

**THE BAY MEDICAL CENTER  
PENSION PLAN**

**SUMMARY PLAN DESCRIPTION**

January 2019

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## INTRODUCTION

Bay Medical Center, a Special District (the "District") has established the Bay Medical Center Pension Plan (the "Plan") in order to provide retirement benefits for its eligible employees and employees of any subsidiaries or affiliates of the District that may adopt the Plan. The Plan's provisions are described in as simple of terms as possible in this Summary Plan Description ("SPD"). **This SPD reflects the provisions of the Plan in effect on January 1, 2019.**

This Plan is a successor to the BayMed Staffing, Inc. Pension Plan. Thus, for purposes of interpreting the provisions of this SPD, the use of the term the "District" throughout this SPD includes BayMed Staffing, Inc. as it existed prior to January 1, 2004.

The Plan consists of two parts - Part A and Part B. Part A benefits are based on a formula that recognizes your years of service and level of pay, similar to the benefits under the Florida Retirement System ("FRS") that were in effect on June 22, 1996. Part B "cash balance" benefits are equal to the value of your retirement account under the Plan. See "WHICH PART OF THE PLAN ARE YOU IN - A OR B" for more details. Both parts are paid for entirely by the District - they cost you nothing. Your Plan benefits, in addition to your personal savings, and benefits from Social Security and the FRS, if applicable, can help provide financial security for your retirement years.

**On March 31, 2012 (which is referred to as the "Transaction Date"), the District leased the hospital to Bay County Health System, LLC and the employment of all of the District's employees terminated at that time. Thus, the benefit accruals of all participants ceased at that time (although the benefit accruals under Part A ceased prior to the Transaction Date on December 31, 2010). In addition, new participation in the Plan ceased on the Transaction Date. With respect to the interpretation of the provisions of the remainder of this SPD, please keep in mind that the District does not have any employees after March 31, 2012 because the employment of all of the District's employees terminated on the Transaction Date.**

This SPD summarizes the main features of the Plan. Because this SPD is only a summary, you should check the Plan for complete provisions that may apply to you. If there is any discrepancy between the content of this SPD and the content of the legal documents establishing the Plan and its related trust, the terms of the legal documents will govern in all cases.

Please read this booklet carefully. Benefit plans, by their nature, are complicated. If you have any questions about the Plan after reading this summary, or if you want to review the Plan and related legal documents, you should contact the Plan Administrator (see "BASIC PLAN INFORMATION – Plan Administrator" for contact information relating to the Plan Administrator).

## SUMMARY OF BENEFITS

The Plan provides the following benefits:

- **A normal retirement benefit at age 62 . . .** if you have at least five years of credited service (see “WHEN BENEFITS ARE PAID – Normal Retirement” for more details);
- **An early retirement benefit at age 50 . . .** if you have at least five years of credited service, or at an earlier age if you are in Part A of the Plan and have 30 years of benefit service (see “WHEN BENEFITS ARE PAID – EARLY RETIREMENT” for more details);
- **A disability retirement benefit . . .** if you have to stop working because of total and permanent disability any time after you have ten years of credited service (see “IF YOU BECOME DISABLED” for more details);
- **A deferred vested benefit . . .** if you terminate employment for any reason before retirement, but after at least five years of vesting service (SEE “YOUR RIGHTS TO PLAN BENEFITS IF YOU TERMINATE EMPLOYMENT”);
- **Pre-retirement surviving spouse protection . . .** if you die after completing at least five years of vesting service and before your retirement or termination benefit payments begin; and
- **A death benefit for your dependent child . . .** if you have no spouse and die while employed in a benefited status after completing at least five years of vesting service.

## WHO IS ELIGIBLE

**As indicated above, new participation in the Plan ceased on the Transaction Date as a result of the District’s lease of the hospital. However, the following explains the eligibility provisions of the Plan in effect prior to this time.**

All employees of the District who are classified under procedures established by the District in a benefited status (or, prior to February 1, 2002, in a regularly established position) are eligible to participate in the Plan. Employees who are classified in a non-benefited status, or are classified as a per diem employee or are represented by a union, or considered to be leased employees, independent contractors or reclassified employees are not eligible to participate.

If you are an eligible employee, you automatically become a participant in Part B of the Plan as of the first day of the month after the date you:

- reach age 21, and
- complete one year of eligibility service. This means you complete 1,000 or more hours of service (see next page) during either (i) your first 12 months of employment, or (ii) any calendar year beginning after your date of hire.

Certain employees, however, are not eligible for Part B of the Plan. See “WHICH PART OF THE PLAN YOU ARE IN - A OR B”.

## HOW SERVICE IS COUNTED

As indicated above, the employment of all employees of the District terminated on the Transaction Date as the result of the lease of the hospital and thus, the “service” of all participants ceased at that time subject to two very specific exceptions for “imputed vesting service” and “imputed benefit service” (both of which are described below). The following discussion explains the three types of service that may have been counted under the Plan prior to this time (i.e., credited service, vesting service and benefit service), as well as imputed vesting service and imputed benefit service counted after the Transaction Date of March 31, 2012.

There are three types of service that are counted for different purposes under the Plan - **credited service**, **vesting service** and **benefit service**. All three types are explained in this section.

Special rules apply for purposes of determining service if:

- you retire because of disability (see "IF YOU BECOME DISABLED");
- you terminate employment and are later rehired by the District (see "IF YOU ARE REHIRED"); or
- you transfer between eligible and ineligible status (see "TRANSFERS").

### Hours of Service

Your service is based on the number of hours of service you complete. An hour of service is each hour for which you are directly or indirectly paid by the District or for which back pay is awarded or agreed upon. Generally, this includes hours for which you are paid for performing services and up to 501 hours for time away from work for vacation, holiday, illness, disability, layoff, jury duty, leave of absence, or worker's compensation time covered by the District. You will receive hours of service for military duty, so long as you return to work with the District within the time prescribed by current veterans re-employment law.

Periods of unpaid leave of absence (for medical, disability, vacation, education or other circumstances approved by the District) will be credited based on the number of hours you were scheduled to work per week immediately before the leave. But, the credit will be limited to a maximum of 501 hours in any calendar year and 2,000 hours in total over your career with the District.

### Credited Service

Your credited service is used to determine your right to retirement benefits. You will receive one year of credited service for each calendar year in which you have at least 1,000 hours of service as an eligible employee (see "WHO IS ELIGIBLE").

### Vesting Service

Your vesting service determines your right to termination benefits, pre-retirement surviving spouse protection and the dependent child death benefit (see "WHEN YOU WILL BE VESTED"). You will receive one year of vesting service for each calendar year in which you have at least 1,000 hours of service with the District. However, any participant that was

employed by the District immediately prior to the Transaction Date shall receive one (1) year of vesting service for each calendar year commencing on and after January 1, 2012 through the date of his death provided he is living on the last day of the applicable calendar year. Such vesting service is generally referred to as “**imputed vesting service**”.

