

# Financial Planning Challenge 2016

## Phase 1: Written Financial Planning Case Study

The first phase of the competition consists of a financial planning case study for two hypothetical clients. Students must assess the client's needs and prepare a comprehensive financial plan for the clients based on the data provided. Teams must prepare a client welcome letter and a one page summary outline. Use of commercially available financial planning software is prohibited.

### Submission:

2. Student teams must submit their comprehensive financial plan and other required documents by **May 16, 2016** to Destre Downing, FPA, Learning and Development, at DDowning@OneFPA.org
3. Each team should submit their financial plan and other required documents as one (1) compiled document in PDF format with the school and team member names on the title page.
4. **Important:** Please do not include your school's name or team member names on any pages other than your title page.

### The written plan should include the following:

- Assess the clients' current financial condition.
- Identify the major Strengths, Weaknesses, Opportunities, and Threats. (SWOT)
- Identify and disclose specific assumptions used in analyzing each goal and need.
- Discuss the resolution of any conflicts between the clients' goals and needs, and the ability to satisfy them due to financial or other constraints.
- Identify the extent to which other professionals are required to implement any recommendations.

### Judging:

- A panel of judges representing each presenting organization will review the submissions based on a standardized grading rubric to maintain consistency.
- Each submission will be assigned a point value based on the quality of their submission. The phase 1 score has a weighted score of 30%.

### **PRESENTING ORGANIZATIONS:**

AMERIPRISE FINANCIAL, *FOUNDING CORPORATE PARTNER*  
CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.  
FINANCIAL PLANNING ASSOCIATION



## David and Ellie Callahan

### Retirement and Investment Planning Case

#### PERSONAL INFORMATION AND BACKGROUND

David and Ellie Callahan have come to you for help regarding their primary goal of retirement as well as considering how to address any potential need for long term care. David (56) and Ellie (55), are both non-union employees of Johns Hopkins Hospital (JHH). David joined JHH as an administrator in 1991, and Ellie joined in 2010 in an office role. They have two adult children, Michael (27) and Allison (24). Michael is married to Kelly (27) and they have a son, Brandon (1).

#### PRIMARY GOALS AND OBJECTIVES

Now that Michael and Allison are out of college, the Callahan's would like to take another look at their goal of retirement. They have each generally figured to retire when David turned 65. However, with David's pension, and a reduction in expenses with both the kids now out of the house, they wonder if they might have the option to retire sooner.

David considers himself to be a moderately aggressive investor. Ellie says she is moderately conservative. They would like your help to align their 403(b) plan's investment options to their risk tolerances and have provided a list of available options.

#### OTHER GOALS

David and Ellie have both had parents who required long term care, and would like to make sure that they have a plan in place so they don't have to burden Michael and Allison.

David and Ellie would also like to know about options to help by contributing to Brandon's (and other future grandkid's) college education.

The Callahan's know there are trade-offs of covering these goals against their main goal of retiring as soon as possible, and would like your help in finding a comfortable compromise, if possible.

#### INSURANCE INFORMATION

David and Ellie each have group benefits for disability and life insurance. Johns Hopkins provides group term life insurance equal to 1 times salary. The Callahan's each pay for long term disability <sup>(1)</sup> coverage equal to 60% of salary (up to \$8000/mo.) after 26 weeks of a disabling event, until age 65.

David and Ellie each have 30 yr term life insurance policies <sup>(2)</sup>, with \$500,000 death benefits that were issued in 1995.

#### INCOME TAX INFORMATION

David and Ellie are currently in the 28% marginal federal, and 5.25% marginal state income tax brackets. Their annual property tax on their home is \$6,750.

#### ESTATE INFORMATION

David and Ellie have simple wills that they did soon after they purchased their home 7yrs ago.

<sup>1</sup> Premiums paid after tax, bi-weekly. (David = \$29; Ellie = \$12)

<sup>2</sup> Premiums paid after tax, monthly. (David = \$52; Ellie = \$42)

### ECONOMIC INFORMATION

Currently, the market, after a 6 year run is starting to show signs of weakness. Concern with potentially rising interest rates and dropping oil prices have contributed to the uncertainty experts have about which direction the market may move in the near term. Average U.S. inflation equals 3.22%, however current inflation equals .5%.

### JOHNS HOPKINS PENSION <sup>1</sup>

| RETIREMENT FORMULA |  |
|--------------------|--|
| Step 1             | 1% of your <i>final average compensation</i><br>PLUS   |
| Step 2             | $\frac{1}{2}$ % of your <i>final average compensation</i> above the<br><i>Social Security limit</i><br>TIMES |
| Step 3             | your <i>years of benefit service</i> (up to 40)  |
| PLUS               |  |
| Step 4             | The annuity equivalent of the balance of your<br><i>employer matching account.</i>                           |

<sup>1</sup> Annual benefit amount. Refer to JHH Summary Plan Description for details

**Statement of Financial position**  
**David and Ellie Callahan**  
(As of December 31, 2015)

**ASSETS**

|  |                    |
|--|--------------------|
| Checking Account: JTWROS                 | \$ 31,526          |
| Savings Account: JTWROS                  | \$ 17,865          |
| <i>Total Cash and Cash Equivalents</i>   | <b>\$ 49,391</b>   |
| <br>                                     |                    |
| Rollover IRA: David <sup>1</sup>         | \$ 142,304         |
| Johns Hopkins 403(b): David <sup>2</sup> | \$ 305,764         |
| -JHH Matching Account                    | \$ 23,247          |
| Johns Hopkins 403(b): Ellie <sup>3</sup> | \$ 49,121          |
| Brokerage Account: JTWROS <sup>4</sup>   | \$ 27,797          |
| 529: David <sup>5</sup>                  | \$ 15,003          |
| <i>Total Invested Assets</i>             | <b>\$ 563,236</b>  |
| <br>                                     |                    |
| Personal Residence: JTWROS               | \$ 475,000*        |
| Vehicle: David                           | \$ 22,000*         |
| Furniture and household items: JTWROS    | \$ 50,000*         |
| <i>Total Personal Use Assets</i>         | <b>\$ 547,000</b>  |
| <br>                                     |                    |
| <b>Total Assets</b>                      | <b>\$1,159,627</b> |

**LIABILITIES**

|                                     |                   |
|-------------------------------------|-------------------|
| Mortgage: Joint                     |                   |
| Original loan amount <sup>6</sup>   | \$ 305,000 @ 5.2% |
| Monthly PI                          | \$ 1,674          |
| Monthly PITI                        | \$ 2,416          |
| Remaining Balance                   | \$ 226,964        |
| Auto Loan: David <sup>7</sup>       | \$ 17,282 @ 4.5%  |
| Student Loan – Allison <sup>8</sup> | \$ 78,000 @ 4.8%  |
| <br>                                |                   |
| <b>Total Liabilities</b>            | <b>\$ 322,246</b> |
| <br>                                |                   |
| <b>Net Worth</b>                    | <b>\$ 837,381</b> |

\* Estimates from the Callahans

<sup>1</sup> Ellie is Beneficiary

<sup>2</sup> Ellie is Beneficiary

<sup>3</sup> David is Beneficiary

<sup>4</sup> Allocated currently to cash

<sup>5</sup> Allison is Beneficiary

<sup>6</sup> December 1, 2002

<sup>7</sup> Aug 2013 origination

<sup>8</sup> David co-signed for Allison

**Statement of Cash Flows**  
**David and Ellie Callahan**  
(As of December 31, 2015)

**Income - Annual**

David \$ 147,000 salary  
\$ 38,000 bonus  
Ellie \$ 60,000 salary  
\$ 10,000 bonus

**Taxes, Expenses and Savings - Annual**

Taxes – Federal \$ 39,528  
Taxes - FICA \$ 11,687  
Taxes – Medicare \$ 3,698  
Taxes – State \$ 9,531

**Total - Taxes \$ 64,444**

Mortgage (PITI) \$ 28,992  
Auto Payments \$ 8,928  
Insurance – Auto \$ 1,800  
Insurance – Term Life \$ 1,128  
Insurance – LTD \$ 1,076  
Benefits \$ 6,600  
Utilities \$ 17,250  
Medical \$ 2,750  
Food – Groceries \$ 11,394  
Food – Restaurants \$ 11,928  
Auto – Fuel/Repairs \$ 2,964  
Clothing \$ 6,200  
Entertainment \$ 5,500  
Hobbies \$ 5,100  
Travel \$ 14,164  
Gifts \$ 8,350  
Misc - Lifestyle \$ 6,700

**Total - Expenses \$ 140,824**

**Savings**

David – 403(b) \$ 12,250  
Ellie – 403(b) \$ 8,750  
JT – Brokerage \$ 28,732

**Total - Savings \$ 49,732**

**Total - Income \$ 255,000**

**Total - Taxes, Expenses,  
Savings \$ 255,000**

David and Ellie's Historical JHH Income and Social Security Wage Base

| Year | David's<br>Income | Ellie's<br>Income | S.S. Wage Base |
|------|-------------------|-------------------|----------------|
| 1991 | 78673             |                   | 53400          |
| 1992 | 81526             |                   | 55500          |
| 1993 | 84483             |                   | 57600          |
| 1994 | 87548             |                   | 60600          |
| 1995 | 90723             |                   | 61200          |
| 1996 | 94013             |                   | 62700          |
| 1997 | 97423             |                   | 65400          |
| 1998 | 100957            |                   | 68400          |
| 1999 | 104618            |                   | 72600          |
| 2000 | 108413            |                   | 76200          |
| 2001 | 112345            |                   | 80400          |
| 2002 | 116419            |                   | 84900          |
| 2003 | 120642            |                   | 87000          |
| 2004 | 125018            |                   | 87900          |
| 2005 | 129552            |                   | 90000          |
| 2006 | 134251            |                   | 94200          |
| 2007 | 139120            |                   | 97500          |
| 2008 | 144166            |                   | 102000         |
| 2009 | 149394            |                   | 106800         |
| 2010 | 154813            | 58194             | 106800         |
| 2011 | 160428            | 60384             | 106800         |
| 2012 | 166246            | 62656             | 110100         |
| 2013 | 172276            | 65014             | 113700         |
| 2014 | 178525            | 67461             | 117000         |
| 2015 | 185000            | 70000             | 118500         |
| 2016 |                   |                   | 118500         |

## JOHNS HOPKINS 403(b) Plan Investment Options

Allianzgi NFJ Dividend Value ADM (ANDAX)

Allnzgi NFJ Small Cap Value ADM (PVADX)

AM Fds EuroPacific Growth A (AEPGX)

AM Fds Washington Mutual A (AWSHX)

Invsco Equity And Income (ACETX)

Jhn Hnk Disciplined Value Mid Cap (JVMTX)

Lincoln Stable Value Account -F08

Mainsty Large Cap Growth Fund Class R1 (MLRRX)

Mg Stnly Inst Mid Cap Growth I (MPEGX)

Oppenheimer Global Y (OGLYX)

PIMCO Total Return Inst (PTTRX)

Prudntl Jennison Small Company Fund, Z (PSCZX)

Vnguard Bd Index Total Bd Mkt Indx Instl (VBTIX)

Vnguard Institutional Index (VINIX)



# Pension

This is a summary of the Johns Hopkins Health System Corporation Retirement Plan (the “JHHSC Retirement Plan” or the “Plan”) as it applies to employees (and their beneficiaries) of The Johns Hopkins Health System Corporation (the “Health System”) and certain of its participating affiliates. This summary describes the terms of the Plan, as amended through December 31, 2010.

You are cautioned that this summary does not reflect any future amendments that may be made to the Plan from time to time, and may not reflect all exceptions to the general provisions covered in this summary. Any conflicts between the statements in this summary and the terms of the Plan will be resolved by reference to the full Plan document.

If material changes are made to the Plan, you will receive a written summary description of such changes, which will supersede or supplement this summary. You should attach any written summaries of material changes to this document so that you will always have a current summary of the Plan.

