

**Singing River Health System  
Employees' Retirement Plan and Trust Agreement**  
(As in effect on January 1, 2016)

**Summary Plan Description**

This Summary Plan Description explains the terms of the Plan as in effect on January 1, 2016. The Plan is the subject of litigation in state and federal court. The litigation may affect the terms of the Plan and the content of this Summary Plan Description. Subject to limitations which may be imposed by such litigation, Singing River Health System reserves the right to amend the Plan. In the event of a conflict between the content of this Summary Plan Description and the terms of the Plan document or any final court order in litigation, the Plan document or final court order shall govern.

## **I. BACKGROUND**

The Singing River Health System Employees' Retirement Plan and Trust ("Plan") is a defined benefit pension plan that provides you (a "Member") retirement benefits based on your years of service and salary. The Plan was frozen November 29, 2014. This means that no benefits accrue (i.e., benefits are not increased) based on salary or service after that date.

This Summary Plan Description is intended to provide a general overview of the Plan. Please read this booklet so you understand how this Plan works. Then, keep the booklet with your important papers for future reference. If you have any questions about your benefits under the Plan, you should contact the SRHS Human Resources department.

## **II. PLAN INFORMATION**

### **A. Plan Administrator**

Singing River Health System ("SRHS") is the Plan Administrator. The Plan Administrator, acting through the Chief Executive Officer, has the authority to perform certain ministerial acts with respect to the Plan.

Correspondence to the Plan Administrator may be sent to:

SRHS Human Resources Department  
2809 Denny Avenue  
Pascagoula, MS 39581

A copy of the Plan is on file in the SRHS Human Resources office. It is available to any employee at any reasonable time. A copy of the Plan may be obtained by contacting the Chief Human Resources Officer, SRHS Human Resources Department, 2809 Denny Avenue, Pascagoula, MS 39581. There may be a charge to cover copying costs.

### **B. Plan Fiduciary**

The Chancery Court of Jackson County, Mississippi has appointed Stephen B. Simpson to serve as "Special Fiduciary" for the Plan. The Special Fiduciary is the trustee of Plan assets and is responsible for the investment of Plan assets. The Special Fiduciary has all fiduciary responsibility for the administration of the Plan, including the appointment of third parties to assist in the Plan's administration and the discretionary authority to interpret the Plan and decide benefit determinations. The Special Fiduciary has the authority to, and may from time-to-time delegate any of its powers, duties, and responsibilities with respect to the Plan.

### **C. Agent for Process**

The Agent for Service of Legal Process for the Plan is Singing River Health System, 2809 Denny Avenue, Pascagoula, MS 39581.

### **D. Plan Year and Plan Number**

The Plan Year ends on September 30. The Plan number assigned to the Plan is 001.

### **E. Plan Sponsor and EIN**

The Plan Sponsor is Singing River Health System. The SRHS Employer Identification Number ("EIN") is 64-6000515.

**F. Plan Trustee**

Plan assets are held in a trust fund. The Special Fiduciary currently serves as the Plan's Trustee.

**G. Plan Funding**

Prior to the Plan's freeze in November, 2014, the Plan was funded by mandatory 3% Member contributions and contributions made by SRHS. Member contributions ceased when the Plan was frozen. Future contributions are subject to the outcome of on-going Plan litigation.

**H. Plan Termination Insurance**

The Plan is a "governmental" plan exempt from a federal law known as the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As an exempt governmental plan, the Plan is not subject to plan termination insurance with the federal Pension Benefit Guaranty Corporation in the event Member and SRHS contributions are insufficient to fully fund the Plan.

**I. Governing Law**

The Plan is subject to applicable Mississippi law. The Plan is intended to be a tax-qualified plan which meets the requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, applicable to governmental plans.

**III. ELIGIBILITY**

Participation in this Plan is frozen. No employee hired or re-hired after September 30, 2011 became eligible to participate in the Plan. Prior to that time, eligible Members were full-time employees who authorized SRHS to deduct Member contributions from his or her pay. If you were an eligible Member prior to October 1, 2011, you were enrolled in the Plan on the first day of the month after you completed three months of service.

**IV. VESTING**

Vesting refers to the portion of your benefit that you are entitled to receive when you retire and/or terminate employment with SRHS. You are required to complete ten years of Service before you have a right to any vested benefit from the Plan. You will be vested only to the extent the Plan is funded. If you leave before you have a right to a vested benefit, you will receive a lump sum payment of representing a return of your accumulated Member contributions.

