |
| 2003                   | 25,200 |
| 2004                   | 25,800 |
| 2005                   | 27,000 |
| 2006                   | 27,600 |
| 2007                   | 28,200 |
| 2008                   | 28,800 |
| 2009                   | 29,400 |
| 2010                   | 30,000 |
| 2011                   | 30,600 |
| 2012                   | 31,200 |
| 2013                   | 31,200 |
| 2014                   | 31,800 |
| 2015 and<br>Thereafter | 32,400 |

(iv) Our Lady of Providence Children's Center, Inc. Retirement Plan. The accrued benefit payable in the form of a single life annuity shall be equal to (I) plus (II) multiplied by (III) as hereinafter defined:

- (I) five-sixths of one percent (5/6%) of your Average Annual Compensation not in excess of fifteen thousand dollars (\$15,000), plus
- (II) one and five-sixths percent (1-5/6%) of your Average Annual Compensation in excess of fifteen thousand dollars (\$15,000), multiplied by
- (III) Your Years of Benefit Service to a maximum of thirty (30) years.

(v) Farren Memorial Hospital Retirement Income Plan. The accrued benefit payable in the form of a single life annuity shall be equal to:

- (I) twenty four dollars (\$24.00) multiplied by your Years of Benefit Service if your Average Annual Compensation at retirement is less than six thousand six hundred dollars (\$6,600), or
- (II) thirty six dollars (\$36.00) multiplied by your Years of Benefit Service if your Average Annual Compensation at retirement is equal to or greater than six thousand six hundred dollars (\$6,600).

(e) If, during the course of your employment you transferred from one Sisters of Providence Employer to another Sisters of Providence Employer, your accrued benefit at retirement is determined using the following principles:

(i) Transfers Occurring Prior to the Merger Date: If a transfer occurred prior to the date of merger of the Prior Plan ("merger date"), the Accrued Benefit will be the

sum as of the merger date of (i) the amount, determined as of the date of each such transfer or as of the merger date (whichever is applicable), of the accrued benefit earned under the applicable Prior Plan based on the benefit formula of such Prior Plan and your service under such Prior Plan, and (ii) the accrued benefit determined under (c) above for all periods after the merger date.

- (ii) Transfers Occurring On or After the Merger Date: For all transfers which occurred on or after the merger date, the Accrued Benefit will be the greater of (a) or (b), above, as if the you ceased to be employed by the transferor Employer as of the date of the transfer of employment for purposes of determining the benefit to be calculated under the Prior Plan formula, where applicable.
- (iii) Transfers To or From Noble Hospital on or After October 1, 1985: If you were a participant in the Pension Plan for Employees of Noble Hospital (“Noble Plan”) just prior to becoming employed by a Sisters of Providence Employer, you became a Participant in the Sisters of Providence Plan effective on the date of the transfer of employment, if assets representing the present value of your accrued benefit under the Noble Plan (as of the date of the transfer) were transferred to the Sisters of Providence Plan. Your accrued benefit is equal the accrued benefit under the Noble Plan as of the date of the transfer of employment plus an accrued benefit calculated under (c), above, as if your Years of Benefit Service commenced as of the date of the transfer of employment. If you transfer from an Employer to Noble Hospital, the present value of your Prior Plan Benefit shall be transferred to the Noble Plan and your retirement benefit shall be calculated under the Noble Plan benefit formula with credit for eligibility and vesting purposes for Years of Vesting Service and Years of Benefit Service earned under the Sisters of Providence Plan.
- (iv) For purposes of (i) above, your final average compensation at your date of actual retirement shall be used to determine the benefit under any Prior Plan formula which was based on final average compensation.

## **5. Early Retirement Benefit**

The amount of your Prior Plan Benefit payable as an early retirement benefit is your Prior Plan Benefit as of your early retirement date, permanently reduced by 1/2 of 1% for each month by which your early retirement date is before your Normal Retirement Date. You may not elect to begin to receive payment of your vested Prior Plan Benefit in the form of monthly payments beginning before you attain age 55.

## **6. Vesting**

You are 100% vested in your Prior Plan Benefit described in this supplement.

## **7. Disability Retirement Benefit**

If you become totally and permanently disability and your employment with Trinity Health terminates as a result, you may elect to receive a disability retirement benefit (in the form of a life annuity), commencing on the first day of any calendar month coinciding with or next following the later of the establishment of your total and permanent disability or the date of the termination

of your employment with Trinity Health. Your disability retirement benefit is the amount equal to the actuarial equivalent of your Prior Plan Benefit computed as of the date of the establishment of your total and permanent disability, until your Normal Retirement Date or date of death, if earlier. Upon your Normal Retirement Date you will be eligible to elect to receive a Normal Retirement Benefit in any Optional Payment Form then available under the Plan and this supplement. If you are receiving a disability retirement benefit and you die before your Normal Retirement Date, you will be treated as having died prior to your commencing payment of your Prior Plan Benefit and any death benefits shall be payable as provided in the SPD and section 11 of this supplement, below.

**8. How Will My Benefit Be Paid?**

In addition to the optional forms of payment in the SPD, if you have reached your Normal Retirement Date or you have terminated from employment with Trinity Health, the participating Employers and all of their Related Employers, you may elect to receive payment of your Prior Plan Benefit in the form of a single lump sum payment if the lump sum value of your Prior Plan Benefit is \$10,000 or less. Your Prior Plan Benefit is converted to a lump sum using the applicable Plan actuarial factors.

**9. What Happens To My Benefit If I Die Before I Retire?**

In addition to the provisions in the SPD regarding what happens to your benefit if you die before payment begins, if you die before payment of your Prior Plan Benefit begins and you are not married on the date of your death, the lump sum value of the survivor portion of your Prior Plan Benefit is payable to your beneficiary or estate.