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## PLANNING YOUR RETIREMENT

### **The Time for Planning is Now**

A secure retirement may be something you don't often think about. Perhaps you're focused on today's financial worries and not those that seem far off in the future.

Well, stop a moment and think about the amount of money you may need to retire. How much will that be? And where will all that money come from? These are important questions for both younger people and those approaching retirement.

A good rule of thumb is this – if you plan to maintain your standard of living *after* you retire, you'll need to “shoot for” replacing approximately 70% to 80% of your pre-retirement income. Does this sound like a lot of money? Well, it is. And studies show that many people are counting too heavily on the wrong sources for income after they stop working.

### **What Makes Up Retirement Income**

Most think that Social Security and a pension will be enough to keep them comfortable and secure. These are two sources of retirement income, but a third and very important source is your savings. If you think about it, your pension, Social Security and savings each plays a part in supporting you in retirement. And your savings can play a big role in making your retirement years comfortable.

### **Your Social Security Benefit**

Your monthly benefit from Social Security is based on your earnings record. You can find out what that benefit will be by contacting the Social Security Administration at (800) 772-1213 or at its website on the Internet at <http://www.ssa.gov>.

### **Your Pension from the JHHSC Retirement Plan**

The JHHSC Retirement Plan provides a pension benefit, completely paid by the Health System, that can give you income in your retirement, provided you meet certain requirements explained in this booklet.

### **Helping You Save for Retirement**

In addition to the JHHSC Retirement Plan, the Health System maintains The Johns Hopkins Health System Corporation 403(b) Plan (the “403(b) Plan”) that helps you add to your personal retirement savings. To increase your savings even further, the Health System added (through December 31, 2008) matching credits to your benefit under the JHHSC Retirement Plan, based on the amount that you contribute to the 403(b) Plan. When you retire, you may elect to receive the balance of your employer matching account (which includes the sum of your matching credits and applicable interest credits) in a single sum payment. You will find more information about your employer matching

account later in this booklet. Beginning January 1, 2009, matching contributions will be made directly to the 403(b) Plan rather than to the JHHSC Retirement Plan. The Pension Office has full details on the 403(b) Plan.

## **It All Works Together**

By understanding how each of these sources works now, *before* you retire, you'll be better prepared in planning for a secure future.

## **DEFINITIONS**

Throughout this document, certain terms appear in *italics*. These terms have special meanings for purposes of the Plan. Each of the italicized terms is defined below.

“*Compensation*” generally means your W-2 earnings for the calendar year. Your *compensation* is used to determine your *final average compensation* which is used to calculate your benefit under the Plan. See page 12 for more information on what is, and is not, included in your *compensation* for Plan purposes.

“*Deferred retirement*” refers to your status under the Plan if you choose to remain employed with a *participating employer* or an affiliate after your *normal retirement date*. See page 11 for more information on *deferred retirement*.

“*Deferred retirement date*” is the first day of the month on or next following the date you retire, if you had chosen to continue working with a *participating employer* or an affiliate beyond your *normal retirement date*. See page 11 for more information on your *deferred retirement date*.

“*Defined benefit pension plan*” is a type of retirement plan that provides a set monthly benefit at your retirement. The Plan (which includes both your traditional pension benefit and your employer matching account) is a *defined benefit pension plan*. Since the *participating employers* fund 100% of the benefits under the Plan, it is the *participating employers* (and not you) that assume the investment risk for the Plan.

“*Disability retirement*” refers to your status under the Plan if you become disabled while actively employed by a *participating employer*. Your benefit under the Plan will be coordinated with any Social Security disability benefits that you receive. See pages 19-20 for more information on *disability retirement*.

“*Early retirement date*” is the first day of the month on or next following the date on which you retire after meeting certain service requirements. If you have an *early retirement date*, you will be eligible to begin receiving benefits before your *normal retirement date*. See pages 10-11 for more information on your *early retirement date*.

“*Employer matching account*” means the account under the JHHSC Retirement Plan where *matching credits*, based on your 403(b) Plan salary reduction contributions made between January 1, 2003 and December 31, 2008, and *interest credits* are accumulated. When you retire, you may elect to receive the balance of your *employer matching account* as a lump sum or as an annuity.

“*Final average compensation*” is one of the components used to calculate your benefit under the Plan. In general, *final average compensation* is your average annual *compensation* for the highest 3 consecutive calendar years of your employment within the last 10 consecutive calendar years of employment with a *participating employer* or an affiliate. See page 12 for a discussion of *final average compensation*, as well as an example of the *final average compensation* calculation.

“*Hour of service*” means any hour that you work and are paid (or for which you were entitled to be paid) by a *participating employer* or an affiliate. Your *hours of service* are used to determine your *years of eligibility service*, *years of vesting service* and *years of benefit service*. See pages 7-8 for more information on *hours of service*.

“*Interest credit*” refers to an amount that is credited to your *employer matching account* under the Plan representing guaranteed investment earnings. The rate used to determine interest credits is based on the rate of return on United States treasury obligations (T-bills) and is calculated in accordance with IRS regulations. See pages 13-14 for more information on *interest credits*.

“*Joint and 50% survivor annuity*” is a form of payment under the Plan where you would receive a reduced monthly benefit for your lifetime, and, after your death, your surviving beneficiary would receive 50% of the monthly benefit you were receiving for his or her lifetime. The *joint and 50% survivor annuity* is the normal form of payment for married participants under this Plan, which means that if you are married, your benefit (including the portion of your benefit based on *matching credits*) will be paid in this

form unless you elect otherwise (with your spouse's consent). See page 23 for more information on the *joint and 50% survivor annuity*.

“*Joint and 100% survivor annuity*” is an optional form of payment under the Plan where you would receive a reduced monthly benefit for your lifetime, and, after your death, your surviving beneficiary would receive the same monthly benefit for his or her lifetime. The monthly benefit that you would receive would be smaller than the monthly benefit you would have received under the *joint and 50% survivor annuity* due to the greater monthly benefit payable to your surviving beneficiary. See page 23 for more information on the *joint and 100% survivor annuity*.

“*Matching credit*” refers to the amount that is credited to your *employer matching account* under the Plan, based on the amount you contributed to the 403(b) Plan between January 1, 2003 and December 31, 2008. See page 13 for more information on *matching credits*.

“*Normal retirement date*” is the first day of the month on or next following your 65<sup>th</sup> birthday. If you retire on your *normal retirement date*, you will receive a normal retirement benefit under the Plan. See page 9 for more information on your *normal retirement date* and your normal retirement benefit.

“*Participating employer*” means the Health System and certain of its affiliates that are covered by this Plan. The *participating employers* are currently the Health System, The Johns Hopkins Hospital (the “Hospital”), The Johns Hopkins Bayview Medical Center, Inc. (“Bayview”), The Johns Hopkins Medical Service Corporation (which does business under the name Johns Hopkins Community Physicians (“JHCP”)). Participants and beneficiaries may, upon written request to the Plan Administrator, obtain information as to whether a particular employer participates in the Plan.

“*Required beginning date*” is April 1 of the calendar year following the later of the calendar year in which you reach age 70½ or the calendar year in which you terminate employment.

“*Single life annuity*” is a form of payment under the Plan where you would receive a monthly benefit for your lifetime. The *single life annuity* is the normal form of payment for single participants under this Plan. If you are married, you may elect to receive your benefit as a *single life annuity*, but you must first obtain the

written consent of your spouse. See pages 23 for more information on the *single life annuity*.

“*Social Security benefit*” is one of the components used to calculate the benefit under the JHHSC Retirement Plan for certain Bayview participants. Your Social Security benefit is the estimated annual benefit payable to you by Social Security at age 65, determined utilizing a method established by the Plan Administrator. Rather than having the Plan use an estimated amount for you, you have the right to submit to the Plan Administrator your actual Social Security benefits payable at age 65. If you do so, the Plan’s formula for certain Bayview participants will use your actual Social Security benefit instead of an estimate. See pages 14-16 for an explanation of how your *Social Security benefit* affects the benefit formula for certain Bayview participants.

“*Social Security limit*” is applied to your *final average compensation* in determining your benefit under the Plan. The *Social Security limit* is the average of the Social Security wage bases for the 35 years ending with the year in which you are entitled to unreduced Social Security benefits. The wage base is the amount of earnings which are subject to FICA tax for Social Security (applicable to old age, survivors and disability insurance benefits). See page 13 for more information on the *Social Security limit*.

“*10 year certain annuity*” is an optional form of payment under the Plan where you would receive a reduced monthly benefit for your lifetime. If you die before receiving 10 years of monthly payments, the remaining guaranteed payments would be made to your beneficiary. If you are married, you must obtain the written consent of your spouse to elect this form of payment. See page 23 for more information on the *10 year certain annuity*.

“*Year of benefit service*” means a year in which you complete at least 1,000 *hours of service* as an eligible employee with a *participating employer*. See page 13 for more information on *years of benefit service*.

“*Year of eligibility service*” means a year in which you complete at least 1,000 *hours of service* with a *participating employer* or an affiliate in order to become a participant in the Plan. See pages 7-9 for more information on *years of eligibility service*, as well as an example of how a *year of eligibility service* is calculated.

“*Year of vesting service*” means a year in which you complete at least 1,000 *hours of service* with a *participating employer* or an affiliate. Once you have completed 5 *years of vesting service* (3 *years of vesting service* if you have an *employer matching account*), you have a vested (or nonforfeitable) right to receive benefits under the Plan. See pages 17-18 for more information on vesting and *years of vesting service*.

## RETIREMENT PLAN PARTICIPATION

### What Your Retirement Plan Can Do

One way to build your future financial security is through the JHHSC Retirement Plan. Your JHHSC Retirement Plan is a type of plan that’s known as a “*defined benefit pension plan*.” It provides a set monthly payment at retirement. This monthly benefit is your pension, and it’s calculated by a formula using your compensation and years of service. Your benefit will generally increase with every year you continue to work for a *participating employer*.

In addition to a set monthly benefit, the JHHSC Retirement Plan provided you with an opportunity to accumulate employer-provided *matching credits*, based on your contributions to your 403(b) Plan account made between January 1, 2003 and December 31, 2008. Although *matching credits* are no longer recorded in your *employer matching account*, *interest credits* are still added on a daily basis. When you retire or leave employment, you may elect to receive the balance of your *employer matching account* in a single sum payment (if your spouse consents) or as an annuity. If the balance is paid as a single sum, you may be able to defer taxation on the payment by rolling it over into another employer’s retirement or savings plan or to a traditional IRA. Matching credits or contributions are now made directly to your 403(b) Plan account.

When you retire, you will receive your pension, along with benefits from Social Security. Your personal savings (including any money you’ve saved through the 403(b) Plan, any matching contributions to your 403(b) Plan account, and your *employer matching account* under the JHHSC Retirement Plan) will be an additional source of income. These three sources can help provide the income you’ll need to retire.

### Prior Participants Take Note

If you terminated your employment with a *participating employer* before January 1, 2006, the rules of the JHHSC Retirement Plan may be different for you. Please contact the Pension Office if you have questions regarding your periods of service prior to January 1, 2006.

**Who is Eligible for the Plan** You are eligible to participate in the Plan if you meet the following requirements:

- you are a non-bargaining employee of a *participating employer*;
- you are not classified by the *participating employer* as a physician intern or fellow;
- you are not excluded from participation in the Plan by the terms of a personal employment contract with the *participating employer*;
- you are not an independent contractor; and
- you are not deemed to be a leased employee who provides services pursuant to an agreement with a leasing organization.

Once you satisfy the above requirements, you will be an “eligible employee,” and you will participate in the JHHSC Retirement Plan on the first day of the month after you complete a “*year of eligibility service*.”

You will earn a “*year of eligibility service*” if you complete at least 1,000 *hours of service* with a *participating employer* or an affiliate during your first year of employment (beginning on your date of hire) or in any calendar year beginning after your date of hire. You may also earn a  $\frac{1}{2}$  *year of eligibility service* if you complete at least 500 (but less than 1,000) *hours of service* during your first year of employment or any subsequent calendar year.

