

**Antelope Valley Hospital
Medical Center**

**Defined Benefit
Retirement Plan**

Handbook

Generally Effective as of July 1, 2015

TABLE OF CONTENTS

INTRODUCTION	2
WHEN YOU BECOME A MEMBER	2
HOURS OF SERVICE	2
COST OF THE RETIREMENT PLAN.....	2
WHEN YOU CAN RETIRE	3
DETERMINING RETIREMENT BENEFITS	3
YOUR NORMAL RETIREMENT BENEFIT	5
Example 1	6
Example 2	6
BENEFITS AT EARLY RETIREMENT	6
Example 1	7
Example 2	8
POSTPONED RETIREMENT BENEFITS.....	8
HOW BENEFITS ARE PAID	8
NORMAL PAYMENT FORMS	9
OPTIONAL PAYMENT FORMS.....	9
HOW TO ELECT A PAYMENT OPTION	10
NAMING YOUR BENEFICIARY	10
SMALL BENEFIT PAYMENTS	10
MAXIMUM BENEFITS	11
IF YOU LEAVE BEFORE RETIREMENT	11
IF YOU ARE REHIRED	12
IF YOU RETURN AFTER RETIREMENT	12
PRE-RETIREMENT SURVIVOR ANNUITY	13
DISABILITY BENEFIT.....	13
FELONY FORFEITURE RULE	14
CLAIMS PROCEDURES	14
QUESTIONS	15

INTRODUCTION

Antelope Valley Hospital Medical Center (“AVH”) wants to help make retirement as financially secure and comfortable as possible for you and your family. The Antelope Valley Hospital Medical Center Retirement Plan (the “Retirement Plan”) can give you the security of a steady monthly income when you retire and may continue payments to your beneficiary. When combined with your personal savings and any Social Security benefit you receive, the Retirement Plan can play an important part in making your retirement more pleasant and allowing you more financial freedom.

The following pages describe the main features of your Retirement Plan that are generally effective as of July 1, 2015 if you were hired and credited with hours of service for any period of employment with AVH prior to January 1, 2013, or if your participation in the Retirement Plan commenced prior to January 1, 2013.

If your participation in the Retirement Plan commenced on or after January 1, 2013 then this booklet DOES NOT apply to you and you should contact the Human Resources Department for information on how to obtain the appropriate Retirement Plan booklet that applies to you.

Please read this booklet carefully and keep it for future reference. If you have questions, feel free to contact the Human Resources Department.

AVH suggests that you speak to a Human Resources representative at least 60 days before you plan to retire. The representative will explain the various options available to you. You will then be in a better position to make informed decisions concerning your retirement. If you are nearing retirement or would like specific information, call the Human Resources Department to arrange an appointment.

This Handbook is only a summary of the Retirement Plan’s provisions. To the extent the Handbook is inconsistent with the Retirement Plan, the Retirement Plan shall govern.

WHEN YOU BECOME A MEMBER

You automatically become a member of the Retirement Plan on the January 1 or July 1 following the first anniversary of your date of hire, if you complete at least 1,000 Hours of Service (as defined below) during your first year of employment and you are in a pension-eligible position. The January 1 or July 1 on which you become a member of the Retirement Plan is referred to as your “entry date”.

If you do not complete at least 1,000 Hours of Service during your first year of employment, your participation in the Retirement Plan will depend on your Hours of Service during the Plan Year (July 1 to June 30). You automatically become a member on the July 1 following the first Plan Year in which you complete 1,000 or more Hours of Service.

In general, temporary employees and employees paid at per-diem rates of pay are not eligible to participate in the Retirement Plan.

HOURS OF SERVICE

An “Hour of Service” is any hour for which you are paid or entitled to payment from AVH. This includes time worked and certain hours you do not work, such as vacation, holiday, illness, jury or military duty, or paid leave of absence. You may receive credit for up to 1,000 Hours of Service for such time off in any Plan Year.

COST OF THE RETIREMENT PLAN

Retirement benefits are paid for by AVH. You do not make any contributions to the Retirement Plan.

