Retirement Assistance

(I think I'm ready to retire….where do I start?)

Your 2014 Rewards Program

This presentation summarizes plan provisions and benefits as clearly as possible. However, if any part of this presentation is in conflict with the HFHS Pension Plan and/or the HFHS Retirement Savings Plan (RSP), the respective official plan document will remain the final authority.

The HFHS 403(b) Program is governed by the terms and conditions of the HFHS 403(b) Program document and the official agreements that participants complete with Fidelity Investments and/or MetLife Resources. If any part of this presentation is in conflict with the official agreements, then the official agreements and the HFHS 403(b) Program document will remain the final authority.

Similar to all HFHS benefit plans and programs, HFHS maintains the right to amend, modify or terminate the HFHS Pension Plan, the HFHS Retirement Savings Plan , the HFHS 403(b) Program, the HFHS Retiree Medical Plan along with all other plans mentioned in this presentation at anytime.

For additional Retirement information see the HFHS HR website at:

www.henryfordconnect.com

Your 2014 Rewards Program

Our goal today is to assist those employees who are anticipating retirement within the next six months.

We understand that the process of retiring can be overwhelming. Therefore, we will so our best to provide an easy overview of the Pension / Retirement Savings Plan / 403(b) distribution processes.

In addition, we will explain what happens to your benefits when your employment ends and provide information on the HFHS Retiree Medical Plan as well as the alternative COBRA Plan.

Recap of Current HFHS Retirement Program Components

JPMorgan MetLife & Fidelity **403(b) Program**	JPMorgan, Record Keeper www.retireonline.com **Retirement Savings Plan – 401(a)**		AonHewitt, Record Keeper www.yourbenefitsresources.com/hfhs **Pension Plan**
	Primary RSP	**Supplemental RSP**	**Frozen @ 12/31/10**
This is a plan funded by employees to supplement the HFHS Retirement Program. Employees make either pre-tax (traditional) or after tax (Roth) contributions to their 403(b) account with Empower Retirement. (Fidelity Investments and MetLife Resources were the 403(b) vendors through 12/14/2013) Employees can start, stop, increase or decrease their contributions at any time.	All Employees participate in the Primary RSP unless they elect to 'opt out' within the first 30 days of hire or rehire. The employee contributes 2% of his base salary (up to the FTWB*) and 4% of his salary over the FTWB. HFHS matches those contributions at a rate of 2.5% and 5% respectively. The employee is always 100% vested in his own contributions (+ or – any earnings/(losses) and will own the HFHS contributions after earning 5 years of vesting service.**	The Supplemental RSP Account, funded solely by HFHS, replaced contributions formerly made to HFHS Pension Plan accounts. Annual contributions to this account are made to employees who meet specific eligibility requirements. • **Complete 12 months of employment and earn at least 1,000 hours during that time** • **No Residents/Interns, Fellows or Students** • **Plan entry dates are July 1 and January 1** • **Work at least 1,000 hrs/yr**	HFHS Principal Credits were added to eligible employees' Pension Plan accounts shortly after year-end. The Pension Plan was frozen on December 31, 2010 and HFHS no longer adds Principal Credits to employee accounts. However, established Pension Plan accounts continue to grow with interest credits of no less than 3% annually. **No employees hired after 12/31/2010 participate in this Plan.**

***FICA Taxable Wage Base is $118,500 for 2015.**

****1,000+ hours worked in a Payroll Year = 1 Year of Vesting Service.**

What do I do first?

- Determine your retirement date and give your Supervisor at least 4-6 weeks notice.
- Request that your Supervisor enter your retirement date into Workforce Connect as soon as possible.
- If you or your spouse are age 65 or will be age 65 when you retire, plan to visit your Social Security office up to 90 days prior to your retirement date.
  - Seek Medicare Part A & Part B enrollment information
- Meet with your financial planner or your financial institution to discuss the possibility of establishing an IRA account to consolidate your retirement accounts.
- If you have a 403(b) account, contact your 403(b) company for distribution information.

What do I do first?

- For assistance with the HFHS **Pension Plan** Distribution Process:
  - ✓ Contact the Pension record keeper up to 90 days prior to retirement date. Call 888-649-4636 and say 'Pension' to be connected.
    - Your distribution date will be the 1st of the month following your retirement date.
  - ✓ For those who are hearing impaired, call your local relay center and provide them with the HFHS Retirement Center telephone number (888-649-4636). Together, you and the relay center will contact the Retirement Center and follow the instructions directly above.
    - A representative will be assigned to assist you with the Pension Plan payment process from beginning to end and answer any questions you have regarding your payment options.

What do I do first?

- A password is required to request a distribution of your Pension account when calling 888-649-4636. When asked, say “Pension.”
  - Enter the last 4 digits of your SSN, your birth date, and your password.
- If you lost your password or just don’t know it, continue your call to the Retirement Center and, when asked for your password say, “I don’t know it.” A representative will assist you by mailing a new password to your home address.
- You will also be asked for your password when using the online address of www.yourbenefitsresources.com/hfhs

What do I do first?

