

# Frequently Asked Questions

## Updated 9/28/2018

Below are some of the most frequently asked questions from Plan participants regarding the SINGING RIVER HOSPITAL SYSTEM EMPLOYEES' RETIREMENT PLAN AND TRUST.

### General Questions

- **“Why were benefits in the Plan reduced by 25%?”** At a hearing on March 27, 2018, Traci Christian, the Special Fiduciary for the Plan, presented a report to the Court. Judge Bell reiterated in his order on April 12, 2018, that the financial condition of the Plan is dire. Regardless of how this situation came to be, the fund simply did not have enough money to sustain benefit payments at current levels. Even with the proposed settlement, the Plan would still run out of money in a fairly short time and then no participants would be able to receive retirement benefits. By reducing benefits, the Plan is much more likely to be able to continue to make benefit payments well into the foreseeable future.
- **“What other changes were made with the order?”** In addition to the 25% reduction of monthly benefits, the Court has also ordered:
  - That participants still employed at the Health System be given the option to receive their contributions with interest in lieu of a monthly retirement benefit.
  - The cost of living increases (or “13<sup>th</sup> checks”) have been suspended until further notice. In the future, the Special Fiduciary will periodically report to the Court on the funded status of the plan and make recommendations about whether the fund can afford to make full or partial 13<sup>th</sup> check payments.
  - The Special Fiduciary is also ordered to continue to report to the Court on the funded status of the Plan and in particular what additional benefit reductions may be needed if the settlement is not approved or if the settlement payments are not timely made.
- **“Do these changes apply to everyone?”** Yes. All of Judge Bell’s order applies to all Plan participants regardless of their status in the Plan.
- **“Will there be more benefit cuts in the future?”** Hopefully not. While no one can predict the future with certainty, if the proposed settlement is ultimately approved and implemented, the recommendations already made by the Special Fiduciary and ordered by the Court are projected to be sufficient to allow the Plan to continue to operate into the foreseeable future. If the settlement is not approved or if payments are not made according to the settlement or if other

adverse conditions affect the Plan, then it is possible that further reductions could become necessary.

- **“Could the reduced benefits be restored some day?”** This is also possible. If the investments of the fund perform better than has been assumed, if administrative costs can be reduced, if additional funds are added from another source, or if other events happen that positively affect the funded status of the Plan, then the Special Fiduciary will accordingly make a report and recommendation to the Court that could include a modification of previously reduced benefits. While this is possible, it is not something that is prudent to plan on when making decisions regarding retirement income.
- **“Who can I call if I have questions about my benefits or problems getting information?”** McCloud & Associates is the administrator of the Plan and the official record keeper. Troy Miller is your direct point of contact for information. You can contact him by phone at 816-792-3838 extension 237 or via e-mail at [tmiller@mccloudandassociatesinc.com](mailto:tmiller@mccloudandassociatesinc.com). You can also contact the Special Fiduciary at [Traci@etaros.com](mailto:Traci@etaros.com) or by phone at 816-792-3838, ext 228.

It is highly recommended that participants subscribe to the webpage [www.singingriverretirement.com](http://www.singingriverretirement.com). All reports to the Court by the Special Fiduciary are posted there as are Court documents and updates on the Plan's investments. This website will continue to be used going forward to communicate important information to all Plan participants.

## Plan Questions

- **“How does vesting work now that the Plan is frozen?”** No new benefits have been earned since the end of 2014 and all benefits have been reduced by 25% per the Court order. However, service for purposes of vesting and also for early retirement eligibility are still being counted. That is: If you had less than 10 years of service at the end of 2014, you will still become vested in your benefit once you attain 10 years of Vesting Service. If you terminate prior to 10 years of service, you will be eligible for a return of your employee contributions with interest.
- **“When can I retire? Has the retirement age been changed to 67?”** No. Monthly earned benefits under the Plan have been frozen and all benefits – current and future - have been reduced by 25% per the Court order. However, no changes have been made to the Normal Retirement age of 65 or the Early Retirement eligibility provisions in the Plan.
- **“When I retire, can I still choose a form of benefit that provides for my spouse?”** Yes. Those provisions of the Plan are still in place.

- **“Can I still retire from the Plan at age 60 with 10 Years of Credited Service or with 30 Years of Credited Service?”** Yes. Those provisions of the Plan are still in place. If you retire with less than 30 years of service and opt to begin receiving payments at age 60-65, your benefit will be reduced by 3% per year for each year prior to age 65 in order to account for the additional years of payments. This is not a “penalty”. On the contrary, this is a valuable subsidy to retirees and should be seriously considered by anyone who leaves employment with 10 or more years of service.
- **“I am eligible to retire. Can I take my retirement benefit from this Plan and continue to work?”** The current terms of the Plan do not allow for this. Unless the Plan is changed, you must retire before monthly benefits can begin.
- **“I am still working, but I want to take my employee contributions back from the Plan. How do I do that?”** All participants still employed at SRHS should have received a personalized statement about their benefits and about this option. If you are still working at SRHS and have not received a packet, please contact Troy Miller. You can contact him by phone at 816-792-3838 extension 237 or via e-mail at [tmiller@mccloudandassociatesinc.com](mailto:tmiller@mccloudandassociatesinc.com).
- **“I no longer work for the Health System and I believe I have a benefit or return of contributions that should be payable right now. Whom should I contact about the status of my benefit or contributions?”** McCloud & Associates is the administrator of the Plan and the official record keeper. Troy Miller is your direct point of contact for information. You can contact him at by phone at 816-792-3838 extension 237 or via e-mail at [tmiller@mccloudandassociatesinc.com](mailto:tmiller@mccloudandassociatesinc.com). He will be able to send you the necessary forms to apply for your retirement benefits or your return of employee contributions.
- **“I worked for the Health System for less than 10 years. I never received my contributions back when I left. How can I get them now?”** McCloud & Associates is the administrator of the Plan and the official record keeper. Troy Miller is your direct point of contact for information. You can contact him at by phone at 816-792-3838 extension 237 or via e-mail at [tmiller@mccloudandassociatesinc.com](mailto:tmiller@mccloudandassociatesinc.com). He will be able to send you the necessary forms to apply for your return of employee contributions.