**V. SERVICE**

For purposes of vesting and eligibility, service means your period of employment beginning on your date of hire and ending on your date of termination of employment with SRHS. Periods of service with any previous employer merged into or consolidated with SRHS are also considered.

For purposes of determining your Retirement Benefit, your service includes:

- For the period of your employment prior to February 17, 1983 - the number of years and partial years for which you received credit under the Public Employees' Retirement System of Mississippi Plan.
- For the period of your employment between February 18, 1983 and November 29, 2014 - the number of whole years and quarters of service after your Membership date while you were entitled to accrue benefits. For this purpose, your service does not have to be consecutive and:



- Four calendar quarters will equal one year of service, and
- Thirty-three days or more of employment in a quarter will equal a calendar quarter.

For purposes of determining your Retirement Benefit, your service excludes:

- Any period which you had the opportunity to make mandatory contributions to the Plan or to the Public Employees' Retirement System of Mississippi Plan but failed to make such contributions.
- Any period of military service not required by law to be taken into account.
- Any period of service before February 17, 1983 if such service would have been disregarded under the Public Employees' Retirement System of Mississippi Plan.
- Any period of service after November 29, 2014.

## **VI. WHEN CAN YOU RECEIVE BENEFITS**

You can begin receiving benefits from the Plan any time after you terminate employment with SRHS and you have reached your Normal Retirement Date, your Late Retirement Date, your Early Retirement Date, your Thirty Year Service Early Retirement Date, or your Disability Retirement Date. In some cases, you may also request a distribution upon your termination of Employment before reaching these dates.

### **A. Normal Retirement Date**

To be eligible to receive benefits at your Normal Retirement Date you must complete ten years of Service and reach age 65.

### **B. Late Retirement Date**

You will be eligible to receive benefits at your Late Retirement Date when you actually retire after your Normal Retirement Date.

### **C. Early Retirement Date**

To be eligible to receive benefits at your Early Retirement Date you must complete ten years of Service and reach age 60. As noted below, a reduction factor will be applied based on your age at the time you begin receiving benefits.

### **D. Thirty Year Service Retirement Date**

To be eligible to receive benefits at your Thirty Year Service Retirement Date you must complete thirty or more years of Service.

### **E. Disability Retirement Date**

To be eligible to receive benefits at your Disability Retirement Date you must complete ten years of Service and be considered permanently disabled by the Plan. As noted below, a reduction factor will be applied based on your age at the time you begin receiving benefits.

**F. Termination of Employment Prior to Normal or Early Retirement Date**

If you terminate employment with SRHS prior to your Normal or Early Retirement Date and you have **less than 10 years of Service**, you will receive a lump sum payment representing a return of your Member contributions, plus Plan credited interest, as soon as administratively feasible after your termination from employment. After your Member contributions, plus Plan credited interest, are returned, you will no longer be a Member of the Plan and you will not be entitled to any further benefit from the Plan.

If you terminate employment with SRHS prior to your Normal or Early Retirement Date and you have **10 years of Service or more** you have two options. You may wait until your Normal or Early Retirement Date and elect to receive your Retirement Benefit as stated above. Or, you may elect a return of your Member contributions, plus Plan credited interest, to be distributed as soon as administratively feasible after your termination from employment. If you elect and receive a return of Member contributions, plus Plan credited interest, you will no longer be a Member of the Plan and you will not be entitled to any further benefit from the Plan.

**G. Change in Status from Full-time to Part-time**

If you have a change in status from full-time to part-time employment, and you have 10 or more years of Service, you may wait until your Normal Retirement Date and elect to receive your Retirement Benefit as stated above. Or, you may elect a return of your Member contributions, plus Plan credited interest, to be distributed as soon as administratively feasible after you become a part-time employee. If you elect and receive a return of Member contributions, plus Plan credited interest, you will no longer be a Member of the Plan and you will not be entitled to any further benefit from the Plan. If you do not have 10 or more years of Service when you experience a change in status, you will receive a return of your Member contributions, plus Plan credited interest, to be distributed as soon as administratively feasible after your termination from employment and you will no longer be a Member of the Plan or entitled to any further benefit from the Plan.

If you are age 62 or greater, have 10 or more years of Service, and you have a change in status from full-time to part-time employment you may elect to have your change in status date treated as your Retirement Date and begin receiving your benefit without terminating employment. A reduction factor will apply if you have not reached age 65. If you elect to treat your change in status date as your retirement date you will no longer accrue benefits under the Plan.