### **Benefit Service**

If you participate in Part A of the Plan, your benefit service is used to figure the amount of your Part A benefit, (see "HOW PART A BENEFITS ARE CALCULATED"), the amount of your Health Insurance Subsidy (if you are eligible to receive this Subsidy pursuant to the applicable provisions located on page 12) and your eligibility for the 30-year special early retirement benefit. However, as indicated in “HOW PART A BENEFITS ARE CALCULATED”, your benefit service completed after December 31, 2010 is disregarded for purposes of calculating the amount of your Part A benefit.

If you participate in Part A of the Plan, your benefit service is the same as your credited service subject to the following exceptions:

- For the year in which you terminate employment, if you have less than 1,000 hours of service, you will receive credit for a partial year of service for benefit service purposes.
- If you have less than 1,000 hours of service in the year in which you transfer from eligible to ineligible status, you will receive credit for a partial year of service for benefit service purposes.
- Solely for purposes of determining whether you satisfy the 30 or more years of benefit service requirement to receive the unreduced early retirement benefit (see “HOW PART A BENEFITS ARE CALCULATED – Early Retirement Benefit”), any participant that was continuously employed as an eligible employee since December 31, 1995 through the Transaction Date shall receive 1/12<sup>th</sup> of one (1) year of benefit service on the first day of each calendar month beginning after the Transaction Date and ending on the date of his death. Such benefit service is generally referred to as “**imputed benefit service**”. However, no participant shall receive more than one (1) year of benefit service for the 2012 calendar year.

### **Credited, Vesting and Benefit Service Before 2004**

You will receive credited, vesting and benefit service for all such service you received under the Bay Med Staffing, Inc. Pension Plan before January 1, 2004. For more information relating to your credited, vesting and benefit service (if any) under the Bay Med Staffing, Inc. Pension Plan, please see the summary plan description for that plan, a copy of which can be obtained from the Plan Administrator.

## **WHEN YOU WILL BE VESTED**

The term "vested" means that you are entitled to your Plan benefit even if you terminate employment before you are eligible to retire. You will become 100% vested after you complete five years of **vesting service** (see "HOW SERVICE IS COUNTED – Vesting Service"), including service that was recognized for vesting purposes by BayMed Staffing, Inc. In addition, anyone who was 100% vested in the BayMed Staffing, Inc. Pension Plan is 100% vested in this Plan.

## WHEN BENEFITS ARE PAID

In general, no benefits are payable to you from the Plan unless you have terminated employment, your employment relationship has been completely severed with the District and you have notified the District in advance of your initial benefit distribution date. **As indicated above, the employment of all employees of the District terminated on the Transaction Date.**

### Normal Retirement

Your normal retirement date is the first day of the month after the *earlier* of the date on which (1) you are at least age 62 and have completed five years of credited service (see "HOW SERVICE IS COUNTED"), or (2) you are at least age 65 and have reached the fifth anniversary of the date you became a Plan participant. For this purpose, participation begins on the first day of the plan year in which you become a participant (see "WHO IS ELIGIBLE"). Full Plan benefits are payable if you retire (i.e., terminate employment) on your normal retirement date.

### Early Retirement

If you terminate employment before your normal retirement date, you will qualify for an early retirement benefit if you are age 50 with five or more years of credited service (see "HOW SERVICE IS COUNTED").

If you are eligible for early retirement, you may elect to have your benefit payments begin effective on the first day of any month between the date you terminate employment and your normal retirement date (see above). However, if you decide to start receiving your benefits before your normal retirement date, the amount of your monthly benefit will be less than the monthly amount you would have received had you postponed payment until your normal retirement date, because the payments will be made over a longer period of time. If you are in Part A of the Plan, though, you may retire at an earlier age if you have at least 30 years of benefit service with no reduction for early commencement of your benefit (see "WHICH PART OF THE PLAN ARE YOU IN - A OR B").

### Late Retirement

You may continue working beyond your normal retirement date, in which case your late retirement date will be the first day of the month after the date you terminate employment.

### Disability Retirement

You are eligible to retire before your early or normal retirement date if you terminate employment because of total and permanent disability occurring while you are employed with the District and after you have completed ten years of credited service. Please see "IF YOU BECOME DISABLED" for specific details. **In order to be eligible for a disability benefit under the Plan, you must have terminated employment prior to the Transaction Date due to your total and permanent disability.**

## **Vested Termination**

Regardless of your age, if you are vested (see "WHEN YOU WILL BE VESTED"), you will be eligible for a benefit under the Plan. Please refer to "YOUR RIGHTS TO PLAN BENEFITS IF YOU TERMINATE EMPLOYMENT" for specific details.

### **WHICH PART OF THE PLAN ARE YOU IN - A OR B**

**Part A applies as of January 1, 2004, if you were actively participating in Part A of the BayMed Staffing, Inc. Pension Plan on December 31, 2003.**

You will stop earning benefits under Part A when your employment with the District in a benefited status ends. If you are later rehired or transfer into benefited status, you will begin to earn additional benefits under Part B of the Plan. (See "TRANSFERS").

**Part B applies if you are not eligible for Part A.**

### **HOW PART A BENEFITS ARE CALCULATED**

Your benefit from Part A of the Plan, if any, is determined under the formula shown in this section. The formula is based upon:

- a percentage of your **final average pay**; and
- your years of **benefit service** (see "HOW SERVICE IS COUNTED").

Your **final average pay** is determined by adding your pay for the five highest-paid plan years (or your period of employment, if less) and dividing that sum by five (or the number of plan years employed, if less). For many participants, the last five plan years of pay generate the highest average. Only your pay up to the annual limit set by the IRS each year will be used to determine your final average pay. Only your pay while you are a participant in Part A (or FRS prior to June 23, 1996) is used in this calculation.

Your pay is generally the wages you earn from which the District is required by law to withhold federal income tax, plus any pre-tax deferrals you make to the District's tax sheltered annuity, deferred compensation or cafeteria plans. However, the following types of pay will not be considered:

- any lump sum payments for accumulated paid time off or extended illness days, sick leave, or other reasons such as sign on bonuses, relocation expenses, tuition reimbursements and travel expenses;
- bonuses as defined under FRS on June 22, 1996;
- third party payments; and
- automobile and housing allowances.

Notwithstanding the foregoing, benefit accruals under Part A of the Plan ceased as of December 31, 2010. Thus, for purposes of determining the amount of your benefit under the formula described above, your benefit service and pay attributable to periods after December 31, 2010 will not be considered.

**Accrued Benefit**

All Part A benefits are based on your accrued benefit, which is a monthly lifetime benefit, payable beginning on your normal retirement date (see "WHEN PLAN BENEFITS ARE PAID"). Your accrued benefit, expressed as an annual amount, is generally determined under the following formula:

$$\text{Benefit Rate multiplied by Benefit Service multiplied by Final Average Pay}$$

As indicated above, benefit accruals under Part A of the Plan ceased as of December 31, 2010. Thus, for purposes of determining your accrued benefit under the formula described above, your benefit service and pay attributable to periods after December 31, 2010 will not be considered.