WHEN YOU CAN RETIRE

You may elect to retire on one of the following dates:

- Normal Retirement Date: Your 65th birthday.
- Early Retirement Date: The first day of any month on or after your 55th birthday if you have at least 10 Years of Vesting Service. (Vesting service is described beginning on page 11).
- Postponed Retirement Date: The first day of any month after your Normal Retirement Date.

DETERMINING RETIREMENT BENEFITS

Retirement benefits under the Retirement Plan are based on two important factors:

- Your Average Monthly Compensation and your total Years of Credited Service.
- Average Monthly Compensation: The average monthly pay you receive during the three highest-paid consecutive Plan Years out of the last fifteen Plan Years just before you retire or terminate employment.

For example, suppose in the five Plan Years just before you retire, your highest annual compensation looks like this:

<u>PLAN YEAR</u>	<u>ANNUAL COMPENSATION</u>
July 1, 2028 – June 30, 2029	\$42,000
July 1, 2029 – June 30, 2030	\$44,000
July 1, 2030 – June 30, 2031	\$46,000
July 1, 2031 – June 30, 2032	\$48,000
July 1, 2032 – June 30, 2033	\$50,000

To figure your Average Monthly Compensation, first determine your highest compensation for three consecutive years. In this case, they are \$46,000, \$48,000, and \$50,000, add them together (for a total of \$144,000) and divide by 36 (3 years times 12 months). The answer, \$4,000, is your Average Monthly Compensation.

Monthly compensation means your regular salary or wages, including overtime pay, shift differential and bonuses. Pay in lieu of benefits, standby pay, sick pay buyback, and vacation buyback will not be included. Compensation for any Plan Year during which you complete between 1,000 and 2,000 hours will be adjusted by multiplying your actual compensation for the 12 months by 2,000 and dividing by the number of completed hours. Compensation for any Plan Year during which you do not complete at least 1,000 Hours of Service will not be counted for purposes of determining Average Monthly Compensation.

For example, if you worked 1,750 hours during a Plan Year and received compensation of \$34,000, your adjusted compensation for Retirement Plan purposes would equal \$38,857 (\$34,000 x 2,000/1,750).

- Years of Credited Service: Each Plan Year you complete at least 2,000 Hours of Service counts as one Year of Credited Service.

If you complete between 1,000 and 2,000 Hours of Service in a Plan Year, you earn a fractional Year of Credited Service determined by dividing the number of hours worked by 2,000. For example, if you complete 1,000 Hours of Service, you earn .500 (1,000/2,000) Years of Credited Service. If you complete 1,800 Hours of Service, you earn .900 (1,800/2,000) Years of Credited Service.

Hours of Service while you are on standby or hours paid in lieu of benefits are generally not counted in determining credited service.

You will also receive a Year of Credited Service for each year you were employed by AVH before July 1, 1981, regardless of the number of hours you worked for AVH during that period.

YOUR NORMAL RETIREMENT BENEFIT

Your monthly benefit at normal retirement ("Normal Retirement Benefit") is determined by this formula:

**1.6% of Average Monthly Compensation
Multiplied By
Years of Credited Service**

Effective for benefits payable on or after February 1, 2005, AVH approved an enhanced benefit formula if you are actively employed by AVH on or after February 1, 2005 and you are a participant with twenty-five (25) or more years of Credited Service. In that case, your Normal Retirement Benefit is determined by this formula:

**1.65% of Average Monthly Compensation
Multiplied By
Years of Credited Service**

California Nurses Association Bargaining Unit

Effective for benefits payable on or after July 9, 2006, if you are actively employed by AVH on or after July 9, 2006 as a registered nurse covered by the California Nurses Association Bargaining Unit and you have twenty-five (25) or more years of Credited Service, your Normal Retirement Benefit is determined by this formula:

**1.7% of Average Monthly Compensation
Multiplied By
Years of Credited Service**

If you participated in the prior Thrift Plan before August 1, 1981, you have the option to convert your Thrift Plan Account Balance into monthly payments which are added to your Normal Retirement Benefit.