An “*hour of service*” is any hour that you work and are paid (or for which you are entitled to be paid) by a *participating employer* or an affiliate. You may earn *hours of service* during periods that you are not at work but are still paid, such as vacations, holidays, sick time, disability, approved leave of absence, layoff or jury duty. You will not earn *hours of service* for hours which you are paid by the Health System, directly or indirectly, for the sole purpose of complying with workers’ compensation, unemployment compensation or disability insurance laws. You also may earn *hours of service* during certain unpaid leaves of absences. (See pages 18-20 for a discussion of service credit during a leave of absence.)

If you were employed by John Hopkins Bayview Physicians, P.A. (“JHBP”) and you transferred to a position of employment covered by the Plan on or after June 1, 1999, your employment with JHBP will count in determining whether you have completed a *year of eligibility service* under this Plan.

If you were employed by The Suburban Hospital Healthcare System (“SHHS”) and you transferred to a position of employment covered by the Plan on or after July 1, 2009, your employment with SHHS will count in determining whether you have completed a *year of eligibility service* under this Plan.

Prior to November 1, 1998, employees of The Johns Hopkins Home Care Group, Inc., Johns Hopkins Home Health Services, Inc., Johns Hopkins Pediatrics-At-Home, Inc., and Johns Hopkins Pharmaquip, Inc. (the “Home Care Employees”) who met the above eligibility requirements were eligible to participate in the Plan. However, effective October 31, 1998, the benefits of Home Care Employees were “frozen.” All Plan benefits for Home Care Employees are fully vested. This means that Home Care Employees are entitled to a benefit at retirement or termination of employment, but the benefit is calculated based on *years of benefit service* and *compensation* (see pages 11-13) earned as of October 31, 1998 and the terms of the Plan in effect on that date. Also, Home Care Employees did not receive *matching credits* under the Plan.

### **Eligibility Example**

Assume that Bill, a non-bargaining employee of the Hospital (a *participating employer*), was hired on April 9, 2010. Bill is not classified by the Hospital as a resident, physician intern or fellow, he is not excluded from participation in the JHHSC Retirement Plan by the terms of a personal employment contract, and he is not deemed to be an independent contractor or a leased employee. In his first year of employment (April 9, 2010 through April 8, 2011), Bill completes at least 1,000 *hours of service* with the Hospital. Therefore, Bill becomes a participant in the JHHSC Retirement Plan on May 1, 2011 (assuming he is still employed by the Hospital or another *participating employer* on that date.)

If Bill does not complete at least 1,000 *hours of service* in his first year of employment (April 9, 2010 through April 8, 2011), he cannot become a participant on May 1, 2011. Instead, Bill will become a participant in the Plan on the January 1<sup>st</sup> following any calendar year in which he completes at least 1,000 *hours of service*. So, for example, if Bill does not complete at least 1,000 *hours of service* with the Hospital by April 8, 2011, but he does

complete at least 1,000 *hours of service* with the Hospital during calendar year 2011, he will become a participant in the Plan on January 1, 2012 (assuming he is still employed by the Hospital or another *participating employer* on that date).

If Bill completes at least 500 but less than 1,000 *hours of service* with the Hospital by April 8, 2011, and also completes at least 500 *hours of service* with the Hospital during calendar year 2011, he will become a participant in the Plan on January 1, 2012 (assuming he is still employed by the Hospital or another *participating employer* on that date).

## **NORMAL RETIREMENT**

### **Your Normal Retirement Date**

You are eligible for a normal retirement benefit if you retire on your “*normal retirement date*,” which is the first day of the month on or next following your 65th birthday. However, you may remain employed past this date. If you choose to remain employed past your 65th birthday, this is called “*deferred retirement*” and is described on page 11.

### **Normal Retirement Date Example**

Assume that Linda, a Bayview employee and a participant in this Plan, was born on May 11, 1956. Linda will attain age 65 on May 11, 2021. Linda’s *normal retirement date* under the Plan is June 1, 2021.

### **Your Normal Retirement Benefit**

Your normal retirement benefit is calculated using a formula that provides you with an annual benefit, payable in 12 monthly payments, beginning on your *normal retirement date*. The formula is based on your *compensation*, *years of benefit service* (to a maximum of 40 years), and the *Social Security limit*, plus the balance of your *employer matching account*. A description of the formula appears later under the section “Determining Your Retirement Benefit.”

## **EARLY RETIREMENT**

### **What is Considered Early Retirement**

You are eligible to retire on the first day of the month on or next following your 55th birthday, provided you have completed at least 5 *years of vesting service* (3 *years of vesting service* if you have an *employer matching account*). You may retire early at any time from this date to your *normal retirement date*. If you do retire early, the date on which you retire is called your “*early retirement date*.”

**Early Retirement Date Example**

Using the above example, Linda will attain age 55 on May 11, 2011. If Linda decides to retire on August 22, 2011, her *early retirement date* will be September 1, 2011 (assuming she has at least 5 *years of vesting service* (or 3 *years of vesting service* if she has an *employer matching account*) when she retires).

**Your Benefit if You Retire Early**

Your early retirement benefit is calculated just like your normal retirement benefit. (See “Determining Your Retirement Benefit”). When you retire early, you may choose to postpone the start of your pension until you reach your *normal retirement date*, or you may choose to receive your benefit at your *early retirement date* or on the first day of any month between your *early retirement date* and your *normal retirement date*. See page 17 for an example of an early retirement benefit calculation.

If you postpone the start of your pension until your *normal retirement date*, you will receive the full amount of your benefit, based on your *compensation* and *years of benefit service* at your *early retirement date*, the *Social Security limit* at your *normal retirement date* and the balance of your *employer matching account* at the time you receive your benefit.

If you choose to begin receiving your benefit before your *normal retirement date* (and you have not attained age 62 with 35 *years of vesting service*, as described below) your benefit, other than the balance of your *employer matching account*, will be permanently reduced (as shown in the chart below), since you will receive it over a longer period of time. The reduction is ½% per month (6% per year) for each of the first 60 months and 5/12% per month (5% per year) for each of the next 60 months that you start benefit payments early – before your *normal retirement date*. The chart below shows the percentage of your full (age 65) benefit (other than the balance of your *employer matching account*) that you would receive if your benefit begins before your *normal retirement date*:

| AGE BENEFITS COMMENCE | PERCENTAGE OF YOUR FULL BENEFIT THAT YOU WOULD RECEIVE |
|-----------------------|--|
| 65                    | 100%   |
| 64                    | 94%  |
| 63                    | 88%  |
| 62                    | 82%  |
| 61                    | 76%  |
| 60                    | 70%  |
| 59                    | 65%  |

|    |     |
|----|-----|
| 58 | 60% |
| 57 | 55% |
| 56 | 50% |
| 55 | 45% |

If you choose to begin receiving your benefit before your *normal retirement date*, but after attaining age 62 and completing at least 35 years of *vesting service*, your benefit will not be reduced. In other words, you will receive the same monthly amount that you would have received if you had postponed the start of your pension until age 65.

The balance of your *employer matching account* will not be reduced if you receive payment prior to your *normal retirement date*. You will receive a payment equal to the current balance.

## **DEFERRED RETIREMENT**

### **Deferred Retirement Benefits**

You may continue working after your *normal retirement date*, in which case your benefit will not begin until the first day of the month on or next following the day you actually retire. This date is called your “*deferred retirement date*.”

Generally, your deferred retirement benefit is calculated just like your normal retirement benefit (See “Determining Your Retirement Benefit.”)

## **DETERMINING YOUR RETIREMENT BENEFIT**

### **How Your Pension is Determined**

In general, there are four factors used in the pension formula:

- your *final average compensation*;
- your *years of benefit service*;
- the *Social Security limit*; and
- your *employer matching account*.

Each of these factors is discussed below.

In most cases, your benefit under the JHHSC Retirement Plan will be determined using the retirement formula described on page 14. However, special benefit calculation rules apply to certain participants. A discussion of the special benefit calculation rules appears on pages 15-17.

**Final Average Compensation**

“*Final average compensation*” is your average annual *compensation* for the highest 3 consecutive calendar years of employment during your last 10 consecutive calendar years of employment with a *participating employer* or an affiliate.

For purposes of calculating your *final average compensation*, “*compensation*” for any calendar year generally consists of your W-2 earnings for such year. W-2 earnings for any calendar year typically include base pay, bonuses, disability pay, overtime, shift differential and any salary reduction contributions to tax-deferred annuities and benefit plans. Contributions to or benefits paid from a retirement plan, deferred compensation plan, welfare benefit plan or fringe benefit plan are not included in *compensation*. Your *compensation* taken into account under the Plan is subject to a limit established by federal tax law. For 2011, the annual limit on compensation for purposes of the Plan is \$245,000.

**Final Average Compensation Example**

Suppose your annual *compensation* from a *participating employer* during your last 10 years of employment looks like this:

|      |          |
|------|----------|
| 2001 | \$29,300 |
| 2002 | \$30,500 |
| 2003 | \$32,000 |
| 2004 | \$33,400 |
| 2005 | \$35,000 |
| 2006 | \$36,700 |
| 2007 | \$38,100 |
| 2008 | \$40,000 |
| 2009 | \$41,100 |
| 2010 | \$43,200 |

Of these 10 final years of employment, the highest-paid 3 consecutive years would be:

|       |                 |
|-------|-----------------|
| 2008  | \$40,000        |
| 2009  | \$41,100        |
| 2010  | <u>\$43,200</u> |
| Total | \$124,300       |

Your *final average compensation* would be **\$41,433.33** (\$124,300/3).

**Benefit Service**

You are credited with a full “*year of benefit service*” for each calendar year in which you complete at least 1,000 *hours of*

*service* as an eligible employee of a *participating employer*. If you complete at least 500 (but less than 1,000) *hours of service* as an eligible employee in a calendar year, you are credited with a  $\frac{1}{2}$  *year of benefit service*. The maximum number of *years of benefit service* used to determine your retirement benefit is 40.

*Note:* If you previously participated in this Plan and took a single sum payment of your benefit, your prior *years of benefit service* will not be counted again. This provision does not apply to a single sum payment of the balance of your *employer matching account*.

### **Social Security Limit**

The “*Social Security limit*” is the average of Social Security wage bases for the 35 years ending with the year in which you are entitled to unreduced Social Security benefits. The wage base is the amount of earnings which are subject to tax for Social Security or FICA (applicable to old age, survivors and disability insurance benefits). It’s expected to go up every year. In 2011, the Social Security wage base is \$106,800. For 2011, the 35-year average for an individual who was born in 1946 is \$64,464. The Pension Office can supply you with more information regarding *Social Security limits*.

## **EMPLOYER MATCHING ACCOUNT**

### **Matching Credits**

If you are a participant in the JHHSC Retirement Plan and you contributed to your account under the 403(b) Plan between January 1, 2003 and December 31, 2008, you received *matching credits* in your *employer matching account* under the JHHSC Retirement Plan. The *matching credits* equaled 50% of your 403(b) Plan contributions for a payroll period, to the extent your 403(b) Plan contributions did not exceed 2% of your compensation for the payroll period.

### **Matching Credit Example**

Assume that Stephanie, a Hospital employee, is a participant in the JHHSC Retirement Plan. During the first payroll period of 2007, Stephanie earned \$1,500 and elected to contribute \$75 (5%) to her account in the 403(b) Plan. A *matching credit* of \$15 was added to her *employer matching account* under the JHHSC Retirement Plan (she contributed at least 2% of compensation (\$30) to her 403(b) Plan account, and 50% of that amount is \$15).

