BJC PENSION PLAN

SUMMARY PLAN DESCRIPTION
BJC Health System

Companion SPD to the Eighth Amendment and Restatement of the BJC Pension Plan

BJC Pension Plan (the “Plan”)

SUMMARY PLAN DESCRIPTION

To help you plan for adequate income for your retirement, your Employer provides you with the retirement plan described in this summary plan description (SPD).

The Plan is provided at no cost to you. You are automatically enrolled when you become eligible.

The Plan gives you the flexibility to decide when you want to retire (in accordance with the Plan's rules), and how you want your retirement benefits paid to you.

Although BJC Health System hopes to continue this Plan indefinitely, it has the right to change or end this Plan in any way and at any time as permitted by law. These changes may include altering the type and level of benefits offered.

In this SPD, unless stated otherwise, "Employer" means BJC Health System and the Participating Employers that have adopted this Plan. (See the definition of "Employer" and "Participating Employer" in the Definitions of terms section of this SPD.)

BJC Health System includes affiliated organizations including hospitals and other health care entities. Special Plan provisions may apply to employees who previously worked for one of those organizations. Those special provisions for transferred or "grandfathered" employees are described in appendices at the end of this SPD.

This SPD is intended to give you an overview of the major points of the Plan. The Plan is operated according to a legal document called a "plan document." This SPD presents the information in that document in a simplified, easier-to-read format. It cannot cover every detail of the Plan. If there is any discrepancy between the information in this SPD and the plan document, the plan document will be followed. You may contact the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org if you want to review the actual plan document.

2018
Contents

Highlights of the BJC Pension Plan ................................................................. 1

Eligibility ............................................................................................................. 2
Who is not eligible? ............................................................................................ 3

Factors that affect your retirement benefit .................................................... 4
Your pay .............................................................................................................. 4
Your years of benefit service .......................................................................... 4
Whether you are vested in the Plan ................................................................. 4

Years of service ................................................................................................. 4
Vesting service ................................................................................................ 4
Benefit service .................................................................................................. 5
Breaks-in-service .............................................................................................. 6

Losing eligibility and later rejoining the Plan .................................................. 6

When you may retire and begin receiving benefits ....................................... 7
Normal retirement date ..................................................................................... 7
Early retirement date ......................................................................................... 7
Postponed retirement date ................................................................................ 7

When you will begin receiving benefit payments .......................................... 8

Calculating your retirement benefits .............................................................. 8
Compensation ................................................................................................... 8
Final average monthly compensation ............................................................ 9
Covered compensation limit .......................................................................... 9
Your monthly benefit amount ....................................................................... 10
Early retirement benefit .................................................................................. 12

If you leave the System before you reach normal retirement age .......... 13

How your retirement benefit is paid .............................................................. 14
Single Life Annuity option ............................................................................ 14
50% Joint-and-Survivor Annuity option ......................................................... 14
75% Joint-and-Survivor Annuity option ......................................................... 15
100% Joint-and-Survivor Annuity option ....................................................... 15
Life Annuity options with a minimum number of payments (5, 10, 15-year) .. 15
5-Year Certain and Life Annuity ................................................................. 15
10-Year Certain and Life Annuity ................................................................. 15
15-Year Certain and Life Annuity ................................................................. 16
Age 62 Level Income Annuity option ........................................................... 16
Immediate distribution option (present value $25,000 or less) .................... 16
Lump-sum payment of small benefits (present value $5,000 or less) ...................... 17
Changing your payment option before benefit payments begin ...................... 17

If you become disabled................................................................. 17
If you die before you retire.......................................................... 18
If you do not earn an hour of service on or after January 1, 2001 ...... 18
If you earn an hour of service on or after January 1, 2001 .............. 19
  Designating a beneficiary............................................................ 19
  How the benefit is paid.................................................................. 19
  The amount of the benefit ............................................................ 19
  When the benefit will be paid....................................................... 20

Transferring ownership of your retirement benefits ...................... 20
How benefits may be forfeited or reduced ...................................... 21
How benefits may be suspended .................................................. 21
  Resumption of suspended benefits............................................. 21
Insured retirement benefits ......................................................... 22
Definitions of terms ..................................................................... 22