In no event will your Normal Retirement Benefit determined under this formula plus the monthly payments derived from any Thrift Plan Account Balance be less than any benefit amount you had earned as of June 30, 1986 under the plan rules in effect before July 1, 1985. AVH will calculate your benefit under both rules and you will receive the higher amount.

In addition, if your Normal Retirement Date occurred on or prior to December 31, 2000, certain retirement benefit adjustments may apply. Please contact the Human Resources Department.

Example 1

Let's say you retire on your Normal Retirement Date and at that time:

- Your Average Monthly Compensation is \$4,000; and
- You have **15** Years of Credited Service.

Here is how your Normal Retirement Benefit is figured:

$$\begin{array}{rcl} 1.6\% \times \$4,000 & & \$ 64.00 \\ \text{Years of Credited Service} & & \underline{\times 15} \\ \text{Monthly Retirement Plan Benefit} & = & \$960.00 \end{array}$$

Thus, your Monthly Retirement Plan Benefit would be \$960.00.

Example 2

Let's say you retire on your Normal Retirement Date and at that time:

- Your Average Monthly Compensation is \$4,000; and
- You have **30** Years of Credited Service.

Here is how your Normal Retirement Benefit is figured:

$$\begin{array}{rcl} 1.65\% \times \$4,000 & & \$ 66.00 \\ \text{Years of Credited Service} & & \underline{\times 30} \\ \text{Monthly Retirement Plan Benefit} & = & \$1,980.00 \end{array}$$

Thus, your Monthly Retirement Plan Benefit would be \$1,980.00.

Examples 1 and 2 both assume that the elected form of payment is a Single Life Annuity. (See Optional Payment Forms on page 9.)

The amounts calculated as your Monthly Retirement Plan Benefit serve to supplement any Social Security benefits, personal savings, and personal investments, such as Individual Retirement Account (IRA) or tax sheltered annuities (TSA) payments, or any other sources of income that you would consider as part of your overall retirement income.

BENEFITS AT EARLY RETIREMENT

You are eligible for Early Retirement Benefits on the first day of the month on or after your 55th birthday when you have 10 or more years of Vesting Service. If you elect to retire early, you have the option of requesting that Retirement Plan benefits start immediately or of deferring benefits to a later date (but not later than April 1 following the year you retire or turn age 70-1/2, whichever is later).

Benefit payments that begin before your 65th birthday are reduced. This reduction is made because benefits start sooner and will be paid to you for a longer time. The following chart

shows the percentage of your Normal Retirement Benefit that would be payable, depending on your age when payments start.

<u>Your Age When Retirement Benefits Begin</u>	<u>Percent of Normal Retirement Benefit Payable</u>
65	100.0%
64	93.3%
63	86.7%
62	80.0%
61	73.3%
60	66.7%
59	63.3%
58	60.0%
57	57.7%
56	53.3%
55	50.0%

You must notify the Human Resources Department when you are ready for your retirement benefits to begin.

Example 1

Suppose you decide to retire early at age 58 and request that benefits start right away. On your Early Retirement Date your Average Monthly Compensation is \$4,000 and you have **15** Years of Credited Service. Your Early Retirement Benefit is figured as follows:

$$1.6\% \times \$4,000 = \$64.00$$

- multiplied by -

$$\text{Years of Credited Service} = \underline{x} \quad 15$$

$$\text{Benefit payable at normal retirement} = \$960.00$$

$$\text{Percentage of Normal Retirement Benefit payable at 58} = \underline{x} \quad 60\%$$

$$\text{Early Retirement Benefit payable at age 58} = \$576.00$$

Example 2

Suppose you decide to retire early at age 58 and request that benefits start right away. On your Early Retirement Date your Average Monthly Compensation is \$4,000 and you have **30** Years of Credited Service. Your Early Retirement Benefit is figured as follows:

$$1.65\% \times \$4,000 = \$66.00$$

- multiplied by -

$$\text{Years of Credited Service} = \times \underline{30}$$

$$\text{Benefit payable at normal retirement} = \$1,980.00$$

$$\text{Percentage of Normal Retirement Benefit} = \times \quad 60\% \\ \text{payable at 58}$$

$$\text{Early Retirement Benefit payable at age 58} = \$1,188.00$$

Examples 1 and 2 both assume that the elected form of payment is a Single Life Annuity. (See Optional Payment Forms on page 9.)