**H. Re-Hires**

If terminate employment , and (1) you are age 60 or 61 with 10 or more years of Service and you elect Early Retirement, OR (2) you are eligible for and elect to take your Thirty Year Retirement benefit, you must terminate from employment for a period of at least 30 days before you are re-hired to be eligible to continue your benefit payments.

**VII. DETERMINING YOUR BENEFIT**

The Plan is a defined benefit plan. This means that when you retire, the Plan will provide you with a specified amount of monthly income according to the Plan's Retirement Benefit formula. The Retirement Benefit formula shown below is used to calculate the annual amount of your Retirement Benefit. You will receive the greater of the Retirement Benefit based on the formula below or \$60 multiplied by your years of service.



Your Retirement Benefit is paid to you in monthly installments.

**Retirement Benefit Formula**

1 5/8% of your Average Compensation  
for each year of service  
up to and including 20 years

**PLUS**

1 3/4% of your Average Compensation  
for each year of service in excess of 20 years  
and up to and including 30 years

**PLUS**

2% of your Average Compensation  
for each year of service  
in excess of 30 years

Your Average Compensation is calculated using your Compensation before retirement for the last quarter earnings and the highest nineteen consecutive quarter earnings during the last 10 years preceding retirement. Your Compensation is the salary paid to you by SRHS, plus: (1) any overtime, bonus, commission, incentive compensation, or other compensation paid to you by SRHS, (2) your contributions to this Plan, and (3) any contributions you make to the cafeteria plan and any other tax-qualified plan sponsored by SRHS.

See Section V. of this Summary Plan Description for rules related to service taken into account when calculating your Retirement Benefit.

If you retire on your Early Retirement Date or your Disability Retirement Date, your Retirement Benefit will be reduced by 3% for each year, if any, your Early Retirement Date or Disability Retirement Date is before the first day of the month coincident with or next following the day you 65.

You may contact the Chief Human Resources Officer, SRHS Human Resources Department, for questions relating to the calculation of your Retirement Benefit.

**NOTE: The benefit accruals under the Plan were frozen on November 29, 2014. This means that neither your Service or nor your Compensation after November 29, 2014 will be taken into account when determining your Retirement Benefit under the Plan.**

**VIII. LIMITS ON BENEFITS**

All benefits payable under the Plan, and the form of benefits payable, are subject to certain limits prescribed by law or established by the Internal Revenue Service. Additionally, the Plan places limits on the amount of your Retirement Benefit. In no event will the annual amount of your Retirement Benefit exceed \$90,000. Additionally, if you had less than 20 year of Service on September 30, 2011, your Retirement Benefit will not exceed 50% of your Compensation at your retirement date.

**IX. BENEFIT PAYMENTS AND DISTRIBUTIONS**

You will be asked to select a payment form when you complete your application for retirement benefits. All calculations under the Retirement Benefit formula assume a Single Life Annuity form of payment. Any distribution made in a form other than a Single Life Annuity will result in an actuarial adjustment to the benefit amount.

#### A. Automatic Form of Payment

Whether the Plan will pay your benefit in an automatic form of payment depends on the actuarial value of your benefit and your marital status.

The Plan provides for a lump sum payment if the actuarial value of your benefit is at or below \$5,000. Lump sum payments are subject to the following rules:

- If the lump sum value of your Plan benefit is \$1,000 or less, your benefit will automatically be paid to you in a single lump sum cash payment, unless you elect to roll it over to an IRA or to another employer's eligible retirement plan.
- If the lump sum value of your Plan benefit is greater than \$1,000 but not more than \$5,000, your benefit will automatically be rolled over to an IRA for your benefit, unless you elect to take distribution directly or elect rollover to another IRA provider or another employer's eligible retirement plan.

If your lump sum value is greater than \$5,000, a lump sum payment is generally not available under the Plan. Instead, payment will be made in one of the optional forms of payment or, if no valid election is made, in one of the automatic forms of payment based on your marital status at the time of your retirement.

For single Members, the automatic payment method is a Single Life Annuity. For married Members, the automatic payment method is a Single Life Annuity with a 50% Annuity to Spouse which is the actuarial equivalent of a Single Life Annuity.

- **Single Life Annuity.** This form of payment provides monthly payments for your lifetime only. Except as noted in the next paragraph, after your death no further payments will be made from the Plan.
- **Single Life Annuity with a 50% Annuity to Spouse.** This option provides monthly payments for the rest of your life. When you die, your surviving spouse will receive one-half of the amount you were receiving for the remainder of his or her life. If your spouse dies first, no adjustments will be made in the payment amount.