### **Interest Credits**

*Interest credits* are added to your *employer matching account* under the JHHSC Retirement Plan on a daily basis. The rate used to determine *interest credits* may change each calendar quarter. The rate for any calendar quarter is the monthly average

discount rate on 6-month Treasury bills plus 150 basis points determined for the second calendar month preceding the calendar quarter. For example, the interest rate for the last calendar quarter of 2010 (October – December 2010) is 1.69%, which is equal to the monthly average discount rate on 6-month Treasury bills for August 2010 (0.19%), plus 150 basis points. For purposes of determining *interest credits* on a daily basis, the rate will be calculated using an interest compounding method.

Although you will not receive any further *matching credits* in the JHHSC Retirement Plan after December 31, 2008, your *employer matching account* will continue to accrue *interest credits* until your benefit commencement date – the date as of which you receive the balance of your *employer matching account* in a single sum, or you begin to receive the balance as an annuity.

**Important**

Please note that your *employer matching account* under the JHHSC Retirement Plan is different from your account under the 403(b) Plan, because your *employer matching account* under the JHHSC Retirement Plan does not share in the actual earnings of the trust fund that holds the JHHSC Retirement Plan’s assets. Your *employer matching account* under the JHHSC Retirement Plan is guaranteed to earn interest at the rate described above, even if the JHHSC Retirement Plan’s actual investment return is lower or higher. The value of your *employer matching account*, therefore, will always increase as you continue to work.

**Retirement Formula**

Your annual retirement benefit will be calculated as follows:

| RETIREMENT FORMULA |   |
|--------------------|---|
| Step 1             | 1% of your <i>final average compensation</i><br>PLUS  |
| Step 2             | ½% of your <i>final average compensation</i> above the<br><i>Social Security limit</i><br>TIMES |
| Step 3             | your <i>years of benefit service</i> (up to 40)   |
| PLUS               |   |
| Step 4             | The annuity equivalent of the balance of your<br><i>employer matching account</i> .             |

**Minimum Benefit**

Regardless of the result under the retirement formula, your benefit (expressed as an annual amount payable at your normal retirement date for your lifetime only) cannot be less than \$480

times your *years of benefit service* (up to a maximum of 5 *years of benefit service*), plus the annuity equivalent of the balance of your *employer matching account*. Remember, if you start receiving your benefit before your *normal retirement date*, it may be reduced below the minimum amount to reflect early commencement (but the balance of your *employer matching account* will not be reduced).

### USING THE RETIREMENT FORMULA

To make it easier to understand how this formula works, let's look at the following example:

Assume that Sue, an employee with 20 years of benefit service, has final average compensation of \$70,000 when she retires at age 65 in 2011. The Social Security limit applicable to Sue is \$64,464. Sue's pension is being paid as a "single life annuity." This means that she will get an annuity paid for the remainder of her life, with no benefits payable after her death. Here's how to determine Sue's pension from the Plan.

**Step 1**

\$70,000.00 (Sue's *final average compensation*)  
 x .01 (one percent)  
 \$ 700.00

**Step 2**

\$ 5536.00 (Sue's *final average compensation* above the *Social Security limit*)  
 x .005 (one-half of one percent)  
 \$ 27.68

**Step 3**

\$ 727.68 (the sum of steps 1 and 2)  
 x 20 (Sue's years of benefit service)  
 \$ 14,553.60 (Sue's annual pension at age 65)

**Step 4**

Sue's *employer matching account* balance is \$4,500 on the date she retires. In addition to her pension benefit (described in steps 1-3), Sue may elect to receive a single sum payment of her *employer matching account*, which means that she would receive a distribution of \$4,500. Alternatively, Sue could elect to have her *employer matching account* converted into an annuity (using factors determined by the Plan's actuary).

## SPECIAL BENEFIT CALCULATION RULES

### Certain Bayview Participants

If you participated in the JHHSC Retirement Plan prior to January 1, 2003 as a Bayview employee, and you were actively employed by a *participating employer* (or on an authorized leave of absence) on December 31, 2002, you may be entitled to receive a benefit under the old Bayview pension formula. You will receive a benefit from the JHHSC Retirement Plan determined under the benefit formula described on page 14 unless the annual benefit determined under the following formula would be greater.

| BAYVIEW PENSION FORMULA |   |
|-------------------------|---|
| Step 1                  | 1-2/3% of your <i>final average compensation</i><br>TIMES<br><i>your years of benefit service</i><br>MINUS      |
| Step 2                  | 1-2/3% of your <i>Social Security benefit</i><br>TIMES<br><i>your years of benefit service (up to 30 years)</i> |

Note that, the *compensation* used to determine your *final average compensation* under the Bayview pension formula is based on your total W-2 earnings and not just base salary or wages.

**Former JHHP Plan Participants**

If you were a participant in the Johns Hopkins Health Plan, Inc. Employee Retirement Plan (the “JHHP Plan”) on December 31, 1991, the benefit you earned through June 30, 1992 will be calculated using the retirement formula of the JHHP Plan. The benefit you earn after June 30, 1992 will be calculated using the JHHSC Retirement Plan benefit formula described on page 14. Please contact the Pension Office for more information.

**Former Homewood Plan Participants**

If you were a participant in the Homewood Hospital Center, Inc. Pension Plan (the “Homewood Plan”) on December 31, 1991, your benefit will generally be calculated using the JHHSC Retirement Plan benefit formula described on page 14. However, your benefit cannot be less than the sum of (1) the benefit you earned through June 30, 1989 using the retirement formula of the Homewood Plan, plus (2) the benefit you earned after June 30, 1989 using the JHHSC Retirement Plan benefit formula (including your *employer matching account*). Contact the Pension Office for more information.

**Early Retirement Example**

As explained under “Early Retirement,” your pension benefit (other than your *employer matching account*) will be permanently reduced if you retire and take your benefit early, because the benefit is paid over a longer period of time.

Let’s look at Sue’s pension benefit (excluding her *employer matching account*) – \$14,553.60 per year paid over her lifetime beginning at her normal retirement date (age 65). What would that benefit have been if Sue had retired at age 62, 60 or 55?

| Retirement Age | Benefit Reduction | Sue's Annual Benefit* |
|----------------|-------------------|-----------------------|
| 62             | 18%               | \$11,933.95           |
| 60             | 30%               | \$10,187.52           |
| 55             | 55%               | \$6,549.12            |

*\*This example shows the effect of the benefit reduction, but does not take into account the fact that if Sue retired earlier, she may have fewer years of benefit service and/or lower final average compensation. Due to these factors, her actual benefit would be less.*

## **IF YOU LEAVE THE HEALTH SYSTEM**

### **Vested Benefits**

If you terminate employment with the Health System (and its affiliates) for any reason other than retirement, death or disability, you will still be entitled to a benefit under the Plan if you are “vested.” You will have a vested (or nonforfeitable) right to a benefit if, as of the date you terminate employment, you have completed at least *5 years of vesting service* (3 years of vesting service if you have an employer matching account). As a general rule, if you leave your employment with the Health System (and its affiliates) prior to completing *5 years of vesting service* (or *3 years of vesting service* if you have an employer matching account), no benefit will be paid to you under the Plan. (However, if you are still employed by the Health System (or an affiliate) when you reach your *normal retirement date*, you will be fully vested at that time, even if you do not yet have the requisite *years of vesting service*.)

You are credited with a full “*year of vesting service*” for each calendar year in which you complete at least *1,000 hours of service*. If you complete at least *500* (but less than *1,000*) *hours of service* in a calendar year, you are credited with *½ year of vesting service*.

If you were employed by John Hopkins Bayview Physicians, P.A. (“JHBP”) and you transferred to a position of employment covered by the Plan on or after June 1, 1999, your employment with JHBP will count in determining your *years of vesting service* under this Plan.

If you were employed by The Suburban Hospital Healthcare System (“SHHS”) and you transferred to a position of employment covered by the Plan on or after July 1, 2009, your employment with SHHS will count in determining your *years of vesting service* under this Plan.

**When Benefits are Payable**

You will normally begin receiving your benefit at age 65, although you may choose to begin receiving it at an earlier or later date, subject to the following rules.

You may elect to receive your vested *employer matching account* as soon as administratively possible after your termination of employment, or at a later date that you choose, but not later than your *required beginning date*.

You may elect to receive the remainder of your pension benefit under the JHHSC Retirement Plan (other than your *employer matching account*) as of the first day of the month that is on or next following your 55<sup>th</sup> birthday, or at a later date that you choose, but not later than your *required beginning date*. If you elect to receive your pension benefit prior to age 65, it will be permanently reduced because it will be paid out over a longer period. The reduction is ½% per month (6% per year) for each of the first 60 months and 5/12% per month (5% per year) for each of the next 60 months that you start your benefit payments early – before your *normal retirement date*. (See the chart on page 17 for an illustration).

If the single sum value of your pension benefit under the JHHSC Retirement Plan (other than the *employer matching account*) is not more than \$25,000, you may elect to receive your pension benefit as soon as administratively possible after your termination of employment, or at a later date that you choose, but not later your *required beginning date*. If you elect to receive your pension benefit at or after age 55, but prior to age 65, it will be permanently reduced as described in the preceding paragraph. If you elect to receive your pension benefit prior to age 55, it will be permanently reduced so that you will receive the actuarial equivalent of the benefit payable at age 65. The actuarial equivalent reduction is generally greater than ½% per month.

**Breaks in Service**

If you complete fewer than 500 *hours of service* during a calendar year you will have a “break in service.” Normally, this happens when you stop working for the Health System (and its affiliates).

Break-in-service rules are important if you return to work at the Health System (or an affiliate).

- If you were vested when you left and you return to work, then your *years of vesting service* (including years counted for eligibility for early retirement) will be reinstated; your *years of benefit service* will be reinstated as long as you did not receive a single sum payment of your benefit (other than your *employer matching account*) when you left. Your *employer matching account* will continue to accrue *interest credits* after you leave employment until your balance is paid or begins to be paid.
- If you were not vested when you left and you return to work in less than 5 years (i.e., have less than 5 consecutive one-year breaks in service), then your years of service for all purposes under the Plan and your *employer matching account* will be reinstated once you return to work. If you return to work after five or more years, then you lose your years of service and you lose the balance of your *employer matching account* prior to your break in service for all purposes under the Plan.

You will not have a break in service during any paid or unpaid authorized leave of absence (provided you return to work at the end of your leave period). You will earn *hours of service* during these leaves for all purposes under the Plan. To the extent required by federal law, an absence for service in the armed forces will also be counted as service for all purposes under the Plan.

## **DISABILITY AND SURVIVOR BENEFITS**

### **Disability Retirement**

If you have at least 10 *years of vesting service* and you become “disabled,” you are eligible for a “*disability retirement*” benefit under the Plan. You are “disabled” for purposes of the Plan if you incur a disability while in the active service of the Health System (or another participating employer) for which you are eligible for and receiving Social Security disability benefits.

### **Your Benefit if You are Disabled**

Your *disability retirement* benefit is calculated using the standard retirement formula. Unlike early retirement, there is no reduction in your *disability retirement* benefit for payments that

start before age 65. Your *years of benefit service* and *final average compensation* as of the date of your *disability retirement* and your *employer matching account* as of your benefit starting date will be used to calculate your benefit. The benefit will begin as of the date your Social Security disability benefit begins.

To continue receiving your benefit prior to age 65, you may be required to submit evidence from time to time of your continued disability.

### **Survivor Benefits for Your Beneficiary**

The availability and amount of a survivor benefit, payable upon your death, depends on several factors, including whether or not you are vested, whether or not you are married, whether or not you have an *employer matching account* and whether or not you are receiving benefit payments under the Plan when you die.

*Note:* Your beneficiary may be eligible for one or more special one-time payments (see “Special Payments” below).

You may designate any person or persons to receive benefits after your death. If you are married, you may designate a beneficiary other than your spouse only with your spouse’s written consent. You may change your beneficiary designation at any time by completing a new beneficiary designation form and filing it with the Pension Office.

If you are not vested when you die, no survivor benefits are payable (unless you made voluntary contributions to the Plan prior to July 1, 1992 – see the “Special Payments” section, below).