POSTPONED RETIREMENT BENEFITS

If you work past your 65th birthday, retirement benefits generally begin when you actually retire. Your benefit will be based on your Average Monthly Compensation and Years of Credited Service earned to your Postponed Retirement Date. After reaching your 65th birthday, you may be eligible to begin receiving your Normal Retirement Benefit while continuing to work. For details, please contact the Human Resources Department.

HOW BENEFITS ARE PAID

You can elect to receive retirement benefits in one of several ways. The Retirement Plan provides these payment forms so that you can choose the one that best suits your personal situation. All benefit payment forms are equal in value, but monthly benefit amounts will differ depending on the form you select. This is because some payment forms guarantee benefits over the lifetimes of two people instead of one, or guarantee a minimum number of payments.

NORMAL PAYMENT FORMS

Your retirement benefit will be automatically paid as follows, according to your marital status:

- If you are single or married less than one year when benefits start, you will receive monthly retirement benefits in the form of a Single Life Annuity. This annuity pays you equal monthly installments for your lifetime only. Benefit payments will stop at your death.
- If you are married for at least one year when benefits start, benefits in the form of a 50% Joint and Survivor Annuity with your spouse as your beneficiary. This annuity pays you reduced monthly benefits for your lifetime, with 50% of the payment continuing at your death to your spouse for his or her lifetime.
- If your spouse dies before benefit payments start, you will receive benefits in the Single Life Annuity payment form if you do not make another election. If your spouse dies before you but after payments start, you will continue to receive the same monthly benefits you were receiving before your spouse's death. Benefit payments stop at your death.

If you have a Thrift Plan Account Balance, at retirement you may elect a cash lump sum payment of your Thrift Plan Account Balance instead of having it paid monthly. In this case, your Normal Retirement Benefit will be reduced by the monthly payments derived from your Thrift Plan Account Balance. You may check with the Human Resources Department to find out the amount of your lump sum or monthly payments.

OPTIONAL PAYMENT FORMS

Instead of the normal payment forms described above, you may select one of the following options:

- Single Life Annuity Option: You receive monthly payments for your lifetime. Benefits stop on the date of your death.
- Joint and Survivor Annuity Option: You receive reduced monthly payments for your lifetime. You elect to have your beneficiary receive either 50%, 75% or 100% of your monthly benefit for his or her lifetime. The amount of your benefit depends on the percentage you elect to continue to your beneficiary. If your beneficiary dies before you, you will continue to receive the same monthly benefit for your lifetime.
- Ten-Year Certain and Life Option: Under this option, you receive reduced monthly payments for your lifetime with a guarantee that Retirement Plan payments will be made for a minimum of 10 years (120 months). If you die before you receive 120 monthly payments your beneficiary will receive the same monthly benefit you were receiving for the remainder of the guaranteed 10-year period.

HOW TO ELECT A PAYMENT OPTION

About 60 days before your Normal Retirement Date or the date payments are to begin, you will be able to choose your payment form. You may change your election at any time before benefit payments start. Once payments begin, however, you cannot change your form of benefit payment.

Your election of an optional payment form may be canceled if:

- Your spouse or beneficiary dies before benefit payments start; or
- You marry or remarry and have been married for at least one year after making an election but before benefits payments start.

If either of these happens, benefit payment will be made in the normal form for your marital status, or you could elect another payment option as long as you do so before benefits start.

NAMING YOUR BENEFICIARY

If you choose an optional payment form (other than the single life annuity), you can name anyone as your beneficiary. But, if you are married (for more than one year) at retirement, your spouse's consent will be required to elect an option other than the 50%, 75% or 100% Joint and Survivor Annuity or if you do not name your spouse as beneficiary.