For either of these automatic payment options, if the total amount distributed from the Plan at the time of your death does not equal or exceed your total Member contributions, your named beneficiary will receive a lump sum payment representing the difference between your total Member contributions and the total of the Retirement Benefit payments made to you prior to and at your death.

#### B. Optional Forms of Payment

1. **A Single Life Annuity.** This form provides monthly payments for your lifetime only. Except as noted below, after your death no further payments will be made from the Plan.
2. **Joint and Survivor Annuity (50%, 66 2/3%, 75%, or 100%).** This form provides monthly income payable for your lifetime. After your death, 100%, 75%, 66 2/3%, or 50%, as you elect, of the monthly payment that was paid to you before your death will be paid to your designated beneficiary for life. The amount of your benefit is adjusted based on the number of payments which are projected to be paid. If your designated beneficiary dies **after** you begin receiving payments, no other beneficiary may be named and your payments will not be increased.



3. Lifetime Annuity with a Period Certain (5, 10, 15, or 20 years). Under this form of payment, a monthly income is paid for your entire lifetime, with monthly payments for 5, 10, 15, or 20 years (depending on your election) guaranteed. If you die before receiving all payments, the balance of your guaranteed payments will continue to a beneficiary you designate. Payments to your beneficiary will stop once the Plan has provided the guaranteed monthly payments.
4. Joint and 100% Survivor Annuity with a Pop-Up Option. This form provides monthly income payable for your lifetime. After your death, 100% of the monthly payment that was paid to you before your death will be paid to your designated beneficiary for life. If, however, your designated beneficiary dies before you, but after you began receiving benefits from the Plan, then your monthly benefit payment will increase to a larger monthly payment.

For any of these optional payment options, if the total amount distributed from the Plan at the time of your death does equal or exceed your total Member contributions, your named beneficiary will receive a lump sum payment representing the difference between your total Member contributions and the total of the Retirement Benefit payments made prior to and at your death.

**C. Cost of Living Adjustments**

On December 1 of each year that you (or your beneficiary) receive benefit payments from the Plan because of your Normal, Late, Early, Thirty Year, or Disability Retirement, you will receive in one additional payment an amount equal to:

One-half of the annual percentage change in each Plan Year (from October 1 through September 30) of the "Revised Consumer Price Index," published by the Bureau of Labor Statistics of the United States Department of Labor  
(but not to exceed 2 ½%)

**MULTIPLIED by**

The number of full Plan Years that the you (or beneficiary)  
has actually received retirement payments

**X. DEATH BENEFITS**

**A. Death While Actively Employed**

If you die before benefit payments start, and you: (1) were actively employed by SRHS at the time of your death and (2) you had 10 years of Service at the time of your death, your surviving spouse (or other beneficiary) can receive benefits from the Plan.

If you are married at the time of your death, the death benefit payable to your spouse will be equal to 100% of the survivor portion Joint and Survivor Annuity which is the actuarial equivalent of your Retirement Benefit at the time of your death.

If you are single at the time of your death, the death benefit payable to your beneficiary will be equal to 50% of the survivor portion Joint and Survivor Annuity which is the actuarial equivalent of your Retirement Benefit at the time of your death.



In either case, the death benefit will be reduced by 3% per year for each year it is paid to your spouse or beneficiary prior to your Normal Retirement Date. Your spouse or your beneficiary (as applicable) may elect to receive a return of your Member contributions in lieu of the death benefit.

**B. Pre-Retirement Joint and Survivor Annuity for Married Members Eligible for Early Retirement**

If you are a married Member (who has not waived the Pre-Retirement Joint and Survivor Annuity Benefit) and you die before commencement of your retirement benefits but after you are eligible for Early Retirement, your spouse will receive a survivor annuity benefit for the rest of your spouse's life. The amount of the survivor annuity benefit will be calculated based upon your Retirement Benefit at the time of your death and will be equal to 50% of the survivor portion Joint and Survivor Annuity which is the actuarial equivalent of your Retirement Benefit at the time of your death, with a reduction factor for early commencement.

**C. Death After Termination of Employment**

If you die before benefit payments start, and you: (1) were not actively employed by SRHS at the time of your death and (2) you had 10 years of Service at the time of your death, your surviving spouse can receive benefits from the Plan. The death benefit payable to your spouse will be equal to 50% of the survivor portion Joint and Survivor Annuity which is the actuarial equivalent of your Retirement Benefit at the time of your death. The death benefit will be reduced by 3% per year for each year it is paid to your spouse prior to your Normal Retirement Date. Your spouse may elect to receive a return of your Member contributions, in lieu of the death benefit.