Your Benefit Rate is generally 1.60%. However, if you retire after your normal retirement date or with greater than 30 years of benefit service, a larger percentage may apply to the formula (see "Early Retirement Benefit" and "Late Retirement Benefit" below).

**If you are entitled to a benefit under the FRS that is based on service counted as benefit service under this Plan, your accrued benefit will be offset by the actuarial equivalent of the other benefit.** If this offset applies to you, the Plan Administrator will explain how it works in greater detail when your benefits from the Plan start.

**Normal Retirement Benefit**

If you terminate employment on your normal retirement date, your accrued benefit will become payable on that date (see "WHEN PLAN BENEFITS ARE PAID"). The following example illustrates how a normal retirement benefit would be calculated for a participant in Part A of the Plan named "Jack" who:

- was born in October, 1948;
- has 25 years of benefit service;
- retires on November 1, 2010 (Jack's normal retirement date); and
- has the pay history shown in the following chart for his last 6 years of employment.

<u>Year</u>	<u>Pay</u>		<u>Year</u>	<u>Pay</u>	
2010	\$40,000	✓	2007	\$41,000	✓
2009	\$46,000	✓	2006	\$39,000	✓
2008	\$44,000	✓	2005	\$37,000	

Before we can use the formula, we need to first calculate Jack's final average pay. Because Jack was paid more for his ten months of work in 2010 than for the entire 2005 year, Jack's final average pay is based on his last five years of employment (2006 - 2010), which are check-

marked above. We determine his final average pay by adding together his pay for those years and dividing the total by five:

\$	39,000
+	\$ 41,000
+	\$ 44,000
+	\$ 46,000
+	<u>\$ 40,000</u>
\$	210,000

$$\$210,000 \div 5 = \$42,000$$

By applying the formula on the previous page to Jack's final average pay of \$42,000, we get the following result:

$$1.60\% \times 25 \times \$42,000 = \$16,800$$

So, Jack's benefit is \$16,800 per year. If we divide this amount by 12, we find that Jack's monthly lifetime benefit, starting on November 1, 2010, would be \$1,400. Remember, however, that Jack's benefit from the Plan is offset by his single life benefit from the FRS, based on the same retirement date as under this Plan and FRS service as of June 22, 1996.

### **Early Retirement Benefit**

If you qualify for early retirement, you will be entitled to receive your accrued benefit starting at your normal retirement date. If you elect to start benefit payments before then and have less than 30 years of benefit service, your early retirement benefit will be reduced by five percent (5%) for each year (and approximately 0.42% for each month) that payments begin before your normal retirement date. If you have 30 or more years of benefit service when you retire and you elect to start benefit payments before your normal retirement date, there will be no reduction in your benefit. Although benefit accruals under Part A of the Plan ceased as of December 31, 2010, solely for purposes of determining whether you satisfy the 30 or more years of benefit service requirement to receive the unreduced early retirement benefit described in the preceding sentence, your benefit service attributable to the period between January 1, 2011 through March 31, 2012 will be taken into account (unless such service is disregarded for some other reason, see "IF YOU ARE REHIRED" and "TRANSFERS"). **In addition, if you were continuously employed as an eligible employee since December 31, 1995 through the Transaction Date, you shall receive 1/12<sup>th</sup> of one (1) year of benefit service on the first day of each calendar month beginning after the Transaction Date and ending on the date of your death for purposes of determining whether you satisfy the 30 or more years of benefit service requirement to receive the unreduced early retirement benefit described above. Although such benefit service is generally referred to as "imputed benefit service", you cannot receive more than one (1) year of benefit service for the 2012 calendar year.**

For example, if you retired with 20 years of benefit service and began receiving Plan benefits as of the first day of the month after your 57<sup>th</sup> birthday, then your payment start date would be exactly five years before your normal retirement date. So, your accrued benefit would be reduced by 25% (5 years x 5% = 25%). This would result in a monthly lifetime benefit of 75%

of the amount that you would have received if you had waited to start your benefit payments at normal retirement age.

If you have 30 or more years of benefit service when you retire, the appropriate Benefit Rate from the following chart will be used in the formula to determine your accrued benefit:

**Time Elapsed Since Completion of 30 Years of Benefit Service**

	<b>Benefit Rate</b>
1 year	1.63%
2 years	1.65%
3 or more years	1.68%

Notwithstanding the foregoing, since benefit accruals under Part A of the Plan ceased as of December 31, 2010, you will only be entitled to the increased Benefit Rate set forth in the preceding chart if you satisfied the 30 or more years of benefit service requirement prior to January 1, 2011 and your increased Benefit Rate percentage will be based on the number of years elapsed between your completion of this requirement and December 31, 2010.

**Late Retirement Benefit**

If you continue to work as an eligible employee beyond your normal retirement date, you will be entitled to receive your accrued benefit, determined as of the date you actually terminate employment, using the appropriate Benefit Rate from the chart below. Your accrued benefit at your late retirement date can never be less than your accrued benefit determined as of your normal retirement date.

**Time Elapsed as an Eligible Employee Since Normal Retirement Date**

	<b>Benefit Rate</b>
1 year	1.63%
2 years	1.65%
3 or more years	1.68%

Since benefit accruals ceased under Part A of the Plan as of December 31, 2010, you will not be entitled to the increased Benefit Rate set forth in the preceding chart unless your normal retirement date and termination of employment both occurred prior to January 1, 2011. Notwithstanding the foregoing, if you attained normal retirement age prior to January 1, 2011 but terminated employment after December 31, 2010, you will be entitled to this increased Benefit Rate and your increased Benefit Rate percentage will be based on the number of years elapsed between the date you attained normal retirement age and December 31, 2010.

**Cost of Living Adjustment**

To help protect your Plan benefit payments from the effects of inflation, you will receive a three percent (3%) cost-of-living increase each January 1. The increase is based on your preceding December benefit payment, excluding the health insurance subsidy described below. Your first

cost-of-living increase will be a prorated amount if you have not been retired for a full year. This cost-of-living increase is only provided if you attained “retiree” status on or before September 1, 2009 (which means you are receiving Normal, Early, Late or Disability Retirement benefits under Part A on or before September 1, 2009). Thus, if you attain “retiree” status after September 1, 2009, you will not receive this cost-of-living increase.