If you are single with a Thrift Plan Account Balance, you may designate a beneficiary that will receive your vested Thrift Plan Account Balance as a death benefit in the event that you die before commencing your retirement benefits since there is generally no survivor benefit under the normal form of payment for single participants (i.e., single life annuity).

Your spouse's consent must be witnessed by a Retirement Plan representative or notary public and include a statement indicating that your spouse is waiving benefits to which he or she is entitled under the law.

If you die with a remaining benefit payable (including a vested Thrift Plan Account Balance if you are single at the time of your death prior to retirement) and the Retirement Plan's Advisory Committee does not have a valid beneficiary designation, or your beneficiary does not survive you, the Advisory Committee will designate a beneficiary in the following order of priority:

1. Your surviving spouse;
2. Your surviving children, including adopted children;
3. Your surviving parents; or
4. Your estate (provided that the Advisory Committee may designate your estate irrespective of this order of priority).

SMALL BENEFIT PAYMENTS

If the total value of your retirement benefit is \$1,000 or less, your benefit will be paid as a cash lump sum instead of monthly payments as soon as administratively possible. In this case, no further benefits would be payable from the Retirement Plan.

In the event of a mandatory distribution of the nonforfeitable portion of your benefits payable under the Retirement Plan that is greater than \$1,000 but \$5,000 or less, if you do not elect to have your distribution paid directly to an eligible retirement plan in a direct rollover or to receive the distribution directly, the Advisory Committee will pay the distribution in a direct rollover to an individual retirement plan designated by the Advisory Committee. In this case, no further benefits would be payable from the Retirement Plan.

MAXIMUM BENEFITS

The Internal Revenue Code has established maximum annual benefits payable under a plan of this type. Currently, the annual maximum of \$210,000 (for 2015) is indexed and adjusted for inflation with new maximum levels published each year. The maximum is reduced for benefits that begin before age 62 and for certain optional payment forms. You will be notified if this limit affects your benefit.

In addition, the annual Compensation for purposes of determining Average Monthly Compensation in any Plan Year is limited to \$265,000 (for 2015), indexed and adjusted for inflation.

IF YOU LEAVE BEFORE RETIREMENT

Even if you leave AVH before you retire, you may still be entitled to a benefit from the Retirement Plan. This plan feature is called vesting and it guarantees that part or all of the retirement benefits you have earned can never be taken away from you.

Your retirement benefit will be based on your Average Monthly Compensation, Years of Credited Service, and Vested Percentage on the day you leave AVH. Benefits can be paid when you reach your Normal Retirement Date or on your Early Retirement Date if you have 10 or more Years of Vesting Service at termination. Also, upon termination of employment you may elect to receive your Thrift Plan Account Balance as a lump sum. However, if you do receive your Thrift Plan Account Balance in a lump sum, your Accrued Benefit will be reduced by the annuitized value of your Thrift Plan Account Balance.

You earn one Year of Vesting Service for each Plan Year in which you complete at least 1,000 Hours of Service. The amount of your benefit that is vested depends on how many Years of Vesting Service you have when you terminate employment, as shown below:

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 5 years	0%
5 years or more	100%

In addition, you automatically become 100% vested if you are actively employed by AVH on your 65th birthday, regardless of how many Years of Vesting Service you have at that time.

If you leave AVH before earning at least five Years of Vesting Service and before reaching your 65th birthday, you will not be eligible for a retirement benefit from the Retirement Plan.

IF YOU ARE REHIRED

If you leave AVH or if you complete less than 501 Hours of Service in any Plan Year, you will have an interruption in employment called a Break in Service. The number of your Break in Service years and your Years of Vesting Service determine whether you will receive retirement benefits from the Retirement Plan.

