

# **Broward Health Cash Balance Pension Plan**

**Summary Plan Description**

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## ***This is your Summary Plan Description . . .***

Your Summary Plan Description summarizes the provisions of the Broward Health Cash Balance Pension Plan which were in effect as of the date this booklet was published. It is intended to assist you in understanding your benefits provided by the Plan.

The Cash Balance Pension Plan is sponsored by Broward Health (formerly known as North Broward Hospital District). It was originally established on July 1, 1966 as a traditional pension plan to help employees prepare financially for retirement by providing them with an additional source of retirement income to supplement Social Security benefits and personal savings. In July 1975, July 1979, March 1984, May 1985, July 1991, new provisions were added which strengthen this purpose and additionally reward you for your service with Broward Health. On January 1, 1997, it was amended to create a "Cash Balance Plan" for active employees on or after that date.

You should read this booklet carefully because it describes the retirement benefits offered by the Cash Balance Pension Plan, and your rights and obligations under the Cash Balance Pension Plan. Your spouse should also read it, because in benefiting you, the Cash Balance Pension Plan also benefits your family. If you have difficulty understanding any part of this booklet, or if you would like more information, please contact the Plan Administrator.

Please keep in mind that this Summary Plan Description is a summary only. It does not contain every detail addressed in the Cash Balance Pension Plan. There are official Plan and Trust Agreement documents which state the provisions of the Cash Balance Pension Plan. If there is any inconsistency between the official documents and this Summary Plan Description, the official documents will control. Copies of these documents are available for your examination at the office of the Plan Administrator during regular business hours. You can also obtain copies by making a written request to the Plan Administrator; however, there will be a reasonable charge to photocopy the documents.

It is Broward Health's hope that the Cash Balance Pension Plan will provide an added feeling of security for the future for you and for your family. The success of the Cash Balance Pension Plan depends on the continued success of Broward Health and, in turn, Broward Health's success depends on each of you.

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# 1. GENERAL PLAN INFORMATION

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## NAME OF PLAN

<p style="text-align: center;"><b>Broward Health Cash Balance Pension Plan</b></p>
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The Plan was formerly known as the North Broward Hospital District Cash Balance Pension Plan.

## EFFECTIVE DATE

The Plan originally became effective on July 1, 1966. The Plan has been amended and restated in its entirety from time to time. The Plan was most recently amended and restated generally effective July 1, 2017, with certain amendments effective January 1, 2018.

## TYPE OF PLAN

The Plan is a type of defined benefit pension plan known as a cash balance plan. As the name suggests, a defined benefit pension plan must define the plan's benefit formula and how benefits are accrued under that formula.

A cash balance plan expresses its retirement benefits in terms of a hypothetical account value. Your account value is based on pay-related benefit credits and interest credits to your hypothetical account. Your account value represents your accrued benefit under the Cash Balance Pension Plan as of a specified date.

The Cash Balance Pension Plan is maintained by a governmental entity within the meaning of Code Section 414(d). It is intended to qualify for favorable tax treatment under Internal Revenue Code Section 401(a) and is also regulated and administered under the laws of the State of Florida. The Cash Balance Pension Plan is not subject to the Employee Retirement Security Act of 1974 ("ERISA").

## SOURCE OF CONTRIBUTIONS

Broward Health makes all contributions to the Cash Balance Pension Plan. Each year, Broward Health makes contributions to the Plan's Trust Fund sufficient to provide for the benefits which will be paid from the Cash Balance Pension Plan. For all years of operation, the Cash Balance Pension Plan has been funded on an actuarially sound basis.

The Cash Balance Pension Plan is subject to the funding requirements imposed by the Florida Statutes. Each year an independent professional actuary determines the amount of money Broward Health must contribute to maintain the Cash Balance Pension Plan's financial soundness. All plan administration expenses (including investment fees, consultants' fees, in-house salaries and overhead to administer the plan) are paid by Broward Health.

When the Cash Balance Pension Plan was established in 1966, employee contributions through after-tax payroll deductions were required to fund pension benefits. Effective March 1, 1984, Broward Health eliminated employee contributions and began to fund 100% of pension benefits. Please Note: Employee contributions in the Cash Balance Pension Plan as of December 31, 1996 not withdrawn due to separation from service are included in the value of your Cash Balance Pension Plan account today.