- For assistance with the HFHS **Retirement Savings Plan** Distribution Process:
  - ✓ Because your RSP is paid only as a lump sum (eligible for rollover to an IRA or another employer's qualified plan), you do not need to contact the RSP record keeper in advance of your retirement date unless you have questions or a change of address.
  - ✓ To process your lump sum distribution (direct payment to you or rollover), you can call the RSP record keeper (Empower Retirement) after you receive your final regular pay check from HFHS. Call 888-649-4636 and say 'Retirement Savings' to be connected.
  - ✓ For those who are hearing impaired, call Empower Retirement's TDD line at 800-345-1833 weekdays from 7 am – 8 pm CT.

What do I do first?

A distribution of your 403(b) account is available to you any time after you reach age 59½.

If you are not yet age 59½ at the time of a distribution payable to you, an additional 10% penalty tax will be assessed at the time you file your taxes for that year. Some exceptions apply (i.e., permanent disability). Consult your tax advisor.

403(b) company contact information:

Empower Retirement: 888-649-4636 (say Retirement Savings)
Fidelity Investments: 866-588-2621
MetLife Resources: 800-945-0840

HFHS Benefits

What happens to the benefits
I currently have as an active employee?

Termination of Benefits

- Medical/Vision and Dental coverage for you and your family will end on the last day of the month in which you terminate your employment or are in an ineligible benefit status.
- Employee and Dependent Term Life Insurance and Accidental Death & Dismemberment (AD&D) coverage ends on the last day of the month.
  - Employee/Dependent Term Life Insurance, AD&D, and Long Term Disability <u>can be converted to individual policies</u>
    - **To convert any of these insurances, contact Employee Services at (855) 874-7100 within 30 days of termination**
- Short Term/Long Term Disability coverage ends on your date of termination or the date you are no longer eligible.

Other things to know…

COBRA: In 1986, Congress passed COBRA (Consolidated Omnibus Budget Reconciliation Act) health benefit provisions.

- This provides continuation of group medical health and dental coverage that otherwise might be terminated.
- Medical and/or Dental Coverage is available for a period of up to 18 months.
- Flexible Spending Account can continue through COBRA.

CTO PAYOUT: A check will be generated for any balance in your CTO bank after the last payroll cycle in which you leave HFHS.

- This can take up to 3 weeks after your last paycheck.
- CTO checks are not directly deposited but mailed to your home address.

Other things to know…

Retiree Medical:

- Not all HFHS affiliates offer Retiree Medical as a retirement benefit, nor do all employees qualify for enrollment in the plan.
- To find out if you qualify for retiree medical coverage, the monthly cost and coverage provided, log onto HR Connect.
  - ✓ www.henryfordconnect.com
  - ✓ **Select HR Connect, then Benefits>Retiree Medical**
- If you qualify for the Retiree Medical Plan, Employee Services will automatically mail a Retiree Medical package to your home after you retire from HFHS. You may contact Employee Services prior to your retirement to request the form in advance. Call 855-874-7100 or email employeeservices@HFHS.org.
- Does not include Dental coverage.

Other things to know…

If you sign up for Retiree Medical coverage:

- do not enroll in COBRA medical coverage. This results in duplicate coverage and duplicate payments.
- do not enroll in Medicare D – Prescription coverage. This will nullify your Retiree Medical coverage.

If you wish to have Dental coverage, sign up for COBRA Dental.

Distributions from Current HFHS Retirement Programs

Empower Retirement, MetLife & Fidelity **403(b) Program**	Empower Retirement, Record Keeper www.retireonline.com **Retirement Savings Plan - 401(a)**	Hewitt, Record Keeper www.yourbenefitsresources.com/hfhs **Pension Plan**
	Primary & Supplemental RSP	**Frozen @ 12/31/10**
Distribution Available: •If actively employed, any time after you reach age 59 ½. •At termination or retirement. **Distribution Options:** •Direct taxable payment to yourself. •Rollover to an IRA or another employers retirement plan. **Tax Withholding on Direct Payments:** •20% Federal and 4.35% State •If not age 59 ½, additional 10% penalty. **Contacts:** Retirement Center 888-649-4636 • *Say "Retirement Savings"* Fidelity Investments (pre 2014) 866-588-2621 MetLife Resources (pre 2014) 800-945-0840	**Distribution Available:** •If actively employed, any time after you reach age 65. •At termination or retirement. **Distribution Options:** •Direct taxable payment to yourself. •Rollover to an IRA or another employers qualified plan. •Leave money in the plan. **Tax Withholding on Direct Payments:** •20% Federal and 4.35% State •If not age 55, additional 10% penalty. **Contact: (two weeks after last paycheck)** Retirement Center 888-649-4636 •Say *"Retirement Savings"* •Press #0 to be connected to a representative.	**Distribution Available:** •If actively employed, any time after you reach age 65. •At termination or retirement. **Distribution Options:** •Monthly Annuity (i.e. Single Life Annuity, Joint & Survivor) •Direct taxable payment to yourself. •Rollover to an IRA or another employers qualified plan. •Leave money in the plan. **Tax Withholding on Direct Payments:** •20% Federal and 4.35% State •If not age 55, additional 10% penalty. **Contact: (up to 60 days prior to term/retire)** Retirement Center 888-649-4636 •Say *"Pension"* •Last four digits of SSN, Birth Date, and Password.