If you terminate employment and are later re-employed by AVH, or if you have a Break in Service while employed, you may be eligible to keep your past Years of Credited Service and Vesting Service as follows:

- If you have at least five Years of Vesting Service before you leave, your prior Years of Credited Service and Vesting Service will be reinstated to you after you return and complete one Year of Vesting Service. You begin participation in the Retirement Plan on your reemployment date.
- If you have less than five Years of Vesting Service when you leave, your prior Years of Credited Service and Vesting Service will be reinstated if you return before you have five consecutive one year Breaks in Service. You begin participation in the Retirement Plan on your reemployment date and service credits are reinstated after you complete one Year of Vesting Service.
- If you have less than five Years of Vesting Service when you leave and you have five or more consecutive one year Breaks in Service, you will lose all your prior Years of Credited Service and Vesting Service. You will be treated as a new employee and will be eligible to participate in the Retirement Plan on the January 1 or July 1 after you complete at least 1,000 Hours of Service after your reemployment date.

For example, if you have four Years of Vesting Service when you leave and return three years later, you keep all prior Years of Credited Service and Vesting Service as soon as you complete one Year of Vesting Service after your rehire. But, if you are gone six years, you will lose all prior Years of Credited Service and Vesting Service. This is because your Break in Service (six years) is longer than five consecutive years.

In addition, if you return to employment prior to your Normal Retirement Date, any benefit payments you are receiving will cease on your reemployment date.

IF YOU RETURN AFTER RETIREMENT

If you are receiving retirement benefits from the Retirement Plan due to reaching your Normal Retirement Date, you may continue to collect a retirement annuity from the Retirement Plan after rehire. You will accrue additional credit toward the Retirement Plan, however your retirement

benefit will be reduced by the actuarial equivalent of any payments previously received under the Retirement Plan.

PRE-RETIREMENT SURVIVOR ANNUITY

If you die before retirement benefits begin, the Retirement Plan may pay a pre-retirement survivor annuity to your spouse. To qualify for this benefit, you must meet the following conditions:

1. You are vested;
2. You have been married for at least one year before your death; and
3. Retirement benefits have not yet started.

If you die after you are eligible for early retirement (age 55 and 10 Years of Vesting Service), whether you are still employed by AVH or have terminated employment, the Retirement Plan will pay your spouse a monthly benefit equal to 50% of the benefit you would have received had you retired on the date of your death and elected the 50% Joint and Survivor Annuity. Payments to your spouse will begin on the first of the month following your death and will continue for your spouse's lifetime.

If you die on or before you are eligible for early retirement, the Retirement Plan will pay your spouse a monthly benefit equal to 50% of the benefit you would have received had you separated from service on the date of your death, survived to your Early Retirement Date (or Normal Retirement Date if you had less than 10 Years of Vesting Service), and died the day after your Early Retirement Date (or Normal Retirement Date if you had less than 10 Years of Vesting Service).

DISABILITY BENEFIT

If you become Totally and Permanently Disabled and are fully vested in your Accrued Benefit under the Retirement Plan, you may elect to receive a disability benefit equal to the Actuarial Equivalent of your Accrued Benefit determined as of the date you separated from service due to your disability. Disability benefits payable from the Retirement Plan are subject to certain adjustments as follows:

1. If you are between age 55 and 65, and you completed at least 10 Years of Vesting Service at the time you become Totally and Permanently Disabled, then certain early retirement factors are applied to actuarially reduce your Accrued Benefit based on your age at the commencement of your disability benefit.
2. If you are under age 55 but you completed at least 10 Years of Vesting Service at the time you become Totally and Permanently Disabled, then certain early retirement factors are applied to reduce your Accrued Benefit to age 55, then the Actuarial Equivalent of your reduced Accrued Benefit is calculated based on your age at the commencement of your disability benefit.
3. If you are under age 65 and you have not completed at least 10 Years of Vesting Service at the time you become Totally and Permanently Disabled, then the Actuarial Equivalent

of your Accrued Benefit is calculated based on your age at the commencement of your disability benefit.