## **PLAN SPONSOR**

The Plan is sponsored and maintained by:

<p style="text-align: center;"><b>Broward Health</b> <b>Attention: Employee Benefits</b> <b>1700 N.W. 49th Street</b> <b>Fort Lauderdale, FL 33309</b> <b>(954) 473-7375</b></p> <p style="text-align: center;"><b>Employer Identification Number ("E.I.N."): 59-6012065</b></p>
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## **PLAN ADMINISTRATOR**

The Cash Balance Pension Plan is administered by Broward Health through a Pension Plan Committee, which consists of one Commissioner from the Board, the Chief Executive Officer, and other members as appointed by the Board of Commissioners or the Chief Executive Officer. The Committee's administrative responsibilities consist of reviewing and approving plan changes and making investment decisions.

Other administrative functions, including the administration of plan records and annual communication of benefits to individual employees, are the responsibility of the Benefits Department within Broward Health Human Resource Department.

The agent to whom legal process should be served is Broward Health at the above address.

## **TRUST CUSTODIAN**

The Trust Custodian is:

<p style="text-align: center;"><b>Northern Trust</b> <b>50 South La Salle Street</b> <b>Chicago, IL 60603</b></p>
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## **PLAN YEAR**

The Plan Year is the 12-month period used for maintaining the accounting and financial records for the Cash Balance Pension Plan. The Plan Year begins each July 1<sup>st</sup> and ends on June 30<sup>th</sup> of the following year.

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## 2. ELIGIBILITY AND PARTICIPATION IN THE PLAN

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### ELIGIBILITY REQUIREMENTS

The Cash Balance Pension Plan covers all employee classifications except Pool/Per diem, Full-time or Part-time Not Eligible.

If you are a covered employee, you will automatically become a participant in the Cash Balance Pension Plan when you meet the eligibility requirements. You are eligible to participate in the Cash Balance Pension Plan on the first day of the month that falls on, or next follows, the later of the date you complete one year of continuous employment or reach your 21<sup>st</sup> birthday.

If you move from an excluded employee classification to a covered employee classification, you will begin to participate immediately if you have completed one year of continuous employment and are at least age 21.

Note: If you take an unpaid leave of absence and your hire date is adjusted to reflect the number of days you were on unpaid leave, your Cash Balance Pension Plan period of continuous employment service will be adjusted by the same number of days.

### NAMING A BENEFICIARY

When you begin participating in the Cash Balance Pension Plan, your Human Resources Department will have you complete a beneficiary designation form to name a beneficiary to receive any death benefits that may be payable if you die. You may change your beneficiary at any time. You may want to revise your beneficiary designation upon change of your marital status.

Your beneficiary can be your spouse, child, brother, sister, parent or anyone else you choose.

You may change your beneficiary as often as you wish. If you do not designate a beneficiary, or if your designated beneficiary is not living when you die, your beneficiary will be determined as follows:

- First, your surviving spouse;
- Then, your surviving children;
- Then, your parents;
- Then, your brothers and sisters; and
- Then, your estate.

If any death benefits are payable to a minor child beneficiary, then only one-half (50%) of the death benefit may be distributed before age 18 to the child's appointed guardian(s).

## **PARTICIPATION AFTER RE-EMPLOYMENT**

If you are re-employed or return to an eligible employment status at Broward Health, your prior Cash Balance Pension Plan service may be counted under certain circumstances. Different rules apply for determining whether prior service is counted for plan eligibility, vesting credit, and previous benefit credit. If you are re-employed, it is **important** that you discuss this with your Human Resources Department. The following presents a general summary of these rules for re-employment (or return to eligible status) on or after January 1, 1997:

**A. If you terminated previous pension plan service after satisfying the vesting service requirement and are re-employed or return to an eligible employee status**, you will re-enter the Cash Balance Pension Plan on the first of the month following a one year waiting period. Your prior vesting credit is restored and credit for your previous benefit credit is determined as follows:

***If you terminated prior to January 1, 1997 and***

- 1) You did not withdraw your employee contributions, or your previous pension service did not require employee contributions, you will receive, upon plan re-entry, full credit for plan benefits accrued to your termination date. (Your vested monthly pension benefit will be converted to a cash balance account balance on the day you re-enter the plan.)
- 2) You withdrew your contributions to the plan upon termination and you want to receive credit for benefits earned during the contributory period (through February 29, 1984), your withdrawn contributions with interest including credited interest from your date of termination to the date of re-entry must be repaid to the plan immediately upon re-entry (the rate of interest is periodically determined by the Pension Committee - currently it is 6%.)