### **Health Insurance Subsidy**

The health insurance subsidy is a monthly supplemental payment that you may be eligible to receive if you have health insurance coverage. If your application is approved by the Plan Administrator, the monthly payment will be calculated by multiplying three dollars (\$3) by your years of benefit service while covered under Part A of the Plan (see "HOW SERVICE IS COUNTED"). The minimum subsidy is \$15 per month and the maximum is \$90 per month. The amount of the health insurance subsidy payable from this Plan is reduced by the health insurance subsidy payable from the FRS (based on the assumptions that the FRS subsidy is at the \$3.00 rate, even if the actual FRS subsidy is more or less, and that the two subsidies will start on the same date). You are responsible for notifying the Plan Administrator if your health coverage stops. Once your health insurance coverage ends, you will stop receiving the subsidy, even if you later obtain insurance again. This health insurance subsidy is only provided if you attained “retiree” status on or before September 1, 2009 (which means you are receiving Normal, Early, Late or Disability Retirement benefits under Part A on or before September 1, 2009). Thus, if you attain “retiree” status after September 1, 2009, you will not receive this health insurance subsidy.

## **HOW PART B BENEFITS ARE CALCULATED**

Part B of the Plan is called a “cash balance plan”. Under Part B, you earn two kinds of credits - a **retirement credit** and an **interest credit**. The credits are generally added to your account each December 31. The retirement credit will stop when you leave the District or transfer to ineligible status, but the interest credit will continue until your Plan benefit payments begin. **As indicated above, the employment of all of the District’s employees terminated on the Transaction Date. Thus, the retirement credits of participants ceased at that time. However, interest credits continue to accrue until your benefit payments commence.** When you retire, your account balance is converted to a monthly lifetime benefit based on assumptions stated in the Plan document, or you may elect to receive your account balance in a single lump sum payment. Participants’ account balances in Part B of this Plan as of January 1, 2004 will equal their account balances in the BayMed Staffing, Inc. Pension Plan on December 31, 2003. For more information relating to the calculation of your account balance (if any) under the Bay Med Staffing, Inc. Pension Plan, please see the summary plan description for that plan, a copy of which can be obtained from the Plan Administrator.

### **Retirement Credits**

**Retirement credits** will be equal to two percent (2%) of your eligible pay for the portion of the year in which you are an eligible employee and a participant in Part B of the Plan. The retirement credit will only be added to your account if you complete 1,000 or more hours of service during the year (see "HOW SERVICE IS COUNTED").

For example, if a participant in Part B of the Plan named "Jill" had eligible pay of \$18,000 in the year 2011, the District would add a retirement credit of \$360 to her Plan account for that year, provided she completed at least 1,000 hours of service. The \$360 is calculated by multiplying \$18,000 by 2%.

Your eligible pay is generally the wages you earn from which the District is required by law to withhold federal income tax, plus any pre-tax deferrals you make to the District's tax sheltered annuity or cafeteria plans. However, the following types of pay will not be considered:

- any lump sum payments for accumulated paid time off or extended illness days, sick leave, or other reasons such as sign-on-bonuses, relocation expenses, tuition reimbursements and travel expenses;
- bonuses as defined under FRS on June 22, 1996;
- third party payments; and
- automobile and housing allowances.

Only your eligible pay up to the annual limit set by the IRS each year will be used to determine your retirement credits.

### **Interest Credits**

**Interest credits** are credited as of the last day of each plan year and are based on the amount in your account at the beginning of the year. The rate of interest is based on Treasury Bill rates. The interest rate for each calendar year will be the lesser of the yield on one-year Treasury Bills as of the last business day of December of the previous year, or the interest rate for 30-year Treasury Bills as of November of the previous year. Contact the Plan Administrator for the interest rate applicable to each year.

The following example illustrates how the benefit of "Jill" described above would be calculated, assuming that:

- she had an account balance of \$8,000 on January 1, 2011;
- her employment ended on January 1, 2012 (benefit accruals ceased March 31, 2012 for all employees), at age 60 with 10 years of credited service;
- she had eligible earnings of \$18,000 during 2011;
- she elected to start benefit payments on January 1, 2019;
- the applicable interest rates were 0.29%, 0.12%, 0.16%, 0.13%, 0.25%, 0.65%, 0.85% and 1.76% for 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 respectively.

By the end of 2011, Jill's account balance would have grown to \$8,383.20. This amount is calculated by adding both the previously determined \$360 retirement credit and a \$23.20 interest credit to her account balance as of the beginning of the year, calculated in the following manner:

account balance at 1/1/2011		\$8,000.00
retirement credit (\$18,000 x 2%)	+	\$ 360.00
interest credit (\$8,000 x 0.29%)	+	<u>\$ 23.20</u>
account balance at 12/31/2011		\$8,383.20

Since Jill didn't work during 2012, (benefit accruals ceased March 31, 2012 for all employees), her account would not receive a retirement credit for that year. But, because her benefit payments won't start until 2019, her account would receive an interest credit for 2012, calculated in the following manner:

$$\$8,383.20 \text{ (account balance at 12/31/2011)} \times 0.12\% \text{ (interest rate for 2012)} = \$ 10.06$$

account balance at 12/31/2011		\$8,383.20
retirement credit for 2012	+	\$ 0.00
interest credit for 2012	+	<u>\$ 10.06</u>
account balance at 12/31/2012		\$8,393.26

Jill's account will continue to receive interest credits for 2013, 2014, 2015, 2016, 2017 and 2018 calculated in the following manner:

account balance at 12/31/2012		\$8,393.26
interest credit for 2013 (\$8,393.26 x 0.16%)	+	<u>\$ 13.43</u>
account balance at 12/31/2013		\$8,406.69

account balance at 12/31/2013		\$8,406.69
interest credit for 2014 (\$8,406.69 x 0.13%)	+	<u>\$ 10.93</u>
account balance at 12/31/2014		\$8,417.62

account balance at 12/31/2014		\$8,417.62
interest credit for 2015 (\$8,417.62 x 0.25%)	+	<u>\$ 21.04</u>
account balance at 12/31/2015		\$8,438.66

account balance at 12/31/2015		\$8,438.66
interest credit for 2016 (\$8,438.66 x 0.65%)	+	<u>\$ 54.85</u>
account balance at 12/31/2016		\$8,493.51

account balance at 12/31/2016		\$8,493.51
interest credit for 2017 (\$8,493.51 x 0.85%)	+	<u>\$ 72.19</u>
account balance at 12/31/2017		\$8,565.70

account balance at 12/31/2017		\$8,565.70
interest credit for 2018 (\$8,565.70 x 1.76%)	+	<u>\$ 150.76</u>
account balance at 12/31/2018		\$8,716.46

Jill's \$8,716.46 account balance would then be converted to a monthly life annuity using the actuarial methods described in the Plan document, so that her benefit payments could start on January 1, 2019.

## HOW ALL BENEFITS ARE PAID

The amount of your benefit determined under Part A or Part B of the Plan, as applicable, is based upon payment in the form of a "Straight Life Annuity," which is payable for your lifetime only. If you receive your benefit in another form of payment, your monthly benefit amount will be less. For example, if you choose an annuity that provides for payments to your spouse or another beneficiary after your death, then your monthly amount will be reduced to reflect the additional coverage. Regardless of the form of payment you choose, the total amount expected to be paid will be the actuarial equivalent of the total amount expected to be paid under the Straight Life Annuity form of payment.

