

# Benefits Fit For You



Parkland

## Retirement Program – Distribution and Payout Options

### THINKING ABOUT RETIREMENT?

This summary explains the various payout options for both the Retirement Income Plan and the Supplemental Retirement Plan, which are the plans that make up your retirement program at Parkland Health & Hospital System.

### NEED HELP PLANNING FOR RETIREMENT?

Parkland offers the opportunity to meet 1-on-1 with the Milliman@Parkland on-site representative to help you plan for retirement. To set up your individual consultation by phone or in person, go to [Milliman3.fullslate.com](http://Milliman3.fullslate.com).

### QUESTIONS?

Call 1.800.995.2608. Milliman Benefits Service Center representatives are available Monday through Friday from 7 a.m. to 7 p.m. Central time to help you. You may also log on to [www.MillimanBenefits.com](http://www.MillimanBenefits.com) for more information and to request a benefit calculation.

## Retirement Income Plan (Pension Plan)

### BENEFIT DISTRIBUTION AND PAYOUT OPTIONS

At retirement, you will select the form of payment you would like to receive from the options below.

- ❑ **Lifetime Pension** provides a monthly pension benefit payable for your lifetime with the last payment to be made on the first day of the month in which you die.
- ❑ **60-Months Certain And Life Thereafter** provides a monthly pension benefit payable to you for your lifetime with the provision that, in the event of your death prior to receiving 60 monthly payments, the same monthly pension benefit will be continued to your beneficiary until the remainder of such payments have been made.
- ❑ **120-Months Certain And Life Thereafter** provides a monthly pension benefit payable to you for your lifetime with the provision that, in the event of your death prior to receiving 120 monthly payments, the same monthly pension benefit will be continued to your beneficiary until the remainder of such payments have been made.
- ❑ **180-Months Certain And Life Thereafter** provides a monthly pension benefit payable to you for your lifetime with the provision that, in the event of your death prior to receiving 180 monthly payments, the same monthly pension benefit will be continued to your beneficiary until the remainder of such payments have been made.
- ❑ **50% Joint & Contingent Pension** provides a monthly pension benefit payable to you during your lifetime and, upon your death if your spouse or other designated beneficiary survives you, a monthly pension benefit of 50% of your monthly amount will continue to your spouse or other designated beneficiary for his/her lifetime.
- ❑ **66<sup>2</sup>/<sub>3</sub>% Joint & Contingent Pension** provides a monthly pension benefit payable to you during your lifetime and, upon your death if your spouse or other designated beneficiary survives you, a monthly pension benefit of 66<sup>2</sup>/<sub>3</sub>% of your monthly amount will continue to your spouse or other designated beneficiary for his/her lifetime.
- ❑ **100% Joint & Contingent Pension** provides a monthly pension benefit payable to you during your lifetime and, upon your death if your spouse or other designated beneficiary survives you, a monthly pension benefit of 100% of your monthly amount will continue to your spouse or other designated beneficiary for his/her lifetime.

If you are not vested in the Retirement Income Plan when you stop working at Parkland, you will receive a refund of your contributions only as a lump sum. You become 100% vested in the Retirement Income Plan benefit when you complete 5 years of full-time service. If you are vested, a lump sum is not a payment option.

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# PARKLAND'S RETIREMENT PROGRAM

## Supplemental Retirement Plan (Savings Plan)

### RETIREMENT DISTRIBUTION AND PAYOUT OPTIONS

When you terminate your employment with Parkland, you may select the form of payment you would like from the options below.

#### □ **Direct Rollover To An Individual Retirement Account (IRA) Or Qualified Plan.**

You can transfer some or all of your vested account balance directly to another qualified plan or to an Individual Retirement Plan (IRA). Taxes will not be withheld from the amount directly rolled over and the distribution check for such amount will be made payable to the qualified plan or IRA.

**Roth After-Tax And After-Tax Rollover Information:** If your distribution contains Roth after-tax or after-tax contributions, you should verify with the recipient of the rollover that Roth after-tax and after-tax contributions can be accepted. If you terminate and roll over your Roth account to a Roth IRA before meeting your 5-year clock, the 5-year clock is based on the effective date of the Roth IRA.

#### □ **Lump Sum.**

You receive a single payment for the total amount of your vested account balance, as opposed to a series of periodic payments. Under this option, an automatic 20% federal income tax withholding will apply. If you have not reached age 55 at the time you stopped working for Parkland, your benefit payment will be ordinary income and may be subject to an additional nondeductible penalty tax of 10%.

#### □ **Leave Money In The Plan.**

You may leave your money in the plan if you have an account balance over \$1,000 and defer your benefits distribution until a later date. By leaving your money in the plan, your account is still considered "active" and you will continue to access your account through the telephone hotline and website. You will also receive ongoing plan information, account statements and any required minimum distribution of benefits checks after the age of 70½.

- **Partial Payments.** You may request a partial distribution of your account two times a year. If not rolled over to an IRA or eligible retirement plan, an automatic 20% withholding will apply.
- **Ongoing Installments.** With a vested account balance of \$20,000 or more, you may also request ongoing monthly, semi-annual or annual cash installments from the plan for up to 30 years. When you choose an ongoing installment, you will also elect whether to withhold 10% from your installment for payment of taxes.

If you request a partial payment or ongoing installments and have not reached age 59½, a 10% additional nondeductible penalty tax may also apply.

#### □ **Automatic Cash Out If Balance Is \$1,000 Or Less.**

If your vested account balance in the Parkland Supplemental Retirement Plan is \$1,000 or less, you are required to take a distribution of your vested benefits. You can roll over your balance to an IRA or another qualified plan, or the distribution will be made directly to you.

Note: A \$20 processing fee will be deducted from your distribution (other than any installment payments). A \$10 processing fee will be deducted from each installment payment.

### VESTING OF PARKLAND MATCHING CONTRIBUTIONS

You own (meaning you are 100% vested in) your contributions (before-tax, Roth after-tax, after-tax, rollover and part-time mandatory contributions) immediately. You gradually become vested in the Parkland matching contributions each year as shown in the vesting chart below.

Years Of Vesting Service That You Complete	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Regardless of your service, you become 100% vested in the matching contributions and associated earnings upon total or permanent disability, death while employed or retirement on or after your normal retirement date (age 65).

This communication summarizes the information found in the legal documents that govern the plan. If there are any differences between the information in this summary and the official plan documents, the terms of the plan documents govern. Copies of the official plan documents are posted on the Parkland Intranet and the Milliman website, [www.MillimanBenefits.com](http://www.MillimanBenefits.com).