If you do not repay your contributions, you will only be eligible for cash balance restoration of the accrued benefit you earned for the non-contributory period (March 1, 1984, to your termination date).

***If you terminated after January 1, 1997 and***

- 1) You did not withdraw your account balance, your account will start receiving Broward Health contributions after the one year waiting period.
- 2) You did withdraw your account balance, a new account will be established for you after the one year waiting period (you cannot "repay" cash balance monies previously distributed).

**B. If you terminated previous employment prior to satisfying the vesting service requirement, and you are re-employed or return to an eligible employee status**, you will re-enter the plan on the first of the month following a one year waiting period. If the time period (years and months) of your separation from service is less than your accumulated years and months of vesting service prior to your date of termination, your prior accrued monthly pension benefit (or cash balance account balance, if applicable) will be converted to, (or restored as) your cash balance account balance on the day you re-enter the plan and your prior vesting credit will be restored.

If you fail to meet the above provision, you will forfeit all vesting and benefits accrued for your previous participation, and you will resume your participation in the Cash Balance Pension Plan by again satisfying the participation requirements as described under “Eligibility Requirements” above.

For example:

If you were separated from service for 3 years and you previously had 4 years of vesting service, you will re-enter the plan (following the one-year wait) with credit for previously accrued pension plan benefits; but if you previously had 3 years or less of vesting service, your previous pension accruals would not be restored upon your plan re-entry.

**C. If you terminated previous employment or transferred to an ineligible status prior to becoming a plan participant**, you will enter the Cash Balance Pension Plan when you have completed one year of continuous eligible service following the date of your rehire or return to eligible status.

## **RE-EMPLOYMENT AFTER RETIREMENT**

If you decide you would like to return to work for Broward Health after you retire (terminate after satisfying Early or Normal Retirement eligibility), you may be re-employed in an eligible status, provided at least 60 consecutive days have elapsed since your retirement date. You may resume active participation in the Plan, including additional Plan benefit accruals for post-re-employment service, on the first day of the month coinciding with or next following the date on which you complete one (1) year of post-break service, measured from your date of reemployment. Any monthly retirement benefits already in pay status will continue unaffected.



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## 3. BENEFIT CREDITS AND INTEREST CREDITS

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### CASH BALANCE ACCOUNT

When you become eligible to participate in the Cash Balance Pension Plan, a “cash balance account” is established in your name to keep a record of the pay-based pension benefit credits you earn each month. Your cash balance account also earns monthly interest credits, which helps its value to grow even faster.

Your Cash Balance Account is equal to:

Your Beginning of Month Cash Balance Account Value	+	Your Monthly Benefit Credit	+	Your Monthly Interest Credit	=	Your End of Month Cash Balance Account Value
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It is important to note that your cash balance account is established for recordkeeping purposes only. You may not take in-service withdrawals or loans from your cash balance account, or choose your own investments. The Pension Committee is responsible for the Cash Balance Pension Plan’s investment decisions.

If you were a pension plan participant prior to January 1, 1997:

- Your accrued benefit based on earnings and service to that date was converted to an initial account balance as of January 1, 1997 (the effective date of the Cash Balance Pension Plan).
- See page 8 for additional information about additional percentage benefit credits for which you may qualify.

### BASIC MONTHLY BENEFIT CREDITS

Beginning with your first month of participation in the Cash Balance Pension Plan, a benefit credit equal to 5% of your monthly base compensation is added to your cash balance account as of the end of each month. This is sometimes referred to as a contribution credit, because Broward Health contributes this monthly credit in full on an actuarial basis. You make no contributions to your cash balance account.

Your monthly base compensation is your actual earnings for service with Broward Health, including paid leave and salary reductions under the 403(b) and 457(b) plans, but excluding shift differential, bonuses, overtime pay, expense allowances, severance pay and any other form of extra compensation.

There is an upper annual limit that the IRS places on considered compensation for Cash Balance Pension Plan purposes (subject to certain “grandfather” treatment for plan participants before July 1, 1996). The IRS annual compensation limit is increased periodically for cost-of-

living adjustments. The Broward Health Human Resources Department will periodically provide you with information about this limit.

## INTEREST CREDITS

In addition to monthly benefit credits, your cash balance account receives monthly interest credits as of the end of each month. The monthly interest credit is calculated based on the value of your cash balance account on the first day of the month.