If your benefit is valued at \$10,000 or less as of your payment start date and you elect to receive distribution of your benefit, then your benefit will be paid automatically in a single lump sum. This means that you will receive a one-time payment in cash and no further benefits will be payable to you, your spouse or beneficiary. However, your consent will be necessary to make this lump sum payment. Although your consent is necessary to receive this lump sum payment, your spouse's acknowledgement of this payment is not required. If you are paid a lump sum, you will be allowed to make a **direct rollover**, as described below.

### **Standard Form of Payment**

The type of standard payment form depends on your marital status at the time benefits begin. Before your benefit payments are scheduled to begin, you will receive a notice from the Plan Administrator explaining the terms, conditions and financial effect of receiving your benefit under the applicable standard form of payment.

#### **If You Are Married**

Your benefit will be paid in the form of a "50% Joint Annuity" (Option 3B as explained later in this section), which will pay you a reduced monthly benefit during your lifetime and, upon your death, will pay your surviving spouse a monthly benefit for the rest of his or her life. Your spouse's benefit will be one-half of the monthly amount that you were receiving. If your spouse dies before you, benefit payments will stop upon your death.

#### **If You Are Not Married**

Your benefit will be paid in the form of a "Straight Life Annuity" (Option 1), which will pay you a monthly benefit during your lifetime only.

Your benefit will automatically be paid as described above unless (1) you waive your right to have your benefit paid in the standard payment form, (2) you choose to have your benefit paid in one of the optional payment forms described on the next page, and (3) if you are married, your spouse acknowledges in writing before a notary public or the plan administrator your choice of an optional payment form (unless you elect Option 3A, 3B or 4, as explained later in this section). Forms to waive a standard payment method and to select an optional payment method will be provided by the Plan Administrator.

You may revoke your choice of an optional payment method at any time before the date payments begin, without the acknowledgement of your spouse. In addition, a subsequent

election to receive an optional payment method does not require your spouse's written acknowledgment. If you do not choose another optional payment method following revocation of your previous choice, your benefit will be paid in the standard payment method.

If your spouse dies or you become divorced before benefit payments begin and you remarry, you will receive your benefit in the standard payment method, unless your new spouse acknowledges in writing your choice of an optional payment method (or unless you elect Option 3A, 3B or 4).

### **Optional Forms of Payment**

In general, you may elect to have your benefit paid in any one of the following optional forms of payment, subject to these rules:

- Options 3A, 3B and 4 are only available to married participants;
- Married participants must obtain their spouses' written acknowledgement for Options 1, 2 or 5;
- Option 5 is only available to participants in Part B of the Plan; and
- Participants entitled to receive a disability retirement benefit (see "IF YOU BECOME DISABLED") may choose only Options 1 or 3B.

#### **Option 1 - Straight Life Annuity**

Pays you a monthly benefit for as long as you live. Benefit payments will stop upon your death.

#### **Option 2 - Ten Year Certain and Life Annuity**

Pays you a monthly benefit for as long as you live, and if you die before the end of ten years, your beneficiary will receive a monthly benefit payment in the same amount you were receiving for the remainder of the ten years. If you die after receiving at least 120 payments (10 years x 12 monthly payments), benefits will stop upon your death. For example, if you die after receiving 100 monthly payments, your beneficiary will receive the remaining 20 monthly payments. On the other hand, if you die after receiving 130 payments, no additional payments will be made. However, if you designate a trust or estate as your beneficiary (instead of a person) the present value of any benefit payments remaining after your death will be paid to the trust or estate in a single lump sum instead of monthly installments.

#### **Option 3A - 100% Joint Annuity**

Pays you a monthly benefit during your lifetime and, upon your death, will continue to pay your surviving spouse a monthly benefit for the rest of his or her life. Your spouse's benefit will be 100% of the monthly amount that you were receiving. If your spouse dies before you, benefit payments will stop upon your death.

#### **Option 3B - 50% Joint Annuity**

Pays you a monthly benefit during your lifetime and, upon your death, will continue to pay your surviving spouse a monthly benefit for the rest of his or her life. Your spouse's

benefit will be 50% of the monthly amount that you were receiving. If your spouse dies before you, benefit payments will stop upon your death.

#### **Option 4 - Joint and Last Survivor Annuity**

Pays you a monthly benefit during the joint lifetime of you and your spouse. Upon the death of either you or your spouse, monthly payments will continue to the survivor for the rest of his or her life. The survivor's benefit will be two-thirds (2/3) of the monthly amount that you were receiving while you were both alive.

#### **Option 5 - Cash Balance Lump Sum Payment**

Only applies to the portion of your benefit determined under Part B of the Plan, if any. (You can elect to receive the remainder of your benefit under Part A of the Plan, if any, under any of the other available options.) You will receive a one-time payment in cash on or after attaining age 50 and no further benefits under Part B will be payable to you, your spouse or beneficiary. The lump sum payment can be transferred through a **direct rollover**, as described below.

#### **Direct Rollover**

If you receive a lump sum payment, you may choose to have all or a portion of your payment transferred directly to an Individual Retirement Account or Annuity (an "IRA"), or to another employer plan that meets certain IRS requirements. This option is called a "**direct rollover**" and will preserve the tax-sheltered status of the amount transferred until it is later distributed to you. Any part of your lump sum payment that you elect to have paid to you, instead of being directly rolled over, will have 20% federal income tax withheld from it. You will receive more detailed information about the rollover and taxation of your lump sum payment within a reasonable amount of time before it becomes payable to you.

#### **Spousal Acknowledgement**

As indicated above, if you are married and you elect benefit Option 1, 2 or 5 and the lump sum value of such benefit is more than \$10,000, your spouse must acknowledge in writing your election in accordance with procedures set forth in the Plan and the benefit election form package. However, in the case of a refusal by your spouse to execute the spousal acknowledgement section of your benefit election form, the Pension Administrative Committee shall notify your spouse in writing of your benefit election and such notification shall constitute acknowledgement by your spouse of such election. Under these circumstances, your benefit payments will subsequently commence in accordance with your benefit election.

#### **Benefit Election and Change of Beneficiary Restrictions and Divorce**

Once benefit payments commence under any of the Options listed above, you cannot change the form of payment. In addition, you cannot change your beneficiary designation (for any reason) under Options 3A, 3B or 4 after payments commence. However, if you elected Option 2, you may change your beneficiary (with the written consent of your spouse, if applicable) after benefit commencement. Further, as required by Florida law, if you elect any form of benefit specified in Option 2, 3A, 3B or 4 and name your spouse as beneficiary, a subsequent divorce voids this beneficiary designation unless:

- (i) you execute another beneficiary designation after divorce expressly naming your former spouse as your beneficiary and you file such beneficiary designation with the Plan Administrator prior to your death; or
- (ii) an applicable court order requires your former spouse to be your beneficiary; or
- (iii) you remarry your former spouse and remain married until your death.