Plan administration information.................................................... 23
  Top-heavy rules .......................................................................... 24
  Your ERISA rights ...................................................................... 24
  If your claim is denied ............................................................... 25
  Changing or ending the Plan....................................................... 28

If you transfer to or from an Affiliate ............................................. 29

Appendix I: Special Provisions for transferred employees of related retirement plans ................................................. 31
  Eligibility.................................................................................. 31
  Factors that affect your retirement benefit .................................. 32
    Your participation in other retirement plans ............................. 32
    Your pay .............................................................................. 32
    Vesting service ....................................................................... 33
    Benefit service ....................................................................... 33
  Calculating your normal retirement benefit ............................... 34
    Pre-1996 formula for The Jewish Hospital of St. Louis............ 34
    Pre-1996 formula for Christian Hospital Northeast-Northwest... 34
Contents

Adjustments to monthly benefit payments .............................................. 35

Special provisions for grandfathered employees .............................. 35

Appendix II: Grandfathered employees who are former employees of Barnes Hospital (including satellite locations) .......... 36

Benefit service .................................................................................. 36
Calculating your normal retirement benefit ......................................... 36
Adjustments to monthly benefit payments ......................................... 37
Special formula for benefit reductions for early retirement .................. 38

Appendix III: Grandfathered employees who are former employees of CH Allied Services, Inc. (including Boone Hospital) 39

Eligibility ......................................................................................... 39
Using your pay to determine your benefit .......................................... 39
Vesting service .............................................................................. 40
Benefit Service ............................................................................. 40
Calculating your normal retirement benefit ......................................... 40
Adjustments to monthly benefit payments ......................................... 40

Appendix IV: Grandfathered employees who are former employees of Missouri Baptist Medical Center ......................... 42

Using your pay to determine your benefit .......................................... 42
Benefit service .............................................................................. 43
Calculating your normal retirement benefit ......................................... 43
Adjustments to monthly benefit payments ......................................... 43

Appendix V: Grandfathered employees who are former employees of St. Louis Children’s Hospital ................................. 45

Using your compensation to determine your benefit ......................... 45
Benefit Service .............................................................................. 45
Adjustments to monthly benefit payments ......................................... 45
Special formula for benefit reductions for early retirement .................. 46

Appendix VI: Grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan ...... 48

Effect of transfer or termination of employment ................................. 48
Benefit service .............................................................................. 48
Calculation of your normal retirement benefit .................................... 48
Using your pay and service to determine your benefit ......................... 49
Adjustments to monthly benefit payments ......................................... 49
Special formula for benefit reductions for early retirement .................. 49
Additional optional form of payment ............................................... 49
Am I eligible for the Plan?

You are eligible if you are an employee of BJC Health System or a Participating Employer, are age 21 or older, complete the minimum service requirements of the Plan, and are not a member of certain specifically excluded employee categories. See pages 2 and 3 for more information.

How do I enroll in the Plan?

You are automatically covered by the Plan when you become eligible.

How is my retirement benefit determined?

Generally speaking, your retirement benefit is based on your pay and your years of service with your Employer. See page 4 for more information.

For the actual formula used to calculate the basic retirement benefit, with examples, see the section titled Calculating your retirement benefits that begins on page 8.

Retirement benefits are paid monthly. The amount of your monthly payments is subject to adjustments based on your age when you retire and the payment option under which your retirement benefits are paid.

You may request an estimate of your retirement benefit from the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org.

When may I retire?

The Plan's normal retirement age is 65. However, you may retire and begin receiving benefits as early as age 55 if you are vested in the Plan. In addition, if the present value of your retirement benefit is small, you may be eligible for an earlier payment. See the Limited Immediate Payment Option portion of the section How your retirement benefit is paid for more information.

The age at which you retire and begin receiving your benefits could affect the amount of your monthly benefit payment because it is based in part on your expected lifespan when you retire and begin receiving benefits. Benefits that begin before age 65 will be reduced, as explained on page 12.

What does it mean to be "vested" in the Plan?

Being vested in the Plan means you have a right to benefits from the Plan even if you terminate employment with the System (as defined in the Definitions of terms section of this SPD) before you reach retirement age. You must have five years of "vesting service" to be vested in the Plan. You earn one year of vesting service for each Plan Year in which you are paid for at least 1,000 hours.