If you die after you are vested and you have not yet begun to receive your benefit, the following conditions apply:

- Your beneficiary will receive a single sum payment of your *employer matching account* balance as soon as administratively possible after your death. If your surviving beneficiary is your spouse, your spouse will receive a single sum payment (or an actuarially equivalent annuity) of your *employer matching account* balance which may be paid (or begin to be paid in the case of an annuity) in any month following your death (but no later than the end of the year in which you would have reached age 70 ½).

- If you die before age 55, your beneficiary may elect to receive a single sum payment or a survivor's benefit equal to one-half of the reduced amount that you would have received had you retired at age 55 with a *joint and 50% survivor annuity* form of payment (but based only on the benefit you had earned at the date of your death or earlier termination of employment, and excluding your *employer matching account*). Your beneficiary must begin to receive the single sum payment or monthly survivor benefit by the end of the year following the year of your death (e.g., if you die on November 15, 2011, your beneficiary must begin to receive the survivor benefit by December 2012). However, if your surviving beneficiary is your spouse, your spouse may begin to receive the survivor benefit in any month following your death (but no later than the end of the year in which you would have reached age 70 ½). If payment of the survivor benefit begins prior to your 65th birthday, your beneficiary's benefit payment will be reduced, since it will be payable over a longer period.
- If you die at or after age 55, your beneficiary may elect to receive a single sum payment or a survivor's benefit equal to the reduced amount that you would have received had you retired on the date of your death with a *joint and 100% survivor annuity* form of payment (but based only on the benefit you had earned at the date of your death or earlier termination of employment, and excluding your *employer matching account*). The survivor benefit commencement and reduction rules described in the preceding paragraph will apply.

Whether you are single or married, if you are receiving benefit payments when you die, your surviving spouse or beneficiary will receive whatever survivor benefits (if any) are payable under the form of benefit payment you had elected to receive.

*Note:* If you elect a *single life annuity* or if you receive all the guaranteed payments under a *10 year certain annuity*, no payments will be made after your death (unless your beneficiary qualifies for a Special Payment (see below)).

## Special Payments

One or more of the following special benefits may become payable to your beneficiary upon your death. These benefits would be in addition to your beneficiary's survivor benefit described above.

If you die (i) after your 55th birthday, (ii) while actively employed by the Health System (or a *participating employer*) and (iii) before you start to receive benefit payments, your beneficiary will receive a single sum payment equal to 12 times the monthly amount (excluding your *employer matching account*) you would have received had you retired on your date of death. This Special Payment is in addition to any preretirement survivor annuity to which you may be entitled.

If you die after you have started to receive monthly benefit payments, your beneficiary will receive a single sum payment equal to 12 times the monthly amount you were receiving (excluding your *employer matching account*). This Special Payment is in addition to any preretirement survivor annuity to which you may be entitled.

To the extent that a portion of your benefit is attributable to voluntary contributions that you made to the Plan prior to July 1, 1992, your beneficiary may elect to receive your contributions plus interest in a single sum. Contact the Pension Office for more information on voluntary contributions.

## HOW BENEFITS ARE PAID

### Applying for a Pension

You must apply for your pension on the forms provided by the Pension Office. When you apply, you'll receive details about the financial effect of each payment method, so you can choose the one that is best for you. You can request more information about the options before you make your choice.

You must make your choice in writing before payments begin. After payments start, you cannot change your election.

### Payment Methods

You may elect that your benefit be paid in one of the following ways:

- **Single Sum** – You can receive the value of your *employer matching account* balance in a single sum payment. You also can receive the remainder of your benefit under the Plan in a single sum payment if the single sum value of your benefit (excluding your *employer matching account*) does not exceed \$25,000.

- **Single Life Annuity** – You will receive a lifetime monthly pension. When you die, no further payments will be made.

*Note:* An unmarried participant who does not designate a specific optional form in which to receive benefits will receive benefits in this form (even with respect to his or her *employer matching account*).

- **Joint and Survivor Annuity** – You will receive reduced monthly benefit payments during your life so that after your death, benefit payments continue to another person for the remainder of his or her life. The amount of the continued monthly payments will be equal to 100%, 75% or 50% of your reduced monthly payment (whichever you elect before your pension begins).

*Note:* A married participant who does not designate a specific optional form in which to receive benefits will receive benefits in the form of a joint and 50% survivor annuity with his or her spouse as the survivor annuitant (even with respect to his or her *employer matching account*).

- **10 Year Certain Annuity** – You will receive reduced payments during your life in order to guarantee payments for a total of 10 years (120 monthly payments). If you die before receiving all 120 payments, the remaining guaranteed payments will be made to your beneficiary. If your beneficiary dies before all the payments are made, any remaining guaranteed payments will be made to the beneficiary's estate, unless you have designated another beneficiary to receive those payments. If you die after receiving at least 120 monthly payments, no death benefits will be payable to your beneficiary.
- **Cash Refund Option** – You will receive reduced monthly benefit payments during your life so that after your death, if you die prior to receiving the full value of your benefit under the Plan (determined as of the date you began to receive payments), the remaining value of your benefit will be paid in a single sum to your beneficiary.
- **Level Income Option** – If you begin to receive benefits under the JHHSC Retirement Plan on or after July 1, 2004, but before you start receiving your old-age Social Security benefits, you may elect the level income option. Under this option, you will receive an increased amount of benefit

from the Plan until your Social Security benefits begin, and a correspondingly lower amount of benefit from the Plan after your Social Security benefits begin. The goal of the level income option is to provide you with a steady monthly income both before and after you begin to receive Social Security benefits. This option also is available to your beneficiary under a joint and survivor option.

If you are married, you must have written consent from your spouse in order to receive benefits in any form other than a joint and survivor annuity with your spouse as the survivor annuitant.

## **PAYING TAXES ON YOUR BENEFIT**

Generally speaking, if you choose an annuity form of benefit with monthly payments, each payment will be fully taxable as ordinary income for Federal income tax purposes in the year in which you receive it (special rules and adjustments may apply if you made voluntary contributions to the Plan prior to July 1, 1992). You will be asked to make an election about income tax withholding.

If any portion of your benefit under the JHHSC Retirement Plan is paid in a single sum, that portion will be fully taxable as ordinary income for Federal income tax purposes when you receive it, unless you roll it over to a traditional IRA or another employer's eligible retirement plan. If you receive a single sum payment before age 59½, your payout (if not rolled over) may be subject to an additional 10% penalty tax. However, the penalty tax may not apply if you receive the single sum payment:

- upon your retirement at age 55 or later;
- upon disability or death; or
- as a result of a qualified domestic relations order (see page 27 for a discussion of qualified domestic relations orders).

If you elect to receive a portion of your benefit in a single sum payment, government regulations require that 20% of the payment be withheld automatically for Federal income tax, unless you directly roll over the amount to a traditional IRA or another employer's eligible retirement plan. The withheld amount will be applied toward your Federal income taxes for the year in which you receive the payment.

You must provide your written election to the Pension Office to have your single sum payment rolled over directly to a traditional IRA (or another eligible retirement plan that accepts rollovers) to avoid 20% withholding. You will not pay Federal income taxes until you take the money out of the IRA or other plan, at which time you will pay ordinary Federal income tax (and, if applicable, the additional 10% penalty tax for premature distributions) on the money you receive. If you die and you have a surviving spouse who will receive a single sum payment of all or a portion of your benefit, he or she may roll it over to an IRA or another employer's eligible retirement plan. If you die and your designated beneficiary is someone other than your spouse, he or she may directly roll over a single sum payment of all or a portion of your benefit to an IRA.

You (and your beneficiary) also may roll over your single sum payment to a Roth IRA. Such rollovers are subject to federal income tax when made. You are solely responsible for the income tax withholding and reporting to a Roth IRA, although you may enter into a voluntary tax withholding agreement with the Health System prior to the distribution.

Because tax laws are complex and subject to change, this information is intended only as a general guideline based on our understanding of the Federal income tax law in effect at the beginning of 2011. State and local tax laws may also apply. For your own protection, you should consult a tax specialist before you receive any Plan money that is subject to taxation. All Plan benefits will be paid to you (or your beneficiary) minus any income tax withholding that may be required by Federal, state or local laws.

## **ADMINISTRATIVE INFORMATION**

### **Plan Insurance**

Your benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set forth by law for the year in which the Plan terminates; (2) some or all of the benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Health System; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, Pension Benefit Guaranty Corporation, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

### **Assignment of Your Pension**

Your pension is not subject to the claims of your creditors or the creditors of your spouse or other beneficiaries. However, federal law permits payment of all or a portion of your benefit to another person, provided such payment is made in order to comply with a "qualified domestic relations order" relating to child support, alimony or marital property rights payments. The Plan Administrator will contact you in the event it receives a domestic relations order that could affect your Plan benefits.

The Plan has procedures for determining whether a domestic relations order must be honored (that is, whether your pension legally must be paid to a third party). You may obtain copies of these procedures, as well as other information relevant to processing qualified domestic relations orders, without charge, from the Pension Office.

## **Future of the Plan**

The Health System expects to continue the Plan, but has the right to change or terminate it at any time. No decision to change or end the Plan will deprive you of your vested benefits earned up to the date of change or termination, but projected benefits (benefits that would have been earned had the Plan not been changed or terminated) will not be protected. If the Plan is terminated, all employees will become fully vested in their accrued (not projected) pension to the extent funded. You'll be told how the change affects your benefits, if at all.

## **YOUR LEGAL RIGHTS**

### **Your Rights Under ERISA**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine (without charge) at the Plan Administrator's office and at other specified locations, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Discourse Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for copies.
- Obtain, upon written request to the Plan Administrator, a copy of the Plan's procedures for determining whether a domestic relations order received by the Plan is a "qualified" order. The Plan must provide this information free of charge.
- Receive a summary of the Plan's annual funding notice. The Plan Administrator is required by law to furnish each participant with a copy of this notice.
- Receive a pension benefit statement at least once every three years telling you whether you have a right to receive a pension at normal retirement age (age 65), and if so, what your benefits under the Plan would be at normal retirement if you stop working now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get this right. You may request this

statement not more than once every twelve (12) months.  
The Plan must provide this statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining retirement income or exercising your rights under ERISA.

## **ENFORCING YOUR RIGHTS**

### **Claims Procedure**

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

### **Appealing a Denied Claim**

If your claim for benefits from the Plan is denied in any way, the Plan Administrator will notify you in writing within 90 days of receipt of the claim. The notice will tell you:

- why the claim was denied;
- the Plan provisions on which the denial is based;
- what other material is needed to correct your claim and why it is needed; and
- how you can get your claim reviewed again.

If you disagree with what the notice says, you may file a written request for reconsideration, no later than 60 days after receiving the notice, with the Plan Administrator.

The Plan Administrator will review your appeal within 60 days, unless special circumstances require an extension. In that case, the Plan Administrator may take up to 120 days, if you are notified of the delay before the end of the first 60-day period. If you don't hear from the Plan Administrator in the first 60 days, you may assume your appeal has been denied. If the Plan Administrator notifies you that an extension is needed, and you don't get a final decision within 120 days, you may also assume your appeal has been denied. While your appeal is pending, you have the right to review Plan documents and to submit issues and

comments in writing. You may have a lawyer or other representative present your case.