If divorce voids your former spouse's designation as your beneficiary after benefit payments commence under Option 3A, 3B or 4, you cannot name another beneficiary (other than your former spouse pursuant to (i) above) or change your form of benefit. However, if you elected Option 2 you could select one or more other beneficiaries under these circumstances after divorce (including your former spouse pursuant to (i) above). As indicated by the foregoing, it is imperative that you inform the Plan Administrator if you are going through the divorce process.

### **IF YOU BECOME DISABLED**

**As indicated above, the employment of all of the District's employees terminated on the Transaction Date. Since your employment with the District must terminate as the result of becoming disabled in order to be eligible for a disability retirement begin, no participant whose employment with the District terminated on the Transaction Date as the result of the lease of the hospital is eligible for a disability retirement benefit. However, the following explains the provisions relating to disability in effect prior to that date.**

You will be eligible for a disability retirement benefit from the Plan if you have at least ten years of credited service and stop working for the District while you are an eligible employee and before your normal retirement date because of total and permanent disability. You will be considered "totally and permanently" disabled if:

- as a result of a disease or injury of your body or mind that is expected to be permanent or to last a long and indefinite time, you are totally unable to perform any useful and efficient duties for any employer;
- your condition is not the direct or indirect result of, or related to, habitual drunkenness or addiction to narcotics, a criminal act or attempt to commit such act, service in the armed forces of any country, an act of declared or undeclared war, any injury or disease occurring while your pay is suspended, or any injury that was intentionally self-inflicted; and
- your disability is certified by two board certified Medical Doctor (MD) or Doctor of Osteopathy (DO) physicians currently licensed to practice medicine in the state of Florida and approved by the Plan Administrator. Both of these physicians must have been treating you before you stopped working for the District.

You may be required to be examined by approved physicians at a later time in order to prove that you continue to be disabled.

Your disability retirement benefit will begin on the first day of the month after you terminate employment. Your total benefit amount will be your combined Part A and Part B benefits. There will be no reduction in your Part A benefit for payment before your normal retirement date. If you recover from your disability before your normal retirement date, your benefit payments will be suspended until you are otherwise eligible to start receiving benefits from the Plan.

## **PRE-RETIREMENT SURVIVING SPOUSE PROTECTION**

The Plan not only provides a monthly lifetime benefit for you at retirement, but can also provide a monthly lifetime benefit for your spouse if you die after you become entitled to a Plan benefit, but before your benefit payments begin (see "WHEN PLAN BENEFITS ARE PAID"). Calculation of the amount of monthly survivor benefit is based on the 50% Joint Annuity (Option 3B) (see "HOW ALL BENEFITS ARE PAID").

Generally, monthly survivor benefits are payable as of the first day of the month after the later of the date of your death or the earliest date you could have started receiving Plan benefits. Your spouse can postpone payment of the survivor benefit until the first day of any month up to and including your normal retirement date. In that case, the monthly amount will generally be larger than if payments had started as soon as possible, since they will be made over a shorter period of time. Your spouse may also elect to have the part of the survivor benefit attributable to your Part A benefit paid monthly, and the value of your Part B benefit paid in a separate lump sum amount, as soon as possible after your death.

Note, if the present value of the monthly survivor benefit payable to your spouse is \$10,000 or less, then that amount may be paid as soon as possible after your death in a single lump sum instead of monthly payments. This means that if your husband or wife elects to receive a distribution of this limited amount from the Plan, they would receive a one-time payment in cash and no further benefits would be paid from the Plan. If your spouse receives a lump sum payment, then he or she will have the option of electing a "**direct rollover**" (see "HOW ALL BENEFITS ARE PAID").

## **DEATH BENEFIT FOR DEPENDENT CHILD**

The Plan also provides a monthly benefit for your "dependent child(ren)" if you are vested, not married at the time of your death, and die while employed by the District as an eligible employee (see "WHO IS ELIGIBLE"). Your natural and legally adopted children who are under the age of 18, declared as dependents on your federal income tax return, and not married are considered your "dependent child(ren)."

The death benefit will be the combined value of your benefits under Part A and Part B of the Plan, based on the Straight Life Annuity (Option 1), unreduced for age (see "HOW ALL BENEFITS ARE PAID"). The total amount will be split equally between your dependent children and paid each month, beginning as of the first day of the month following your death, with each share payable until the end of the year in which the child reaches age 18.

Because dependent children are minors, all death benefit payments will be directed to the custodian, guardian or other representative of the child(ren)'s interest appointed by you or the appropriate court of law.

**As indicated above, the employment of all of the District's employees terminated on the Transaction Date. Since you must be employed with the District in order for your dependent child to receive this death benefit, no participant whose employment with the District terminated on the Transaction Date as the result of the lease of the hospital is eligible for this benefit.**

## **YOUR RIGHTS TO PLAN BENEFITS IF YOU TERMINATE EMPLOYMENT**

If your employment with the District ends for any reason other than retirement or death, you will be eligible for a vested termination benefit if you have completed at least five years of vesting service (see "WHEN YOU WILL BE VESTED" and "HOW SERVICE IS COUNTED – Vesting Service"), your benefit will be equal to your combined benefits under Part A and Part B of the Plan.

Your Part A benefit will be equal to your accrued benefit as of the date you terminate employment (see "ACCRUED BENEFIT"). Your Part B benefit will be based on the amount in your cash balance account (see "HOW PART B BENEFITS ARE CALCULATED") as of the date your benefit payments begin.

Your Plan benefit will be paid at your normal retirement date. However, if you have at least five years of credited service (see "HOW SERVICE IS COUNTED – Credited Service") when your employment with the District terminates, you may elect to have reduced payments start as of the first day of any month after age 50. In addition, if you were employed on the Transaction Date and you are 100% vested at that time or subsequently become 100% vested as the result of imputed vesting service, you may elect to have reduced payments start as of the first day of any month following the later of (i) your attainment of age fifty or (ii) the date you receive credit for five (5) years of vesting service. The reduction for early payment of your Part A benefit is five percent (5%) for each year (and approximately 0.42% for each month) that payments begin before your normal retirement date.

Your benefit will be paid in the manner described under "HOW ALL BENEFITS ARE PAID". You should notify the Plan Administrator of any change of address and apply for your Plan benefits well in advance of the date you want your benefit payments to start.

## **IF YOU ARE REHIRED**

**As indicated above, the District does not have any employees after March 31, 2012 and therefore, will not have any "rehired" employees after that date. However, the following explains the provisions relating to "rehired" employees in effect prior to that time.**

If you terminate employment and are later rehired by the District, your participation in the Plan and the crediting of your prior service for purposes of determining your vesting and calculating your benefit, may depend upon the number of "breaks in service" you have, as explained on the next page. A "break in service" is a calendar year in which you do not complete more than 500 hours of service (see "HOW SERVICE IS COUNTED").