FELONY FORFEITURE RULE

The California Public Employees' Pension Reform Act of 2013 ("PEPRA") in Assembly Bill 340 was enacted on September 12, 2012, and generally applies to new employees that become members of a public retirement system or an individual retirement plan offered by a public employer in the State of California, such as the Retirement Plan, for the first time on and after January 1, 2013. However, certain of PEPRA's pension reforms apply to participants in retirement systems or plans of public employers in the State of California regardless of whether the individuals were hired before January 1, 2013 and became participants prior to that date. PEPRA's felony forfeiture rule happens to be one of those reforms that applies to participants in the Retirement Plan even if your participation commenced prior to PEPRA's effective date.

Under the felony forfeiture rule, your benefits under the Retirement Plan are at risk if you are convicted of a felony for conduct arising out of your performance of duties with AVH or in connection with obtaining compensation or benefits from AVH. This forfeiture rule also applies if you are convicted of a felony involving a child with whom you have contact as part of your duties with AVH.

In the event that the felony forfeiture rule applies, the member in the Retirement Plan shall be required to forfeit benefits accrued from the earliest date of the commission of the felony through the date of the felony conviction, and the member shall no longer be permitted to accrue any benefits under the Retirement Plan.

CLAIMS PROCEDURES

Your Request

Whenever you think you are entitled to a benefit, you must request it in writing. In most cases, no distribution will be made until you (or your beneficiary) request it in writing. This is your responsibility. You may obtain a form to make such a request from the Human Resources Department staff.

You (or your beneficiary, if you have died) may write the Advisory Committee and request a determination with respect to the amounts credited to or deducted from your accounts, or the amounts payable under the Retirement Plan. This request must state the specific determination you wish the Advisory Committee to make.

If your request relates to a notice sent to you by the Advisory Committee, you must make your request within 60 days from the date you received the notice.

Advisory Committee's Response

Within a reasonable time, but not later than 90 days after the receipt of your claim, the Advisory Committee will consider your request and make a decision, unless the Advisory Committee determines that special circumstances require an extension of time for processing the claim. If the Advisory Committee determines that an extension of time for processing is required, written

notice of the extension will be furnished to you before the end of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Advisory Committee expects to render its decision. The Advisory Committee will then notify you, in writing, of its decision, stating:

- that the Advisory Committee's determination has been made and that your claim is allowed in full, or
- that the Advisory Committee has denied your claim, in whole or in part.

If your claim is denied, in whole or in part, the Advisory Committee will also:

- explain in detail the reason[s] for its denial;
- set forth the specific provisions of the Retirement Plan on which the Advisory Committee based its denial;
- describe in detail the additional material or information, if any, that you may submit that would perfect your claim, and explain why it is necessary; and
- give you an explanation of the claim review procedure and applicable time limits described below.

Claim Review Procedure

Within 60 days after you receive a notice from the Advisory Committee that your claim was denied, in whole or in part, you or your authorized representative may file with the Company's Board of Directors (the "Board") a written request for a review of that denial.

Within the next 30 days, you or your representative may review pertinent documents, submit written comments and other documents, and/or request a hearing. The Board may, in its discretion, grant or deny such a request for a hearing. You will also be provided, upon written request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim. The Board's review will take into account all comments, documents, records, and other information you submitted relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination by the Advisory Committee.

Decision After Review

The Board will render its decision within a reasonable time, but not later than 60 days after the receipt of the review request. If a hearing or other special circumstance delays the rendering of a decision, a decision will be rendered no later than 120 days from the receipt of the review request. If the Board determines that an extension of time for processing the review is required, written notice of extension will be furnished to you before the end of the initial 60-day period. In no event will the extension exceed a period of 60 days from the end of the initial period. The

extension notice will indicate the special circumstances requiring an extension of time and the date by which the Board expects to render its decision on review.

The Board's decision shall be in writing, and shall contain in clear language:

- specific reasons for the decision;
- specific references to the pertinent Retirement Plan provisions on which the decision was based;
- 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; and
- other matters the Board feels are relevant.

QUESTIONS

Should you have any questions regarding the Retirement Plan, your benefits or how to obtain a copy of the Retirement Plan document or any other information or questions, please contact the Human Resources Department staff.