### **Your Legal Rights**

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Questions**

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, EBSA, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210. You may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-800-998-7542. You may also seek assistance with the Plan by calling EBSA toll-free at 1-866-444-EBSA or by directing electronic inquiries to EBSA's website at [www.askebsa.dol.gov](http://www.askebsa.dol.gov)

## **IMPORTANT INFORMATION ABOUT THE RETIREMENT PLAN**

**Plan Name and Number** Johns Hopkins Health System Corporation  
Retirement Plan (No. 333)

|                                       |  |
|---------------------------------------|--|
| <b>Plan Sponsor</b>                   | Johns Hopkins Health System Corporation<br>600 North Wolfe Street<br>Baltimore, MD 21287   |
| <b>Employer Identification Number</b> | 52-1465301   |
| <b>Plan Year</b>                      | July 1 to June 30  |
| <b>Plan Type</b>                      | Defined benefit pension plan   |
| <b>Plan Administrator</b>             | Administrative Committee<br>Johns Hopkins Health System Corporation<br><br>c/o Vice President of Human Resources,<br>Johns Hopkins Health System Corporation<br>600 North Wolfe Street<br>Baltimore, MD 21287<br>(410) 614-3494  |
| <b>Agent for Service</b>              | Vice President of Human Resources,<br>Johns Hopkins Health System Corporation<br>600 North Wolfe Street<br>Baltimore, MD 21287<br><br>Service of legal process may also be made upon the plan trustee.   |
| <b>Plan Trustee</b>                   | State Street Bank & Trust Company<br>State Street Financial Center<br>One Lincoln Street<br>Boston, MA 02111   |
| <b>Plan Administration</b>            | The Johns Hopkins Health System Corporation sponsors the Plan and has appointed the Plan Administrator to administer it. The Plan Administrator resolves any questions that arise about the Plan, administers the Plan in a uniform way and sets the rules for operating the Plan.                           |
| <b>Plan Financing</b>                 | The Health System pays the full cost of any benefits that you earn under the Plan (except to the extent that participants made voluntary contributions to the Plan prior to July 1, 1992). Each year, the amount of the Health System's contributions is determined with the advice of the Plan's actuaries. |



# **403(b) Plans**

This is a summary of the Johns Hopkins Health System Corporation 403(b) Plan (the “Plan”) as it applies to employees (and their beneficiaries) of the Johns Hopkins Health System Corporation (the “Health System”) and certain of its participating affiliates. This summary describes the terms of the Plan, as amended through December 31, 2010.

You are cautioned that this summary does not reflect any future amendments that may be made to the Plan from time to time, and may not reflect all exceptions to the general provisions covered in this summary. Any conflicts between the statements in this summary and the terms of the Plan will be resolved by reference to the full Plan document.

If material changes are made to the Plan, you will receive a written summary description of such changes, which will supersede or supplement this summary. You should attach any written summaries of material changes to this document so that you will always have a current summary of the Plan.

**JOHN HOPKINS HEALTH SYSTEM CORPORATION 403(b) PLAN**

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## **INTRODUCTION**

Johns Hopkins Health System Corporation has established the Johns Hopkins Health System Corporation 403(b) Plan (the “Plan”) to provide eligible employees with an opportunity to save and invest for retirement. Under the Plan, you may contribute a portion of your compensation on a pretax and/or after-tax Roth basis, and receive employer matching contributions based on the amount of those contributions after completing a year of service. Any contributions that you make to the Plan are completely voluntary. You decide whether or not to contribute to the Plan and how much to contribute. However, if you are an eligible employee whose employment with the Johns Hopkins Health System Corporation or an affiliate began on or after January 1, 2009, you will be automatically enrolled in the Plan, unless you affirmatively elect otherwise.

This booklet is a summary of the Plan, as amended through December 31, 2010. It is not the Plan document. In case of any conflict between the information in this summary plan description and the terms of the Plan document, the terms of the Plan document will control. The Plan document contains a complete description of the terms and conditions of the Plan and legally governs the operation of the Plan. If you have any questions about the Plan or your eligibility, you may call the Pension Office at (410) 614-3494. If you have further questions, or if you wish to examine a copy of the Plan document and the trust agreement for the Plan, please contact the plan administrator.

## **DEFINITIONS**

Throughout this document, certain terms appear in *italics*. These terms have special meanings for purposes of the Plan. Each of the italicized terms is defined below.

“*Beneficiary(ies)*” means the individual, institution, trustee or estate designated by you to receive your benefits at your death. As part of your enrollment process, you will be asked to complete a beneficiary designation form.

“*Compensation*” means the amount paid to you that must be reported as wages on your Form W-2, plus compensation that is not currently includable in your gross income because it is contributed through a salary reduction agreement to a plan that meets the requirements of Section 125, 132(f), 401(k), 402(e)(3), 402(h), 403(b) or 457(b) of the Internal Revenue Code. *Compensation* taken into account under the Plan cannot exceed the limits of Section 401(a)(17) of the Internal Revenue Code (\$245,000 for 2011). This limit is adjusted by the Internal Revenue Service from time to time for increases in cost-of-living.

“*Fund Sponsor*” means an insurance, variable annuity or investment company that makes investment options available to participants under this Plan.

“*Funding Vehicles*” means the annuity contracts or custodial accounts offered as investment alternatives under this Plan and specifically approved by the *Health System* for use under this Plan.

“*Health System*” means the Johns Hopkins Health System Corporation.

“*JHHSC Retirement Plan*” means the Johns Hopkins Health System Corporation Retirement Plan, which is a defined benefit pension plan sponsored by the *Health System*. For more information about the *JHHSC Retirement Plan*, please refer to the summary plan description for the *JHHSC Retirement Plan*.

“*Plan*” means The Johns Hopkins Health System Corporation 403(b) Plan as described in this summary and as set forth in the Johns Hopkins Health System Corporation 403(b) Plan document, as it may be amended from time to time.

“*Plan Administrator*” means the person or entity responsible for the administration of the *Plan*. See the Section entitled “Important Information About the Plan” for information about the *plan administrator*.

“*Plan Year*” means the period of twelve consecutive months commencing on January 1 and ending on the following December 31.

“*Roth Contribution*” means any contributions made to the *Plan* that are includible in your gross income at the time deferred. As indicated in your salary reduction agreement, these contributions are irrevocably designated as *Roth contributions*. *Roth contributions* may be distributed tax-free (along with any associated investment earnings) if certain requirements are met. See the Section entitled “Paying Taxes on Your Benefit and Rollover Rights” for more information on distributions of *Roth contributions*.

“*Third Party Administrator*” means the professional service provider retained by the *plan administrator* to assist in the administration of the *Plan*. Currently, the *third party administrator* for the *Plan* is Lincoln National Life Insurance Company. You may contact Lincoln by visiting its website, [lincolnalliance.com](http://lincolnalliance.com), or by calling (800) 234-3500. You may also contact Lincoln’s on-site representative.

## **ELIGIBILITY TO PARTICIPATE**

### **Who is Eligible for the Plan**

You are eligible to participate in the *Plan* if you are an employee of the *Health System* or one of the following *Health System* affiliates:

The John Hopkins Hospital  
John Hopkins Bayview Medical Center, Inc.

However, you are not eligible to participate in the *Plan* if you are covered by a collective bargaining agreement (unless the agreement specifically provides for participation in the *Plan*), or if you are a leased employee or independent contractor.

Once you are eligible, you may begin to make voluntary pretax and *Roth contributions* to the *Plan* by completing and submitting a salary reduction agreement (and any other necessary enrollment forms) to the *third party administrator*.

### **Automatic Enrollment**

If you are an eligible employee who was hired on or after January 1, 2009 and you do not elect to voluntarily participate in the *Plan* within 30 days of receiving notice of *Plan* eligibility, you will be automatically enrolled in the *Plan* unless you affirmatively elect otherwise during the 30 day period.

Automatic enrollment means that your *compensation* will be reduced automatically, and the amount by which your *compensation* is reduced will be contributed on your behalf to your account under the *Plan*.

## **MAKING CONTRIBUTIONS UNDER THE PLAN**

### **Voluntary Pretax and Roth Contributions**

You may voluntarily elect to participate in the *Plan* by completing a salary reduction agreement. On the agreement, you elect the amount of your *compensation* that you wish to contribute to the *Plan* on a pretax basis and/or as a *Roth contribution*. You may elect a whole number percentage (e.g., 15%) or a flat dollar amount (e.g., \$200) of your *compensation* to be contributed each pay period. After your salary reduction agreement is completed and submitted, your *compensation* will be reduced by the amount you have elected, and the same amount will be contributed to your account under the *Plan*.

If you were automatically enrolled in the *Plan*, you will be deemed to have authorized the *Health System* or your participating employer to contribute 2% of your *compensation* to the *Plan* on a pretax basis. Unless you affirmatively elect otherwise, the contribution amount will automatically increase by

1% of *compensation* each year up to a maximum of 10% of *compensation*. You may elect to change your contribution rate at any time by completing a salary reduction agreement.

Unlike pretax contributions, *Roth contributions* are subject to federal income tax when made to the *Plan*, but the *Roth contributions* and any associated investment earnings are distributed tax-free if the requirements of a “qualified distribution” are met. See “Receiving Your Benefits” and “In-Service Cash Withdrawals,” below, for more information.

You may terminate your salary reduction agreement at any time. Your ability to modify the agreement may be subject to reasonable restrictions established by the *plan administrator*. The salary reduction agreement is legally binding and irrevocable with respect to *compensation* paid while the agreement is in effect.

The amount of voluntary pretax and *Roth contributions* that you can make to the *Plan* is subject to certain limits imposed by law. See the Section entitled “Limits on Contributions,” below, for more information on contribution limits.

### **Age-Based Catch-Up Contributions**

If you are eligible to contribute to the *Plan*, you will attain at least age 50 by the end of the *plan year*, and you have reached the contribution limits imposed by the *Plan* or by law, you may make an age-based “catch-up contribution” of \$5,500 (for 2011) on a pretax or Roth basis. Catch-up contribution limits are adjusted annually for inflation.

The *plan administrator* will determine whether a voluntary pretax or *Roth contribution* is an age-based catch-up contribution, based on Internal Revenue Service regulations and other guidance.

### **Service-Based Catch-Up Contributions**

If you are eligible to contribute to the *Plan* and you have completed at least 15 years of service with the *Health System* and its affiliates, you may make an additional service-based catch-up contribution on a pretax or Roth basis. Your service-based catch-up contribution for any year cannot exceed the least of:

- \$3,000
- \$15,000 minus the total of your service-based catch-up contributions for previous years; or
- \$5,000 multiplied by your years of service with the *Health System* and its affiliates, minus the total of your voluntary pretax and *Roth contributions* (including any catch-up contributions) made in all previous years to the *Plan* or any other plan maintained by the *Health System*.

If you make both service-based and age-based catch-up contributions to the *Plan*, the contributions will first be treated as service-based contributions and then as age-based contributions. This treatment reduces the amount of service-based catch-up contributions you can make in future years.

### **Rollover Contributions**

You may transfer (or “roll over”) to the *Plan* amounts from another employer’s plan (including Roth contributions held in another employer’s plan) or an individual retirement account (IRA), subject to certain restrictions that may be imposed by the *fund sponsor*.

### **Matching Contributions**

Between January 1, 2009 and July 1, 2009, if you made voluntary pretax and/or *Roth contributions* to the *Plan*, and you had completed one year of service with the *Health System* (as defined below under “Vesting”), you received employer matching contributions in your match account under the *Plan*. Your matching contributions equaled 50% of your voluntary pretax and *Roth contributions* to the *Plan* for each payroll period, to the extent your voluntary pretax and *Roth contributions* did not exceed 2% of your *compensation* for the payroll period (see “Suspension of Matching Contributions” below).

Prior to January 1, 2009, if you made voluntary pretax and *Roth contributions* to the *Plan*, and you were a participant in the *JHHSC Retirement Plan*, you received “matching credits” in your employer matching account under the *JHHSC Retirement Plan*. Your employer matching account will continue to receive interest credits after January 1, 2009 under the terms of the *JHHSC Retirement Plan*. See the *JHHSC Retirement Plan* summary plan description for more information.

*Example:* Assume that Stephanie, an employee of The Johns Hopkins Hospital, is a participant in this *Plan* and has completed at least one year of service (as defined below under “Vesting”). During the first payroll period of 2009, Stephanie earns \$1,500 in compensation and elects to contribute \$75 (5%) as a voluntary pretax contribution to her account under the *Plan*. A matching contribution of \$15 will be added to match account under the *Plan* (she makes a voluntary pretax contribution of at least 2% of her *compensation* (\$30) to her account under the *Plan*, and 50% of that amount is \$15).