You also become vested in the Plan once you reach age 65 if you have been a Plan participant for five consecutive years, even if those five years do not all count as vesting service.

See page 4 for more information.

What is a "Plan Year"?

A "Plan Year" includes all the payroll periods having paydays that fall within a particular calendar year. (For example, if a payroll period began before December 31, 2016, but its payday fell after December 31, it would not be part of the 2016 Plan Year – it would be part of the 2017 Plan Year.)

What are the forms of payment for receiving my retirement benefits?

You may choose among several different payment options, which are described on pages 14 through 17.

Unless you affirmatively choose a different payment option, the law designates a specific
form of benefit payment for you, based on your marital status. If you are married, you must have your spouse's written consent to choose a payment option other than a joint-and-survivor annuity option with a spousal survivor benefit equal to at least 50%. See pages 14 through 17 for more information.

Note: Once your benefit payments have actually begun, you cannot change to a different payment option. Also, you cannot change your beneficiary (also known as a joint annuitant) under a joint-and-survivor annuity option once your benefit payments have begun.

What if I terminate employment before I reach retirement age?

If you terminate employment with the System before you reach retirement age and you are not vested, you are not eligible to receive a retirement benefit from the Plan unless you return to work for an Employer as described in the section titled Losing eligibility and later rejoining the Plan.

If you terminate employment with the System after becoming vested but before reaching retirement age, you may begin to receive your benefits when you qualify for early or normal retirement. (Normally the Plan will begin paying your benefits when you reach age 65, but you may arrange to begin payments any time after age 55. Benefits that begin before age 65 are reduced to reflect the longer expected payment period.) In addition, if the present value of your retirement benefit is small, you may be eligible for an earlier payment.

Note: If the Plan is to pay you benefits after you terminate employment with the System, it must be able to find you! Be sure to inform the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org of any change in your address.

What if I become disabled?

The Plan normally provides you with a benefit based on your pay and years of service with your Employer. However, if while actively working for an Employer you become disabled before your normal retirement date, and you are vested, you will continue to earn credit for service under the Plan just as if you were working, until one of the following events occurs:

- You are no longer disabled.
- You choose to begin receiving your early retirement benefits.
- You reach your normal retirement date.

For purposes of calculating your benefit, the Plan will assume that for each full year of your disability, your "pay" is the same as it was the year before the year in which you became disabled.

See page 17 for more information.

What if I die before retirement?

If you die before you retire at a time when you are vested, your beneficiary may be entitled to a benefit (subject to certain adjustments).

See pages 18-20 for more information.

What is my cost for participating in the Plan?

Nothing. Your Employer pays all the costs of the Plan.

Eligibility

Provided you are an eligible employee, you automatically become a participant in the Plan on the January 1 or July 1 that either falls on
or follows the date you meet both of these requirements:

- You are age 21 or older.
- You have completed 1,000 hours of service during your first 12 consecutive months of employment with the System. (If you do not complete 1,000 hours during your first 12 months of employment, the Plan will instead consider the first subsequent Plan Year in which you complete 1,000 hours.)

If you are not an eligible employee when you satisfy these requirements, you will not become a participant until the day you become an eligible employee.

On the date you become a participant, you automatically begin to build up, or "accrue," a retirement benefit.

Hours of service for purposes of determining your eligibility to participate in the Plan will include hours after December 31, 2005 for which you were scheduled to work but did not work due to your facility's low patient census.

If, on or after February 1, 2006 but before April 1, 2006, you terminated employment with the Metro Heart Group of St. Louis, Inc. facility located at 201 Dunn Road, Florissant, Missouri, and became an eligible employee, you are eligible to participate in the Plan on the later of the date you become an employee or the date you satisfy the eligibility requirements described above. For purposes of determining if you meet the eligibility service requirement, all of your hours of service with Metro Heart Group of St. Louis, Inc. at the location identified above count as hours of service under the Plan.

If you were employed by a Predecessor Employer (as defined in the Definitions of terms section of this SPD), on the date it was acquired by BJC or an Affiliate, all of your service with the Predecessor Employer will be taken into account for purposes of calculating your hours of service for determining if you meet the eligibility service requirement under the Plan.

Who is not eligible?