The interest rate credited during a given Plan Year (July 1 to June 30) is based on the annual interest rate on one year U.S. Treasury Securities (T-Bills) announced at the end of May of the prior Plan Year, plus 1%. Each July 1, this interest credit rate will lock-in for the entire Plan Year, and will not change until the following July 1, regardless of any fluctuations in the yields of U.S. Treasury Securities. However, each Plan Year, Broward Health Pension Plan Committee may, at its discretion, elect to increase the T-Bill interest crediting rate.

## HOW TO FIGURE MONTHLY CASH BALANCE ACCOUNT CREDITS

### *Basic Monthly Benefit Credits*

This example shows how your basic monthly benefit credit would be calculated, assuming your monthly base compensation is \$5,000:

<b>Calculation of Benefit Credit</b>	
Monthly Base Compensation	\$5,000.00
Basic Benefit Credit Percentage	<u>x 5%</u>
Monthly Basic Benefit Credit added to your Cash Balance Account	\$ 250.00

### *Monthly Interest Credits*

This example shows how your monthly interest credit would be calculated, assuming your cash balance account value at the beginning of the month (equal to the prior month-end value) is \$5,000, and the annual interest credit rate is 2.12% (as of July 1, 2017 – June 30, 2018), which is 0.175% when compounded monthly:

<b>Calculation of Interest Credit</b>	
Beginning of Month Cash Balance Account Value	\$15,000.00
Monthly Interest Rate	<u>x 0.175%</u>
Monthly Interest Credit added to your Cash Balance Account	\$ 26.25

### **End of Month Cash Balance Account Value**

Using the previous two examples, this example shows how your ending monthly account balance would be calculated:

<b>Calculation of Cash Balance Account Value</b>	
Beginning of Month Cash Balance Account Value	\$15,000.00
Basic Monthly Benefit Credit	250.00
Monthly Interest Credit	<u>26.25</u>
End of Month Cash Balance Account Value	\$15,276.25

### **ADDITIONAL MONTHLY BENEFIT CREDITS FOR PRE-1997 PENSION PLAN PARTICIPANTS**

In addition to the basic 5% monthly benefit credit explained above, you are eligible for a special additional monthly benefit credit if:

- you were an actively employed eligible participant in the Broward Health pension plan on December 31, 1996, and
- you were 100% fully vested in your Broward Health pension plan benefits (i.e., you had 5 years of vesting service or attained age 65) as of December 31, 1996, and
- you were age 40 or older on January 1, 1997.

These special additional monthly benefit credits are based on your attained age as of January 1, 1997 as follows:

<u>Your Age on January 1, 1997</u>	<u>Your Additional Benefit Credits</u>	<u>Your Total Benefit Credits*</u>
Below 40	0%	5%
40 – 45.99	1%	6%
46 – 47.99	2%	7%
48 – 49.99	3%	8%
50 – 51.99	4%	9%
52 and above	5%	10%

*\*Your total monthly benefit credit percentage as of January 1, 1997 will not change during your eligible employment. It includes your basic 5% monthly benefit credit plus your additional monthly benefit credit. Your benefit credit percentage is shown on your annual statement.*

**Example: Additional Monthly Benefit Credits**

If you are entitled to special additional monthly benefit credits, this example shows how these would be calculated, assuming you were age 47 on January 1, 1997, and that your monthly base compensation is \$5,000. Based on the preceding chart, you are eligible for an additional 2% monthly benefit credit, for a total monthly benefit credit of 7% of your monthly base compensation.

<b>Calculation of Benefit Credit</b>		
Monthly Base Compensation		\$5,000.00
Basic Benefit Credit Percentage	5%	250.00
Additional Benefit Credit Percentage	2%	<u>100.00</u>
Total Monthly Benefit Credit added to your Cash Balance Account		\$ 350.00

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## 4. RETIREMENT BENEFITS

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### **NORMAL RETIREMENT**

Your Normal Retirement Date is the first day of the month that falls on, or next follows, your 65<sup>th</sup> birthday. You are 100% fully vested when you attain age 65 and are in active employment with Broward Health.

### **EARLY RETIREMENT**

You may elect to retire before your Normal Retirement Date on the first day of a month, provided you have attained age 55 and completed 5 years of vesting service with Broward Health. You may elect an Early Retirement Date by filing a request with Broward Health before that date.

The Normal Form of Benefit Payment for an Early Retirement Benefit is a Life Annuity which is actuarially equivalent to your Cash Balance Account.

### **LATE RETIREMENT**

If you work beyond your Normal Retirement Date, your Late Retirement Date is the first day of the month after you terminate employment with Broward Health.