**D. Naming a Beneficiary**

When you enroll in the Plan, you will be asked to name a beneficiary. Your beneficiary will receive any death benefit under the Plan if you should die before you begin receiving benefits from the Plan. If you die prior to retirement and you are single at the date of death, any death benefit payable under the Plan will be paid to your most recently designated beneficiary. If you should die with no living beneficiaries on file at the time payment is to be made, the death benefit will be paid to the executor or administrator of your estate.

Contact the Chief Human Resources Officer if you want to change your beneficiary.

**XI. QUALIFIED DOMESTIC RELATIONS ORDER - ASSIGNMENT OF BENEFITS**

Your benefits under this Plan may not be assigned or encumbered by you. This means, for example, that you may not use your projected future benefits as security for a loan. This statement also applies to the creation, assignment, or recognition of a right to any of your benefits pursuant to a domestic relations order, unless the order is determined to be a qualified domestic relations order. The Plan Administrator will determine whether a domestic relations order follows the form and contains the information necessary for the order to be considered a qualified domestic relations order. If the order meets those requirements, the Plan Administrator will comply with the order. Members and beneficiaries may obtain a copy of the Plan's qualified domestic relations order procedures free of charge from the Chief Human Resources Officer, SRHS Human Resources Department, 2809 Denny Avenue, Pascagoula, MS 39581.

**XII. CLAIMS FOR BENEFITS**

You may submit a written claim for benefits to the Special Fiduciary, or its designee, at Singing River Health System, Attention: Special Fiduciary, 2809 Denny Avenue, Pascagoula, MS 39581. Claims will be acted upon by the Special Fiduciary, or its designee, within 90 days after receipt of the claim.

You will be notified in writing whether your claim is approved or denied, in whole or in part. If your claim is denied the notice will contain the reasons for the denial and references to pertinent Plan provisions upon which the denial is based. The Special Fiduciary, or its designee, will inform you if any additional information is required for approval of your claim and advise you how to obtain a review of the decision denying your claim.

In general, if your claim for benefits has been denied you have the right to a review of the decision by filing a written request for review with the Special Fiduciary, or its designee, within 60 days after you receive written notice that your claim has been denied. The request for a review should contain a complete statement of any reasons or evidence upon which you rely in support of your claim for benefits. You or your representative will have the opportunity to review documents pertaining to the denial of benefits. Ordinarily, the Special Fiduciary, or its designee, will advise you of its decision on review and the reasons for its decision within 60 days after you have requested a review, unless more time (up to an additional 60 days) is needed. If you fail to request a review in accordance with the above procedures your claim will not be enforceable in any court.

### **XIII. PLAN CONTINUATION**

The Plan document provides that the Plan may be amended or terminated at any time by SRHS. The Plan document provides that if the Plan is terminated, you will receive the vested retirement benefits that you have earned to the date of the Plan termination, to the extent that such vested retirement benefits have been funded. Subject to limitations which may be imposed by the litigation regarding the Plan, Singing River Health System reserves the right to amend or terminate the Plan.

### **XIV. RIGHT TO RECOVER PAYMENTS**

If any payment under the Plan is made in error to a Member, beneficiary, or any other person, the individual to whom the erroneous payment was made is obligated to hold the payment for the Plan's benefit and to repay such amount to the Plan.

### **XV. DUTY TO FURNISH INFORMATION AND DOCUMENTS**

You and your beneficiary must furnish to the Plan such information necessary for the purpose of administering the Plan. All parties to, or claiming any interest under, the Plan must perform any and all acts, and execute any and all documents and papers necessary in carrying out the Plan, specifically keeping the Plan informed of your current address and the current addresses of your beneficiary or beneficiaries.

### **XVI. TAXATION OF BENEFITS**

Your retirement benefits are considered taxable income. Federal tax law requires SRHS to withhold taxes on your retirement benefit before it is paid to you, unless you specifically request otherwise. The amount withheld will depend on your filing status and the number of exemptions you claim. The tax consequences of your participation in the Plan are your responsibility. Because tax laws are very complex and are subject to repeal, amendment and different interpretations, and because the application of the law may vary depending on your particular circumstances, you are strongly urged to consult a tax advisor with respect to your particular situation.