Benefit accruals under Part A stop when you terminate employment. Any additional benefits you earn during your re-employment in eligible status (either before or after incurring a break in service) will be earned under Part B of the Plan and will be recognized for purposes of calculating the amount of benefit payable to you or on your behalf under Part B when you again terminate employment. Your right to benefits will be re-determined under Part B when you later retire, die or leave your job based upon the Plan provisions in effect on that later date. Any future benefits will be adjusted to reflect any additional benefits you may have earned under Part B and any benefits you received from the Plan prior to your re-employment.

## **Participation**

If you terminate employment after becoming a Plan participant and are rehired as an eligible employee before incurring a break in service, your participation will resume under Part B of the Plan as of the date you are rehired. If you were not a participant when you terminated employment, your participation under Part B of the Plan will begin when you have completed the requirements to join the Plan, considering your eligibility service both before and after your termination (see "WHO IS ELIGIBLE").

If you terminate employment after becoming a Plan participant or being eligible to become a participant and incur a break in service, your participation under Part B of the Plan will resume or begin, as applicable, effective as of the date that you are rehired as an eligible employee.

If you terminate employment at a time when you are not eligible to become a participant and are rehired as an eligible employee after a break in service, you will begin participating in the Plan on the date you meet the requirements described in "WHO IS ELIGIBLE" based upon your re-employment date.

For purposes of determining your normal retirement date, if you are not vested when you terminate and you have five consecutive breaks in service, then your original participation date is disregarded, and your new participation date is used.

## **Crediting of Service**

If you are rehired before incurring a break in service, your past service is restored automatically. The following rules apply to the restoration of your past service after a break in service:

- If you are vested when your employment ends and you are later rehired, all of the service you earned under the Plan during your previous employment will be restored when you resume participation in the Plan.
- If you receive a lump sum payment, the service that was used to calculate the amount you were paid will not be considered except in determining eligibility and vesting (see "HOW ALL BENEFITS ARE PAID" and "HOW SERVICE IS COUNTED").
- If you are not vested, or you are not a Plan participant when your employment ends, and you are later rehired, the service you earned during your previous employment will be restored upon your participation in the Plan if the number of consecutive breaks in service before your re-employment is less than five.

However, if your absence is because of "maternity or paternity leave," you will be allowed one more break in service before your pre-break service is disregarded. "Maternity or paternity leave" means leaving work because of pregnancy, the birth or adoption of your child, or to care for your child immediately following the birth or adoption of that child.

### **Forfeiture of Service**

If you terminate employment and are not vested and you are later rehired after five or more consecutive breaks in service, all of the service you earned under the Plan during your previous employment will be forfeited. You will be treated as a new employee for all purposes under the Plan.

### **Part A Service**

If you are a participant under Part A of the Plan and you terminate employment, become re-employed in an ineligible position or transfer to an ineligible position, credited service and benefit service as of your date of termination, re-employment or transfer is frozen.

Vesting service only ceases upon a termination of employment. You will earn benefits only under Part B of the Plan following your re-employment.

## **TRANSFERS**

**As indicated above, the District does not have any employees after March 31, 2012 and therefore, will not have eligible or ineligible employees after that date. However, the following explains the provisions relating to employment "transfers" in effect prior to that date.**

If you are a former ineligible employee and you become an eligible employee, your pre-eligibility service with the District will only count towards determining your eligibility for participation and your vesting under the Plan (see "WHO IS ELIGIBLE" and "WHEN YOU WILL BE VESTED"). You will not receive credit for your pre-eligibility service for purposes of determining the amount of your benefit under the Plan. You will earn benefits only under Part B of the Plan based on your pay after you transfer to eligible employee status (see "HOW PART B BENEFITS ARE CALCULATED"); however for purposes of determining your eligibility for retirement credits in any year in which you transfer, your hours of service in ineligible status count.

If a former eligible employee loses his eligibility, but remains employed by the District, his benefit determined as of the date of his transfer to ineligible status will be held frozen in the Plan until he retires, dies or otherwise terminates service, at which time the distribution provisions of the Plan will be followed. Interest credits under Part B of the Plan will continue, however, until benefit payments begin. Service following transfer from eligible to ineligible status will be taken into account for purposes of determining participation and vesting, but not for calculating the amount of any benefit under the Plan.

## **LIMITATIONS ON PLAN BENEFITS**

The following conditions may affect your participation in the Plan or the amount of benefits you will receive from the Plan:

## **Former Employees**

If a former employee is subsequently rehired, he or she will be subject to the Plan provisions in effect at the time of rehire.

## **Maximum Benefits**

Annual benefits from this Plan may not exceed certain maximum levels set forth in the Internal Revenue Code. The Plan Administrator can furnish you with further information concerning these limitations.

## **Assignment of Benefits**

Except in the event of a Qualified Domestic Relations Order or for federal income tax withholding, your benefits under the Plan are not subject to attachment or garnishment by your creditors or those of your beneficiary. Benefits may not be assigned, sold or used to borrow money.

A domestic relations order is a judgment, decree or order (including approval of a property settlement agreement) that requires the payment of child support, alimony or marital property rights to a spouse, former spouse, child or other dependent of a Plan participant.

If the Plan Administrator receives a domestic relations order which requires the payment of some or all of your benefits to another person, the administrator will promptly notify you. If the administrator finds that the domestic relations order is a Qualified Domestic Relations Order, your benefits must be paid according to that Order.

The Plan has procedures to determine the qualified status of any domestic relations order received. You can obtain a copy of these procedures from the Plan Administrator without charge. These procedures are contained within the Plan document.

## **Rollovers From Other Plans**

This Plan will not accept a direct rollover from another plan or your contribution of a distribution from another plan or your IRA.

## **PLAN AMENDMENT AND TERMINATION**

The District intends to continue the Plan indefinitely; however, the District reserves the right to amend or terminate the Plan at any time at its discretion or as may be required by the Internal Revenue Service.

The money which the District has contributed towards financing the Plan must be used to provide the benefits described in this summary and may not be returned except for contributions made as a result of a mistake of fact, or as provided below.

If the Plan is completely terminated, the benefits earned under the Plan at the time of such termination, to the extent then funded, will become fully vested. The assets of the Plan will be

allocated to pay such earned benefits. If excess assets remain after all of the Plan's liabilities for such earned benefits are satisfied, those excess assets will be returned to the District.

## **INTERPRETATION OF PLAN PROVISIONS**

The Plan Administrator has the exclusive discretionary authority to interpret and construe all terms of the Plan, to decide all questions regarding eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters will be final and binding.

## **BENEFIT CLAIMS PROCEDURE**

### **Applying for Plan Benefits**

Application for Plan benefits must be made to the Plan Administrator by completing and submitting the necessary forms, which will be provided by the Plan Administrator. You will be asked to furnish information such as your age, marital status and present address. Your application for benefits will be processed when the Plan Administrator receives this information. It is your responsibility to inform the Plan Administrator of any changes in your mailing address in order to ensure that your benefit checks will reach you.