### **NORMAL, EARLY OR LATE RETIREMENT BENEFIT**

The normal form of payment of retirement benefits is life only annuity beginning on your Normal, Early or Late Retirement Date, which is actuarially equivalent to a lump sum amount equal to your cash balance account value. This form of payment provides a monthly pension benefit during your lifetime. Upon your death, no further benefits are payable.

You can elect to receive another available form of benefit payment, including a single lump sum payment of your cash balance account or another form of monthly benefit payment.

Lump sum retirement payments are made within 60 days and monthly benefits begin on the first of the month following the last day you were paid as an eligible active employee.

See the "Optional Forms of Retirement Benefit Payments" section for other forms of benefit payment that are available.

### **VESTING SCHEDULE**

You earn ownership of your retirement benefit through service with Broward Health. The process of building ownership rights is called *vesting*. Vesting refers to your right to receive a benefit from the Cash Balance Pension Plan. Your vesting percentage is determined under the following table.

Years of Vesting Service	Vesting Percentage
Less than 5 years	0%
5 years or more	100%

Service before your 18<sup>th</sup> birthday will not be counted for vesting purposes.

You earn one “year of vesting service” for each 12-month period during which you work in a benefits eligible employment status. The 12-month period begins with your hire date in an eligible status. For example, if your hire date is March 21, 2017, you will earn one year of vesting service on March 20, 2018, if you are continuously employed in an eligible status with Broward Health during that period of time.

Years of vesting service will cease to be counted when you are in an ineligible employment status. This occurs on the earlier of:

- the date you retire, quit, are discharged, die or transfer to a non-benefits eligible employment status, or
- after 30 days of an unpaid leave of absence.

You become 100% vested if you attain normal retirement age (age 65), become disabled or die while employed with Broward Health.

If you leave employment with Broward Health for reasons other than normal retirement, disability or death, and you do not have at least 5 years of vesting service before you leave, you will not be eligible to receive any benefits from the Cash Balance Pension Plan, and you will forfeit your cash balance account.

## **RETIREMENT BENEFIT UPON TERMINATION OF EMPLOYMENT**

In the event that your employment ends for any reason other than for death, or disability you will become entitled to receive a benefit equal to your vested cash balance account value. You are 100% fully vested when you complete 5 years of vesting service with Broward Health.

A lump sum retirement benefit payment is available to all vested plan participants who terminate employment with at least 5 years of vesting service.

Monthly retirement benefits are available to all terminating vested plan participants who are age 55 or older.

If you are not vested when you leave employment with Broward Health, no benefits are payable.

## **DISABILITY BENEFITS**

If you become totally and permanently disabled before you are eligible to retire under the Cash Balance Pension Plan, you will receive a lump sum payment of your cash balance account upon submission of your Social Security disability award letter. (If you are eligible for Early or Normal Retirement at the time you become disabled, you may elect monthly pension

payments.) If you become disabled while still employed by Broward Health, your cash balance account will automatically become 100% vested.

## **WHEN YOU GET YOUR RETIREMENT BENEFIT**

You can choose to:

- receive your benefit 60 days following your termination; or
- defer payment of your benefit until future date (any time before age 65) or when you become eligible to retire.

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## **5. SURVIVOR BENEFITS IN THE EVENT OF YOUR DEATH**

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### **PRE-RETIREMENT DEATH BENEFIT**

If you die before you retire while still employed by Broward Health, your cash balance account will automatically become 100% vested and will be paid to your beneficiary (lump sum or monthly benefits, if retirement eligible).

In most cases, your cash balance account will be paid to your designated beneficiary in one lump sum payment as soon as possible after your death. If you are married and at least age 55 with at least 5 years of vesting service at the time of your death, your surviving spouse can alternatively elect a monthly pension (with or without cash refund).

Remember, you may designate a beneficiary to receive any benefits which become payable upon your death. The designation must be in writing on a form provided to the Plan Administrator. You may change your beneficiary from time to time by filing another designation at a later date.

### **POST-RETIREMENT DEATH BENEFIT**

In the event of death of a participant receiving a monthly benefit, a benefit will be paid to the designated beneficiary in accordance with the form of benefit payment elected under the Cash Balance Pension Plan.



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## 6. OPTIONAL FORMS OF RETIREMENT BENEFIT PAYMENT

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### HOW TO ELECT RETIREMENT BENEFITS

You have several choices as to the form or method of payment of your retirement benefit.

