



**Hospital Sisters**  
HEALTH SYSTEM

# Overview of the HSHS Retirement Program

HSHS offers a comprehensive retirement program to help you save for the future. It features a defined benefit Pension Plan and a 403(b) Retirement Savings Plan.

## HSHS PENSION PLAN

You earn a benefit in the HSHS Pension Plan based on a defined benefit formula using your pay and service. You earn a monthly benefit for life based on the following formula:

**1.2% of 5-year average pay plus 0.6% of 5-year average pay in excess of 30% of Social Security Taxable Wage Base times your credited service up to 25 years**  
**plus**  
**0.5% of 5-year average pay times credited service in excess of 25 years**

<b>Who is eligible</b>	Colleagues actively employed on June 30, 2014. Temporary or leased colleagues are not eligible.
<b>How your benefit is funded</b>	Fully funded by HSHS
<b>How your benefit is determined</b>	By the formula provided above
<b>Eligible pay</b>	The pay shown on your W-2 statement plus any pre-tax contributions (subject to IRS limits, \$275,000 in 2018)
<b>5-year average pay</b>	The annual average of your eligible pay during the five highest consecutive completed calendar years during your last 15 calendar years of service
<b>Service</b>	Generally, you earn a year of service for both benefit accrual and vesting purposes if you work 1,000 hours in a calendar year
<b>Vesting — your right to your benefit</b>	Fully vested (100%) after five years of service
<b>When your benefit can be paid</b>	Vested benefits are payable at or after age 55 (with an early retirement reduction if benefits begin between ages 55 and 65).
<b>How your vested benefit can be paid</b>	Generally, your benefit is paid as a monthly benefit when you retire. You may choose from various monthly forms of payments.

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## HSHS 403(b) RETIREMENT SAVINGS PLAN

The 403(b) Plan gives you the opportunity to build on your pension benefit through your contributions and investment earnings. It's an important source of your overall retirement income.

<b>Who is eligible</b>	Colleagues actively employed on June 30, 2014. Temporary or leased colleagues are not eligible.
<b>How your account is funded</b>	By your contributions
<b>How to enroll</b>	You can enroll any time after your date of hire. You can increase, decrease, or stop your contributions at any time.
<b>How much of your pay you can save</b>	Up to 100% of your pay in pre-tax dollars, after-tax (Roth) dollars, or a combination of both — up to the IRS limit of \$18,500 in 2018. You may also need to consider other required deductions from pay, such as insurance premiums. If you will be age 50 or older by the end of the calendar year, you can contribute up to \$24,500 in 2018.
<b>Eligible pay</b>	The pay shown on your W-2 statement plus any pre-tax contributions (subject to IRS limits, \$275,000 in 2018)
<b>Vesting — your right to your benefit</b>	Fully vested (100%) immediately in all contributions
<b>Investment options</b>	You can invest in the fund or funds of your choice covering a range of investment types, including target date retirement funds.
<b>When your benefit can be paid</b>	When you leave HSHS, you can receive your 403(b) account balance or delay payment until a later date. If you are age 59½ or older, you can request payment while you are still working.
<b>How your vested benefit can be paid</b>	Your account is paid as a lump sum or in an alternative form available from Transamerica such as a life annuity or installments. You can roll over the balance into an IRA or another employer's plan to avoid tax penalties.