### **Suspension of Matching Contributions**

**The *Health System* will not provide employer matching contributions for payroll periods that end on or after July 1, 2009.** You may continue to make voluntary pretax and Roth contributions to the *Plan* after July 1, 2009. The *Health System’s* Board of Trustees will revisit this issue on a periodic basis. If the Board reinstates the *Plan’s* employer matching contribution feature, you will receive additional information at that time.

## **Limits on Contributions**

Your voluntary pretax and *Roth contributions* to the *Plan* and all other defined contribution plans in which you may have participated during the year are limited to a certain dollar amount set forth in the Internal Revenue Code. The current dollar limit for 2011 is \$16,500.

If you have completed at least 15 years of service with your current organization, you may make a service-based “catch-up contribution” under the *Plan* (see the section entitled “Catch-Up Contributions,” above). Service-based catch-up contributions do not count for purposes of the dollar limit described above.

There is also a limit on the total contributions that can be added to your account under the *Plan* for any *plan year*. In 2011, the contributions to your account (not including catch-up contributions) under the *Plan* cannot exceed the lesser of \$49,000 or 100% of your annual *compensation*. The IRS may adjust this limit from time to time.

If you will reach age 50 or older by the end of the *plan year*, and your contributions will be limited by the *Plan* or by law, you may make an age-based catch-up contribution under the *Plan* (see the section entitled “Catch-Up Contributions,” above). Age-based catch-up contributions do not count for purposes of either of the limits described in this Section.

For more information on the limits applicable to the *Plan*, contact the Pension Office at (410) 614-3494.

## **INVESTING YOUR ACCOUNT**

The *Plan* features a wide range of investment alternatives with different objectives, risk and potential for gain. The availability of these alternatives allows you to create an investment program that is right for you.

Before deciding to invest in any investment fund, you should read the prospectus for that fund. Except in the case of a fixed annuity investment option, there is no guarantee that the stated investment goals of any of the investment fund will be realized. You can obtain detailed information (including a prospectus) about each of the investment funds by contacting the *third party administrator*. The *plan administrator* has the right to add or remove investment funds under the *Plan*. You will be notified in advance of any such change.

**Investment Elections**

When you enroll in the *Plan* and elect to make voluntary pretax and/or *Roth contributions*, you choose how your contributions and employer matching contributions are to be invested. You may direct that your contributions be invested among any or all of the investment funds offered under the *Plan*, in increments of 1%. Your election of how contributions added to your account are to be invested will remain in effect until changed by you.

If you are automatically enrolled in the *Plan*, the contributions added to your account will be initially invested in the default investment fund selected by the *Health System*. You may change the investment allocation of these contributions at any time by contacting the *third party administrator*.

**Changing Your Investments**

You may change your investment election as of any business day. Any such change will apply, as you direct, (1) only to existing money in your *Plan* account, (2) only to future contributions to your *Plan* account, or (3) both. In order to make an investment change, you must contact the *third party administrator*.

**Transaction Fees and Expenses**

There is an annual fee of \$50 if you invest all or a portion of your *Plan* account in the self-directed brokerage account option. Also, certain transactional fees may apply based on the investments you select within the self-directed brokerage account option. Unless otherwise indicated in a fund's prospectus or by the *third party administrator*, there are no other transaction fees or expenses that reduce your *Plan* account balance associated with the purchase or sale of investment options offered under the *Plan*.

**Participant Investment Directions**

The *Plan* is intended to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA") and accompanying regulations. This means that the *Plan* permits participants to direct the investment of their *Plan* accounts. As long as the *Plan* complies with the requirements of Section 404(c), you will have responsibility for deciding how your *Plan* account is invested and the parties that otherwise would be responsible for making investment decisions (the "fiduciaries" of the *Plan*) will not be liable for any losses that result directly from your investment instructions.

To comply with Section 404(c), the *Plan* must permit participants to choose from a broad range of investment alternatives and must provide participants with certain information about the investment alternatives and the operation of the *Plan*. In addition to the information included in this summary and in your enrollment package for the *Plan*, you may request the following information:

- a description of the annual operating expenses of each investment fund which reduce the rate of return for participants and beneficiaries, and the aggregate amount of such expenses expressed as a percentage of average net assets of the investment option;
- copies of any prospectuses, financial statements and reports, and of any other materials relating to the investment funds to the extent that such information is provided to the *Plan*;
- a list of the assets comprising the portfolio of each investment fund which constitute *Plan* assets within the meaning of ERISA, and the value of each such asset;
- information concerning the value of shares or units in each investment fund, as well as the past and current investment performance of such investment fund, determined, net of expenses, on a reasonable and consistent basis; and
- information concerning the value of shares or units in investment funds held in your *Plan* account.

The *plan administrator* is the named fiduciary responsible for providing this information. To request any of this information, contact the Pension Office at (410) 614-3494 or the *third party administrator*.

The *Plan's* default investment fund is intended to meet the requirements of a “qualified default investment alternative” under U.S. Department of Labor regulations. You will receive an annual notice explaining the default fund’s investment objectives, risk and return characteristics and fees and expenses. If you would like to receive more information about the *Plan's* default investment fund, contact the Pension Office at (410) 614-3494 or the *third party administrator*.

## **VESTING**

You always have a 100% vested (that is, nonforfeitable) interest in all of your contributions to the *Plan*. Any employer matching contributions that are made to the *Plan* based on your voluntary pretax and *Roth contributions* to this *Plan* will become vested in accordance with the following schedule.

| <u>Years of Service</u> | <u>Nonforfeitable Interest</u> |
|-------------------------|--------------------------------|
| 1                       | 0%                             |
| 2                       | 25%                            |
| 3                       | 50%                            |
| 4                       | 75%                            |
| 5                       | 100%                           |

A “year of service” means each year of your employment (from the date of your hire or reemployment) that you are credited with at least 1,000 hours of service, as determined under the terms of the *Plan*.

An “hour of service” means any hour that you work and are paid (or for which you are entitled to be paid) by the *Health System* or a participating employer.

## **RECEIVING YOUR BENEFITS**

Your *Plan* account will be payable upon your termination of employment with the *Health System* and its affiliates for any reason. Payment must begin no later than April 1 following the later of the calendar year in which you attain age 70½ or the calendar year in which you terminate employment (your “required beginning date”). Failure to begin receiving benefit payments by your required beginning date may subject you to federal tax penalties.

### **Form of Payment**

You may choose from among several payment options for receiving your *Plan* account when you retire. These optional forms of payment include a single sum payment and your choice of annuity options (as described below). Your form of payment may depend on the *funding vehicle* in which you have elected to invest your contributions to the *Plan*, and may be subject to legal restrictions. You should contact your *fund sponsor* for more details on choosing a form of payment.

*Single sum payment.* You may elect to receive the value of your *Plan* account in a single sum payment.

*Single life annuity.* You may elect to convert the value of your *Plan* account into an equivalent annuity (using actuarial factors) that will pay you a monthly benefit for as long as you live. This form of payment will provide you with the greatest amount of monthly income because it is paid over your life only.

*Joint and survivor annuity.* You may elect to convert the value of your *Plan* account into an equivalent annuity (using actuarial factors) that will pay you a reduced monthly benefit for as long as you live. After your death, your *beneficiary* will receive, at your election, 50%, 75% or 100% of the amount you received in monthly installments for your *beneficiary's* life. If you are married when you begin to receive payment of your *Plan* account and you elect an annuity option, your *Plan* account must be paid as a joint and survivor annuity with your spouse as your *beneficiary*, unless you elect otherwise and your spouse consents to your election.

*Single life annuity with 120 guaranteed monthly payments.* You may elect to convert the value of your *Plan* account into an equivalent annuity (using actuarial factors) that will pay you a reduced monthly benefit for as long as you live. If, as of the date of your death, you have received less than 120 monthly payments, your *beneficiary* will receive the remaining monthly payments, provided that you and your *beneficiary* will not receive a total of more than 120 monthly payments.

*Single life annuity with cash value option.* You may elect to convert the value of your *Plan* account into an equivalent annuity (using actuarial factors) that will pay you a reduced monthly benefit for as long as you live. If, as of the date of your death, you have received less than the value of your *Plan* account (as of the date payments began), the excess of such value over the value of the monthly payments you received will be paid as a single sum payment to your *beneficiary*.

Note that a participant may only take a distribution from his or her *Roth contribution* account if such distribution would constitute a "qualified distribution." A qualified distribution is a distribution that is made at least five taxable years after your first *Roth contribution* to the *Plan* and after you attain age 59½, your death or the date you become disabled.

*Periodic installment payments.* You may elect to receive the value of your *Plan* account in a series of monthly, quarterly, semi-annual, or annual installment payments. The *third party administrator* will help you set up the amount and frequency of the installment payments. These payments will continue until the vested portion of your *Plan* account has been fully distributed. Note that if you elect this form of payment option, you may, in accordance with procedures established by the *Plan Administrator*, modify the amount and/or frequency of future installment payments, including an election to receive any remaining portion of your vested *Plan* account in a *single sum payment*.

## **Payment Upon Death**

If you die before beginning to receive payment of your *Plan* account or while receiving installment payments, the value of your *Plan* account will be paid to your *beneficiary* in a form described above that he or she elects (subject to any restrictions applied by a *fund sponsor* and subject to applicable law). If you are married when you die, your spouse will be your *beneficiary*, unless you have elected otherwise and your spouse has consented to your election. If you die after beginning to receive payment of your *Plan* account, your *Plan* account will be paid in accordance with the form of payment you have elected.

## **IN-SERVICE CASH WITHDRAWALS**

In certain circumstances, you are permitted to make withdrawals from your *Plan* account while you are still employed by the *Health System* or a *Health System* affiliate. A withdrawal from your *Plan* account while you are still actively employed may have special tax consequences. (See the section entitled “Paying Taxes on Your Benefit and Rollover Rights,” below.) You may request a withdrawal from your *Plan* account by contacting the *third party administrator*.

## **Age 59½**

Once you reach age 59½, you may make a withdrawal from your *Plan* account, not more than once per *plan year*, up to the total vested portion of your *Plan* account. Your withdrawal cannot include any *Roth contributions* (or associated investment earnings) unless it would satisfy the requirements of a qualified distribution (as defined on page 10). You may make this withdrawal in the form of a single sum or a series of monthly, quarterly, or semi-annual installment payments. Installment payments, if elected, will continue until the earlier of:

- (1) your severance from employment;
- (2) your death; or
- (3) your election to alter the amount and/or frequency of future installment payments. Note that you may not make such an election more than once per *plan year*.

## **Rollover Contributions**

At any time, but not more than once per *plan year*, you may withdraw from your *Plan* account any amount that you previously rolled over to the *Plan* (and any earnings on that amount). Your withdrawal cannot include any *Roth contributions* (or associated investment earnings) unless it would satisfy the requirements of a qualified distribution (as defined on page 10).

## **Automatic Enrollment Contributions**

If you were automatically enrolled in the *Plan*, you may withdraw your automatic contributions to the *Plan* within 90 days following your first salary reduction contribution. The amount distributed cannot be rolled over and will be subject to federal income tax, but no early withdrawal penalties. Any employer matching contributions associated with the automatic contributions that you withdrew will be forfeited.

## **Hardship**

If permitted under the *funding vehicle* in which you have invested your contributions, you may withdraw from your *Plan* account in the event of a financial hardship. All pretax contributions and rollover contributions in your *Plan* account are eligible for hardship withdrawal. *Roth contributions*, employer matching contributions and investment earnings on your voluntary pretax contributions are not available for hardship withdrawal. To qualify for a hardship withdrawal, you must show and the *plan administrator* must determine that you have an immediate and heavy financial need and the withdrawal is necessary to satisfy that need.