From that, the equivalent retirement benefit payable under any optional form of retirement benefit can be determined by multiplying your retirement benefit under the normal form of benefit payment by a factor that takes into account your remaining life expectancy and that of your spouse or other beneficiary, if applicable. This is an actuarial equivalent adjustment and makes the total value of your retirement benefit the same (on the average) at the time payments start, no matter what form you choose. The longer the time period over which your retirement benefit is likely to be paid, the smaller the amount will be.

When you decide to retire and choose a specific date, you should submit a written notice to your Department Head and your Human Resources Department at least 60 days in advance of your chosen date along with a copy of your birth certificate or passport. Upon notice of your intent to retire, your Human Resources Department and Broward Health Benefits Department will schedule a retirement counseling session to review your benefits and the payment options available to you. At that time, you will indicate how you want to receive your retirement benefits. You can defer your election to a later date, however, your election is irrevocable once payment has begun.

A lump sum retirement benefit payment is available to all terminating vested plan participants.

Monthly retirement benefits are available to all terminating vested plan participants who are age 55 or older.

The first step in determining the amount of your retirement benefit, no matter what form you choose, is to calculate the retirement benefit which you will receive upon retirement under the normal form of benefit payment.

Your options are as follows:

**If you elect a lump sum payment**, your cash balance account will be paid to you in a single lump sum payment within 60 days of your retirement. No further plan benefits are payable. Note that if your vested cash balance account does not exceed \$1,000, a lump sum cash payment will be automatically made.

**If you elect a monthly benefit**, your payments can begin any time after you leave Broward Health and meet the requirements for retirement. The form of benefit you select may affect the amount of your monthly benefit. All benefit forms are of actuarial equivalent value. You can choose from the following benefit options:

**Option 1 - Life Only:** The normal form of retirement income is a life only form which provides monthly payments to you beginning at your retirement date (whether it be Normal,

Early or Late Retirement) and continuing for your lifetime. Upon your death, no further plan benefits are payable.

**Option II - Life Only with Cash Refund:** Monthly payments to you beginning at your retirement date and continuing for your lifetime. In no event will the total monthly payments be less than your cash balance account value at retirement (beneficiary would receive difference at your death).

**Option III - Life and 10 Years Certain with Cash Refund:** Monthly income beginning on your retirement date and continuing for your life. If you should die before you have received 120 monthly payments, monthly benefits continue to your beneficiary for the balance of the 120 payments. In no event will the total monthly payments be less than your cash balance account value at retirement.

**Option IV - Joint and Survivor with and without Cash Refund:** - Monthly income for your life and if you die before your joint annuitant, your joint annuitant will receive a monthly income for his/her life equal to a percentage (25%, 33-1/3%, 50%, 66-2/3%, 75%, or 100%) of your benefit. You choose the percent to be paid to your joint annuitant. The monthly income is based on 1) your age and your joint annuitant's age at the time of your retirement; and 2) the percentage of your benefit which you elect the joint annuitant receive. If you elect the Cash Refund feature, in no event will the total monthly payments be less than your cash balance account value at retirement.

#### **Conditions and Restrictions - Joint and Survivor Form**

- You must elect a Joint and Survivor Annuity form of benefit with Broward Health before your retirement date.
- You must name your joint annuitant and designate the percentage (25%, 33-1/3%, 50%, 66-2/3%, 75% or 100%) of your monthly benefit payments you wish to be continued to your joint annuitant.
- You must furnish proof of your joint annuitant's age and social security number on a form designated by Broward Health no later than your retirement date.
- If you or your joint annuitant should die before your retirement date, the election of the Joint and Survivor Annuity form of benefit will be void. In case of your death before retirement, any benefits due to your spouse or beneficiary will apply as explained under "Survivor Benefits in the Event of Your Death". If your joint annuitant dies before your retirement, you will have the option of selecting another joint annuitant or choosing another form of retirement income.
- You may not revoke this election after your benefits begin.
- If your joint annuitant dies after your retirement and before your death, your monthly benefit will not change, and you may not designate another joint annuitant. Your monthly benefit will cease at your death.

## **MAXIMUM BENEFIT**

This plan is subject to IRS limits on the maximum compensation which you may earn benefit credits/employer contributions. The Broward Health Human Resources Department will periodically provide you with information about this limit.