You are not eligible to participate in the Plan if you are any of the following:

- Classified as House Staff (A House Staff is defined as a medical doctor who is an intern, resident or fellow (including, but not limited to, a research fellow)).
- A nonresident alien with no earned income from the Employer that constitutes income from sources within the United States as defined by the Internal Revenue Code.
- A person who is not a United States citizen, lawful permanent resident alien, an asylee or a refugee (each as defined under the Federal Immigration and Nationality Act and Applicable Law), or an H-1B non-immigrant employee as described under the American Competitiveness and Workforce Improvement Act.
- Classified as a Statutory Employee for payroll purposes. (A Statutory Employee is defined as an individual who works under conditions similar to those of an independent contractor, but is classified as an employee for certain purposes under U.S. tax laws.)
- A person who continues to actively participate in any other qualified defined benefit pension plan (that is, a traditional pension plan, not a 403(b) or 401(k) plan) that is maintained by an Affiliate.
- You are a member of, or represented by, a collective bargaining unit that participated in collective bargaining that included discussion of retirement benefits (unless collective bargaining provides for participation in the Plan).
- A person whose employment agreement precludes participation in the Plan.
• Employed by an Affiliate that has not adopted the Plan. (As of January 1, 2018, Alton Memorial Hospital, Parkland Health Center, and Memorial Hospital (and its affiliates, including, but not limited to, Memorial Hospital-East and Memorial Medical Group) have not adopted the Plan. But see Appendix VI at the end of this SPD for certain provisions applicable to grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan. See also the section titled "If you transfer to or from an Affiliate" on page 29.

• You are classified by BJC or your Employer as a non-employee or leased employee (even if you are an employee for one or more purposes other than this Plan and without regard to retroactive classification).

If you stop participating in the Plan because you terminate employment with the System, and you are later rehired, you may rejoin the Plan when you meet certain conditions. The rules for this situation are explained in the section titled Losing eligibility and later rejoining the Plan.

Factors that affect your retirement benefit

Three main factors affect the benefit amount you may receive when you retire.

Your pay

Your retirement benefit is based on a percentage of the "average monthly compensation" you receive while employed, multiplied by your years of "benefit service."

Your years of benefit service

After you become a participant in the Plan, you start to earn "years of benefit service" as explained in the section titled Years of service. Your retirement benefit builds up or "accrues" as your years of benefit service increase.

Whether you are vested in the Plan

Although you begin accruing a retirement benefit on the first day you become eligible, you forfeit that benefit if you terminate employment with the System before you have five years of "vesting service," as defined below.

Once you have five or more years of vesting service, you have a right to your accrued retirement benefit even if you leave. This is referred to as "being vested in the Plan" — having this ownership right is what the term "vested" means.

You also automatically become vested once you reach the Plan's normal retirement age of 65 and have been a participant in the Plan for five consecutive years, even if those five years do not all count as vesting service.

Notwithstanding the above, if you were both a participant in the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan and employed by Health Management Partners, LLC or The Medical Center Health Plan, formerly Health Partners of the Midwest, on December 31, 2000, you are automatically 100% vested in your retirement benefits.

Years of service

Your "years of service" means the number of eligible years you work for the System. The Plan counts your eligible years of service in two different ways.

Vesting service

Your "vesting service" is used to determine when you gain the legal right to a benefit (that is, when you become vested). You must complete five years of vesting service to become vested in the Plan.

If you complete at least 1,000 hours of service in a Plan Year, you earn one year of vesting service.
An "hour of service" means any hour for which you are paid or are entitled to be paid by the System, whether or not for performing your duties. If you are an exempt employee for whom such hours are not required to be recorded, you will earn 45 hours of service for each week of employment in which you would have been credited with at least one hour of service if your hours were recorded.

If you complete less than 1,000 hours of service in a Plan Year, that year does not count as a year of vesting service. Also, you cannot earn more than one year of vesting service in a Plan Year. (A 40-hour week, for example, actually equals more than 2,000 service hours per year, but does not count as two vesting years. The 1,000 hours-per-year requirement is just a minimum requirement.)

Hours of service for purposes of determining your vesting service under the Plan will include hours after December 31, 2005 for which you were scheduled to work but did not work due to your Employer’s low patient census.