An “immediate and heavy financial need” means one (or more) of the following:

- certain medical expenses for you, your spouse, your dependents or your primary designated *beneficiary* under the *Plan*;
- the purchase (excluding mortgage payments) of your principal residence;
- payment of tuition and related educational fees for the next twelve months of post-secondary education for you, your spouse, your dependents or your primary designated *beneficiary* under the *Plan*;
- payments necessary to prevent eviction from your principal residence or foreclosure on your mortgage;
- burial or funeral expenses for your spouse, your parents, your dependents or your primary designated *beneficiary* under the *Plan*; or
- expenses for the repair of casualty damages to your principal residence that would qualify for a casualty deduction under the Internal Revenue Code.

A withdrawal is necessary to satisfy an immediate and heavy financial need if the need cannot be relieved through reimbursement or compensation by insurance, by reasonable

liquidation of your assets, by stopping *Plan* contributions, or by other distributions or non-taxable loans.

## **PAYING TAXES ON YOUR BENEFIT AND ROLLOVER RIGHTS**

Generally speaking, if you choose an annuity form of benefit with monthly payments, each payment will be fully taxable as ordinary income for federal income tax purposes in the year in which you receive it. You will be asked to make an election about income tax withholding.

If you receive your *Plan* account as a single sum payment, the payment will be fully taxable as ordinary income for federal income tax purposes when you receive it, unless you roll it over to a traditional IRA or another employer's eligible retirement plan. Amounts received as a hardship withdrawal are not eligible for rollover. If you receive a single sum payment before age 59½, your payout (if not rolled over) may be subject to an additional 10% penalty tax. However, the penalty tax may not apply if you receive the single sum payment:

- upon your retirement at age 55 or later;
- upon disability or death; or
- as a result of a qualified domestic relations order (see the Section entitled "Qualified Domestic Relations Orders," below).

If you elect to receive your *Plan* account in a single sum payment, federal law requires that 20% of the payment be withheld automatically for federal income tax, unless you directly roll over the amount to a traditional IRA or another employer's eligible retirement plan. The withheld amount will be applied toward your federal income taxes for the year in which you receive the payment.

You must provide your written election to the *third party administrator* to have your single sum payment rolled over directly to a traditional IRA (or another eligible retirement plan that accepts rollovers) to avoid 20% withholding. You will not pay federal income taxes until you take the money out of the traditional IRA or other plan, at which time you will pay ordinary federal income tax (and, if applicable, the additional 10% penalty tax for premature distributions) on the money you receive. If you die and you have a surviving spouse who will receive a single sum payment of all or a portion of your benefit, he or she may roll

it over to an IRA or another employer's eligible retirement plan. If you die and your designated *beneficiary* is someone other than your spouse, he or she may directly roll over your benefit under the *Plan* to an IRA.

If your *Roth contributions* have been invested in the *Plan* (or another similar arrangement) for at least five years and you are at least age 59 ½ on the date of distribution, the amount deferred as *Roth contributions* (along with any associated investment earnings) will be distributed to you tax-free.

You (and your *beneficiary*) also may roll over your *Plan* account to a Roth IRA. Such rollovers are subject to federal income tax when made, except for the portion of the rollover that is attributable to *Roth contributions*. You are solely responsible for the income tax withholding and reporting on rollovers to a Roth IRA, although you may enter into a voluntary tax withholding agreement with the *Health System* prior to the distribution.

Because tax laws are complex and subject to change, this information is intended only as a general guideline based on our understanding of the federal income tax law in effect at the end of 2010. State and local tax laws may also apply. For your own protection, you should consult a tax specialist before you receive any *Plan* money that is subject to taxation. All *Plan* benefits will be paid to you (or your *beneficiary*) minus any income tax withholding that may be required by federal, state or local laws.

## **LOANS**

If permitted under the *funding vehicle* in which you have invested your contributions, you may borrow from your *Plan* account. To request a loan, or to obtain more information about borrowing from the *Plan*, contact the *third party administrator*. The *third party administrator* may charge a loan origination fee in connection with a *Plan* loan.

### **Amount that may be Borrowed**

The maximum amount that you can borrow from the *Plan* is the lesser of (1) \$50,000 (reduced by your highest outstanding loan balance over the past 12 months) or (2) 50% of the value of your *Plan* account (excluding *Roth contributions* and any associated investment earnings). The minimum amount of any loan from your *Plan* account is \$1,000. You may have only one *Plan* loan outstanding at a time. *Roth contributions* and any associated investment earnings are not available for loans.

|                        |   |
|------------------------|---|
| <b>Interest Rate</b>   | The rate of interest on loans from the <i>Plan</i> will be a reasonable rate determined by the <i>plan administrator</i> (or the <i>fund sponsor</i> ) from time to time to be commensurate with the prevailing interest rate charged on similar commercial loans. The rate of interest will remain fixed for the life of the loan.   |
| <b>Term of Loan</b>    | You must select the term of your loan (up to 60 months) at the time you apply for the loan. You may repay the entire outstanding balance of your loan at any time, without penalty.   |
| <b>Repaying a Loan</b> | Generally, your loan will be repaid in installments through automatic payroll deductions, which you must authorize at the time you apply for the loan. If you stop making required loan repayments (for example, because you leave the <i>Health System</i> before your loan is repaid), your outstanding loan balance, including accrued interest, will become due and payable immediately. If you do not repay this amount within the time requested, the amount owed will be deducted from your <i>Plan</i> account before the <i>Plan</i> makes any distribution to you. The amount of this deduction will be treated as a taxable distribution to you for the year in which the deduction is made. |

### **QUALIFIED DOMESTIC RELATIONS ORDERS**

Your *Plan* account is intended only for you or your *beneficiary*. It generally cannot be assigned, attached or seized by any creditors except with respect to *Plan* loans or a federal income tax levy.

If your spouse, former spouse, child or other dependent obtains a court order ordering the *Plan* to pay some or all of your *Plan* account to him or her pursuant to a divorce, child support action or other kind of domestic relations proceeding, the *Plan* can honor the terms of the order (and pay all or part of your *Plan* account to that person) only if the order is a “qualified domestic relations order” as defined by law.

The *Plan* has procedures for determining whether a domestic relations order must be honored (that is, whether all or part of your *Plan* account legally must be paid to a third party). You may obtain copies of these procedures, as well as other information relevant to processing qualified domestic relations orders, without charge, from the *plan administrator*.

## **ADMINISTRATIVE INFORMATION**

- Future of the Plan** The *Health System* expects to continue the *Plan*, but has the right to change or terminate it at any time. No decision to change or end the *Plan* will deprive you of your vested benefits earned up to the date of change or termination, but projected benefits (benefits that would have been earned had the *Plan* not been changed or terminated) will not be protected. You will be told how the change affects your benefits, if at all.
- Plan Expenses** All reasonable expenses necessary to operate and administer the *Plan* will be paid by the *Plan* unless paid by the *Health System*. The *Plan Administrator* may determine that administrative expenses paid by the *Plan* will be deducted from participants' accounts or allocated among participants' accounts on either a proportionate or flat fee basis. In addition, the *Plan Administrator* may charge your account for the expense associated with a specific optional feature that you elect, such as loans and reviews of qualified domestic relations orders.
- Plan is Not an Employment Contract** The *Plan* should at no time be considered a contract of employment between you and the *Health System* or a *Health System* affiliate. It does not guarantee you the right to continue your employment, nor does it limit the *Health System's* (or the affiliate's) right to discharge you or any other employee with or without cause.
- Benefits are Not Insured** The Pension Benefit Guaranty Corporation (PBGC), a federal agency, was established to guarantee benefits under certain types of retirement plans. The PBGC does not, however, insure benefits under a "defined contribution plan" such as this one.

## **YOUR LEGAL RIGHTS**

- Your Rights Under ERISA** As a participant in the *Plan*, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all *Plan* participants shall be entitled to:
- Examine (without charge) at the *plan administrator's* office and at other specified locations, all documents governing the *Plan*, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the *Plan* with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration
  - Obtain, upon written request to the *plan administrator*, copies of all documents governing the operation of the *Plan*, including insurance contracts, and copies of the latest

annual report (Form 5500 Series) and updated summary plan description. The *plan administrator* may make a reasonable charge for copies.

- Receive a summary of the *Plan's* annual financial report. The *plan administrator* is required by law to furnish each participant with a copy of this summary annual report.
- Receive a pension benefit statement at least once every calendar quarter. Your statement will provide the total value of your *Plan* account, including any contributions made during the quarter and investment earnings or losses. The *plan administrator* is required to provide you with an explanation of any limitations or restrictions on your right under the *Plan* to direct the investment of your account.

In addition to creating rights for *Plan* participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your *Plan*, called “fiduciaries” of the *Plan*, have a duty to do so prudently and in the interest of you and other *Plan* participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining retirement income or exercising your rights under ERISA.

## **ENFORCING YOUR RIGHTS**

### **Claims Procedure**

If your claim for benefits is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

### **Appealing a Denied Claim**

If your claim for benefits from the *Plan* is denied in any way, the *plan administrator* will notify you in writing within 90 days of receipt of the claim. The notice will tell you:

- the specific reason(s) why the claim was denied;
- the *Plan* provisions on which the denial is based;
- what other material is needed to correct your claim and why it is needed; and
- how you can get your claim reviewed again.

If you disagree with what the notice says, you may file a written request for reconsideration, no later than 60 days after receiving the notice, with the *plan administrator*.

The *plan administrator* will review your appeal within 60 days, unless special circumstances require an extension. In that case, the *plan administrator* may take up to 120 days, if you are notified of the delay before the end of the first 60-day period. If you do not hear from the *plan administrator* in the first 60 days, you may assume your appeal has been denied. If the *plan administrator* notifies you that an extension is needed, and you do not get a final decision within 120 days, you may also assume your appeal has been denied. While your appeal is pending, you have the right to review *Plan* documents and to submit issues and comments in writing. You may have a lawyer or other representative present your case.

## **Your Legal Rights**

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the *Plan* and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the *plan administrator* to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the *plan administrator*.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the *Plan's* decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that *Plan* fiduciaries misuse the *Plan's* money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## **Questions**

If you have any questions about your *Plan*, you should contact the *plan administrator*. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the *plan administrator*, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, EBSA, U.S. Department of Labor, 200

Constitution Avenue, NW, Washington, DC 20210. You may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-800-998-7542. You may also seek assistance with the Plan by calling EBSA toll-free at 1-866-444-EBSA or by directing electronic inquiries to EBSA's website at [www.askebsa.dol.gov](http://www.askebsa.dol.gov).

### **IMPORTANT INFORMATION ABOUT THE PLAN**

**Plan Name and Number** Johns Hopkins Health System Corporation  
403(b) Plan (No. 001)

**Plan Sponsor** Johns Hopkins Health System Corporation  
600 North Wolfe Street  
Baltimore, MD 21287

**Employer Identification Number** 52-1465301

**Plan Year** January 1 to December 31

**Plan Type** Defined Contribution 403(b) Plan

**Plan Administrator** Administrative Committee  
Johns Hopkins Health System Corporation  
  
c/o Vice President of Human Resources,  
Johns Hopkins Health System Corporation  
600 North Wolfe Street  
Baltimore, MD 21287  
(410) 614-3494

**Agent for Service** Vice President of Human Resources,  
Johns Hopkins Health System Corporation  
600 North Wolfe Street  
Baltimore, MD 21287

Service of legal process may also be made upon the *Plan* trustee.

**Plan Custodian** Wilmington Trust Company  
1100 North Market Street  
Wilmington, Delaware 19890

## **Plan Administration**

The Johns Hopkins Health System Corporation sponsors the *Plan* and has appointed the *plan administrator* to administer it. The *plan administrator* resolves any questions that arise about the *Plan*, administers the *Plan* in a uniform way and sets the rules for operating the *Plan*. The *plan administrator* has delegated most of the day-to-day administration of the *Plan* to the *Plan's* recordkeeper, which is:

Lincoln National Life Insurance Company  
1300 Clinton Street  
Ft. Wayne, IN 46802  
(800) 234-3500  
[lincolnalliance.com](http://lincolnalliance.com)