## **EMPLOYEE CONTRIBUTION WITHDRAWAL**

If after termination or transfer to an ineligible status, you make a decision to receive a return of your pre-1984 employee contributions, you will need to complete forms which are available through your Benefits Department. These contributions were taxed through payroll deductions and are not eligible to “roll over” to another employer’s qualified retirement plan or your own individual retirement account (IRA), unless such other plan or IRA accepts after-tax rollovers. Withdrawal of these contributions will reduce your account balance by a like amount.

## **TAX WITHHOLDING AND ROLLOVER**

Under federal law, Broward Health must withhold federal income tax in the amount of 20% of the taxable portion of any lump sum benefits paid from this plan. To avoid federal income tax withholding, you can elect a direct rollover of your benefits (except for employee contributions described above) to another qualified plan or to an IRA held by a bank or other financial institution. In this case, your distribution check will be paid directly from this plan to an organization you have named to receive it. With a direct rollover, you avoid having federal income tax withheld on your distribution, and you can continue to defer federal income taxes until these monies are distributed from your IRA/eligible plan.

If you elect to receive annuity payments, you can decide whether to have the plan withhold taxes on your payments, or be solely responsible for making tax payments yourself. Keep in mind that you are liable for all applicable federal income taxes on your benefit payments from this plan in the timeframe deemed by the IRS.

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## **7. FILING A CLAIM FOR BENEFITS**

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### **REQUESTING YOUR BENEFITS**

If you are planning to retire or terminate employment, or if you become disabled or die, Broward Health should be notified 30 days (60 days for retirement prior to start of payments) in order to determine any benefits to which you, or your beneficiary, may be entitled.

If you have any questions concerning your benefits, please contact the Plan Administrator. If you (or your beneficiary) believe you have been denied any benefit to which you are entitled or any other rights you may have under the plan, you may request a review of your claim by writing directly to Broward Health. You should state the reason for your belief that the benefit or rights were improperly denied, and submit any data, questions or comments that may be appropriate. Broward Health will evaluate all the information and inform you in writing of its decision in a timely manner.

### **DENIED BENEFIT CLAIMS**

Normally, filing a claim for benefits is a routine matter. However, if a problem arises, there is a procedure for review.

When you file an application for payment of your benefit, the Plan Administrator will inform you of the benefit you will receive within 90 days, or, in special circumstances, within 180 days, of the date you file your application for benefits and provide all requested information.

If your claim for benefits is denied, in whole or in part, you will receive a notice explaining why your claim was denied and what information you must provide to make your claim acceptable, and outlining the steps in the claims review procedure.

To appeal a denied claim, you or your authorized representative must file a written request for review with the Plan Administrator within 60 days after receiving notice that your claim has been denied. You have the right to:

- review all relevant plan documents
- submit additional comments, statements, or documents in support of your claim to a pension benefit to the committee; and
- make an oral presentation to the Pension Committee

Within 60 days of the completion of your appeal, the committee must review your case and send you a written decision which explains the reasons for the decision and the plan provisions on which the decision was based. In special circumstances, the time period may be extended to 120 days.

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## 8. CONTRIBUTIONS TO THE CASH BALANCE PENSION PLAN

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The Plan provides that Broward Health will contribute to the Trust Fund on behalf of its employees who participate in the Plan. The amount that Broward Health will contribute to the Trust Fund for each fiscal year (business year for financial purposes) is determined by the Plan's actuary. The contributions are made yearly to ensure that adequate funds are accumulated to provide any benefits to which you are entitled from the Plan when you end your employment.

The benefits under the Plan are provided solely from Broward Health's contributions. Prior to March 1, 1984, employee contributions through after-tax payroll deductions were required to fund pension benefits.

As mentioned above, Broward Health's contribution for each year is paid to, and invested in, a Trust Fund that has been set up solely for the participants in the Plan. There are important reasons for using a Trust Fund. Once Broward Health has contributed to the Fund, for example, it cannot be used for the benefit of any person other than participants or their beneficiaries. Tax advantages are another good reason to use a Trust Fund. Although investments are being accumulated to provide you a future benefit, you owe no income tax on these investments until you actually receive benefits from the Plan. Also, the Trust Fund pays no taxes on the income that it earns or on any gains in the market value of its investments.