### **If the Application is Denied**

#### **Notice of Benefit Determination**

Within a reasonable time of receiving your complete application, the Plan Administrator will tell you whether your application is approved. In special circumstances the Plan Administrator may require an extension of time for a full and fair review of your application and benefit determination, in which case, a written notice explaining the reasons for the delay will be given to you. If the Plan Administrator approves your application, you will receive a Notice of your Benefit Determination. If it is not approved, the Plan Administrator will provide you with a notice explaining why, referring you to the applicable provisions of the Plan (including any internal rules or guidelines) on which the determination is based; describing any additional information necessary for you to perfect your claim and why it is necessary; describing the Plan's review procedures, including an explanation of your right to bring a civil action as authorized by Florida Statutes Chapter 112.66 following an adverse benefit determination on review; telling you how you can get a reconsideration of the Plan Administrator's decision; and explaining your right to file an appeal within 60 days and that failure to so file an appeal constitutes your consent to the Plan Administrator's decision.

#### **Appeal**

Within the 60 days following receipt of the Notice of Benefit Determination, you or your representative may file an appeal with the Plan Administrator requesting a reconsideration of your application. **Failure to appeal the Plan Administrator's denial of your claim for benefits within the 60-day time period will result in the loss of your legal right to contest the denial.** You will have the opportunity to submit to the Plan Administrator written comments, documents, records and other information relating to

your denied claim. The full and fair review of your benefit determination will take such submission into account and will be made by a Plan fiduciary who was not involved in the initial determination. You will be provided, upon request and free of charge, reasonable access to and copies of all documents, records and information relevant to your claim.

You should receive written notice of the final decision within a reasonable time after your request for review is received by the Plan Administrator. If the Plan Administrator requires more time to review the appeal because of unusual circumstances, you will be notified, in which case a decision will be made within a reasonable period of time, after such notice. In the case of an adverse determination, this notice will explain why, referring you to the applicable Plan provisions (including any internal rules or guidelines) on which the determination is based and will explain your rights to have, upon request and free of charge, access to and copies of all Plan documents and records concerning your benefit determination. This notice may also describe your right to bring a civil action, if applicable.

## **BASIC PLAN INFORMATION**

### **Official Name and Type of Plan**

The Plan's official name is Bay Medical Center Pension Plan. To avoid confusion with any other plan, the official name should be used in all correspondence about the Plan.

The Plan is referred to as a governmental plan. Part A of the Plan is known as a defined benefit plan. Part B of the Plan is known as a cash balance plan. This Plan is governed by the Internal Revenue Code, Florida Statutes (including provisions in one or more of the following Chapters: 110, 111, 112, 119, and 121) and Florida Administrative Code Chapter 60T. No provisions of any collective bargaining agreement apply to this Plan.

### **Plan and Employer Identification Number**

- For federal government records, the Plan Number is 001.
- The Employer Identification Number (EIN) of Bay Medical Center, the Plan sponsor, is 59-6001478.

### **Plan Sponsor**

The sponsor for the Plan is: Bay Medical Center Special District  
11 Harrison Avenue, Unit E  
Panama City, FL 32401  
(850) 818-0565  
Plan Website: <http://bayhealthfoundation.com/pension.html>

### **Plan Records**

The records of the Plan are kept on a calendar year basis, beginning January 1 and ending December 31.

## **Plan Administrator**

The District is the Plan Administrator of the Plan. However, the Board of Trustees of the District (“Board”) has appointed the Pension Administrative Committee, a committee consisting of at least five individuals to assist the District with the administration of the Plan. The Pension Administrative Committee takes care of the day-to-day operation of the Plan, such as authorizing benefit payments, considering any appeals, resolving questions and making rules to assure the Plan is fair to all participants. The Pension Administrative Committee relies on the records of the District for employment service, earnings, age and other matters related to determining benefit eligibility.

To contact the Pension Administrative Committee, you may write or telephone:

Ms. Karen Thomason  
Bay Medical Center Special District  
P.O. Box 789  
Panama City, FL 32402-0789  
11 Harrison Avenue, Unit E  
Panama City, FL 32401  
(850) 818-0565

## **Financing the Plan**

The District pays for the Plan through regular contributions to the Bay Medical Center Pension Trust. The amount and frequency of contributions depend on the actuarial cost of the Plan's benefits, as determined by actuaries. The Plan's Trust is maintained in accordance with the terms of a trust agreement and its assets are managed and invested by the Trustee. The Trustee also makes all benefit payments authorized by the Plan Administrator. Attached is Exhibit A – Report of Financial and Actuarial Information.

The Trustee for the Plan is: SunTrust Bank, Incorporated  
Mail Code 261  
P.O. Box 4655  
Atlanta, GA 30302

**Bay Medical Center Pension Plan**  
**Exhibit A – Report of Financial and Actuarial Information**

<b>A. <u>Participant Data</u></b>	<b>01/01/2018</b>
1. Active participants	0
2. Retired participants and beneficiaries receiving benefits	642
3. Disabled participants receiving benefits	12
4. Terminated participants – deferred benefits	940
5. Annual payroll of active participants	\$ 0
6. Annual benefits payable to those currently receiving benefits	\$ 7,829,752
<b>B. <u>Value of Assets</u></b>	
1. Actuarial (market) value	\$ 103,084,164
<b>C. <u>Liabilities</u></b>	
1. Actuarial present value of future expected benefit payments for active members	
a. Retirement benefits	\$ 0
b. Vesting benefits	\$ 0
c. Death benefits	\$ 0
d. Disability benefits	\$ 0
e. Total	\$ 0
2. Actuarial present value of future expected benefit payments for terminated members	\$ 22,358,939
3. Actuarial present value of future expected benefit payments for members currently receiving benefits	
a. Service retired	\$ 92,876,495
b. Disability retired	\$ 1,825,999
c. Beneficiaries	\$ 1,679,336
d. Miscellaneous	0
e. Total	\$ 96,381,830
4. Total actuarial present value of future expected benefit payments	\$ 118,740,769
5. Actuarial accrued liabilities	\$ 118,740,769
6. Unfunded actuarial accrued liabilities	\$ 15,656,605

**Bay Medical Center Pension Plan**  
**Exhibit A – Report of Financial and Actuarial Information**

**01/01/2018**

**D. Statement of Accumulated Plan Benefits**

1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$	96,381,830
b. Other participants	\$	22,358,939
c. Total	\$	118,740,769
2. Actuarial present value of accumulated non-vested plan benefits	\$	0
3. Total actuarial present value of accumulated plan benefits	\$	118,740,769

**E. Pension Cost**

1. Total normal cost	\$	0
2. Payment required to amortize unfunded liability	\$	2,195,222
3. Interest adjustment	\$	159,154
4. Minimum required contribution	\$	2,354,376