The contributions to the Trust Fund are used to buy stocks and bonds and to make other investments. Because there are good years and bad years for investments, investments always involve risk as well as opportunity. The Trust Custodian is subject to strict rules concerning administration of the Trust Fund and its investments to assure -- as much as is possible -- that the Trust Fund and its investments are handled with care, skill, prudence and diligence for the good of all participants in the Plan. The Trust Fund is managed in this way:

- (a) Broward Health may appoint a Corporate Trustee, such as a bank or a trust company, to serve as Trust Custodian, or it may appoint a single individual or a group of individuals as Trustee.
- (b) Investment managers may also be selected by Broward Health to invest a portion of the Trust Fund and to give investment advice regarding Plan investments.
- (c) The Trust Custodian holds the assets of the Trust Fund and pays out benefits to participants or beneficiaries as directed by the Plan Administrator.
- (d) The Trust Fund may be invested in common or preferred stocks, bonds, notes, debentures, mortgages, real estate, annuity policies, insurance policies and other investments.

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## 9. OTHER IMPORTANT INFORMATION

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### PLAN DOCUMENT

This booklet is a summary of the legal and official North Broward Hospital District Cash Balance Cash Balance Pension Plan document. Although we have tried to explain the Plan in clear and correct terms, ***if anything in this summary disagrees with the official plan document, the official plan document will govern.***

A retirement plan is a complex legal agreement. Many concepts and terms used may be confusing to you. You are encouraged to see the Plan Administrator about any questions or problems you may have about the Plan or your retirement in general. The Plan Administrator will help you find the answers to your questions or problems.

### GENERAL LIMITATIONS

This Plan does not constitute an employment contract between you and Broward Health. It does not guarantee you the right to be continued in Broward Health's employment, nor does it limit Broward Health's right to discharge any employee.

Upon termination of employment, no employee will have the right to or interest in any of the Plan's assets, except the benefit for which he or she is entitled under the Plan.

### THE FUTURE OF THE PLAN

Broward Health established the pension plan in 1966 after careful consideration and expects to continue it indefinitely. However, it realizes that circumstances not now foreseen or circumstances beyond its control may make it either impossible or inadvisable to continue to make its contributions to the plan. Therefore, Broward Health reserves the right to terminate, or partially terminate, or amend the pension plan at any time. However, no action of this nature will adversely affect vested rights which you have acquired as a result of your participation in the plan up to the date of amendment or discontinuance

Upon termination of the plan, the assets of the plan will be allocated toward providing retirement benefits for plan participants in the following order based on service to the date of plan termination:

- First, to provide retirement benefits of that portion of each participant's accrued benefit which is derived from the participant's mandatory contributions.
- Second, to those participants who have been receiving benefit payments before the plan termination date, including those participants who could have been receiving Normal Retirement benefits but chose to defer their retirement past Normal Retirement Date.
- Third, to those participants who could have been receiving Early Retirement Benefits but chose to defer their retirement past Early Retirement Date.

- Fourth, to provide retirement benefits for participants who would have been eligible for retirement benefits if their employment had been terminated on the date of plan termination.
- Fifth, to provide retirement benefits for all other participants on the basis of service to the date of plan termination.
- Sixth, after satisfaction of all of the above allocations, any remaining plan assets would be returned to Broward Health.

Broward Health also reserves the right to alter or amend this Plan. No amendment will deprive any participant or beneficiary of any vested right nor will it reduce the Accrued Benefit to which he or she is then entitled with respect to Company contributions previously made, except as may be required to maintain the Plan as a qualified plan under the Internal Revenue Code.

## **NONTRANSFERABILITY OF BENEFITS**

Generally, your benefits under the Plan may not be alienated; that is, sold, used as collateral for a loan, given away or otherwise transferred prior to being paid to you. Also, your creditors (other than the Internal Revenue Service) may not attach, garnish, or otherwise interfere with your benefits under the Plan.

However, the Plan may be required by law to recognize obligations that you incur as a result of court-ordered child support or alimony. The Plan must honor a “qualified domestic relations order” (QDRO) that meets certain legal requirements. This decree or order issued by a court obligates you to pay child support or alimony, or otherwise allocates a portion of your benefits under the Plan to your spouse, former spouse, child, or other dependent. If such an order is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Plan Administrator will determine the validity of any domestic relations order it receives.

You and your beneficiaries may obtain a copy of the Plan’s QDRO procedures, without charge, by contacting the Plan Administrator.

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## 10. FINANCIAL AND ACTUARIAL INFORMATION

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The Cash Balance Pension Plan's most recent financial statement and actuarial valuation can be found online at: [https://www.browardhealth.org/employee\\_benefits](https://www.browardhealth.org/employee_benefits). These reports include information on the solvency and actuarial soundness of the Plan.