If, on or after February 1, 2006 but before April 1, 2006, you terminated employment with the Metro Heart Group of St. Louis, Inc. facility located at 201 Dunn Road, Florissant, Missouri, and became an eligible employee, then you will receive credit for purposes of vesting service for your hours of service with Metro Heart Group of St. Louis, Inc. at the location identified above.

If you were employed by Cardiology Diagnostics, Ltd. on September 26, 2010 and became an employee of an Employer on September 27, 2010, you will receive credit for purposes of vesting service during 2010 for purposes of vesting.

If you were employed by a Predecessor Employer (as defined in the Definitions of terms section of this SPD), on the date it was acquired by BJC or an Affiliate, all of your service with the Predecessor Employer will be taken into account for purposes of calculating your hours of service for determining your vesting service under the Plan.

**Benefit service**

Your "benefit service" is used to calculate the amount of your retirement benefit, after you meet the Plan's eligibility requirements and become a participant in the Plan.

If you complete at least 1,000 hours of service in a Plan Year, you earn one year of benefit service.

If you complete less than 1,000 hours of service in a Plan Year, that year does not count as a year of benefit service – with the exception of your last year of employment. The hours of service you earn during your last year will count as a partial year of benefit service, on a prorated basis. For example, if you have 500 hours of service in your last year of employment with your Employer, it will count as one-half year of benefit service.

You cannot earn more than one year of benefit service in a Plan Year. Also, hours of service before the year in which you began participating in the Plan, or during periods when you do not meet the definition of an eligible employee, do not count toward your benefit service.

If you take an approved leave for military service, you will continue to earn benefit service just as if you were working at your normal work schedule. However, you must return to active employment within 90 days after your earliest opportunity to do so, unless the law requires an extension.

If you become disabled, and you have at least five years of vesting service, you may continue to earn benefit service during your disability as described in the section titled *If you become disabled.*

Hours of service for purposes of determining your benefit service under the Plan will include hours after December 31, 2005 for which you were scheduled to work but did not work due to your facility’s low patient census.
In addition, if you became an employee before January 1, 1998, your hours of service during the 1997 calendar year will be counted in determining your years of benefit service if both the following apply to you:

- You met the age and service requirements for participating in the Plan described under Eligibility before January 1, 1998.

- You were not eligible for any of the following retirement plans:
  - The Barnes Hospital Pension Plan.
  - The Jewish Hospital of St. Louis Employee Retirement Plan.
  - The Retirement Plan for Employees of Christian Hospital Northeast-Northwest.
  - The Retirement Plan for Employees of Missouri Baptist Medical Center.
  - The Retirement Plan for Employees of St. Louis Children's Hospital.
  - The Retirement Plan for Employees of CH Allied Services, Inc.

**Breaks-in-service**

If you work 500 or fewer hours of service during a Plan Year, this is referred to as a "break-in-service." You do not normally earn vesting service or benefit service during such a year.

In addition, if you stop working for the System and are not vested in the Plan, you will lose all your previously earned eligibility, benefit service and vesting service if you've had breaks-in-service for five years in a row.

However, an approved leave of absence granted under the Family and Medical Leave Act does not count towards a break-in-service.

**Losing eligibility and later rejoining the Plan**

Once you are vested, you cannot forfeit your vesting or benefit service. However, if you are not vested, you can forfeit, i.e., lose, vesting and/or benefit service under the Plan if you either:

- Stop working for the System (and are not rehired by a member of the System) before you are vested. (See the definition of "System" in the Definitions of terms section of this SPD.)

- Forfeit your vesting and benefit service because of too many (that is, five or more) consecutive breaks-in-service.

Vesting service and benefit service, once forfeited, cannot be regained if you are not vested. However, you can rejoin the Plan and earn new service. When you may participate depends on why your previous participation ended:

<table>
<thead>
<tr>
<th>If your participation ended because</th>
<th>You may participate again</th>
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<tbody>
<tr>
<td>You terminated employment and you are rehired before forfeiting your vesting and benefit service (that is, before you had five consecutive breaks in service)</td>
<td>On the date you are rehired as an eligible employee, provided you complete 1,000 hours of service during your first 12 months of re-employment (or any Plan Year after that date).</td>
</tr>
<tr>
<td>You terminated employment and you are rehired after forfeiting your vesting and benefit service</td>
<td>On the January 1 or July 1 that either falls on or follows the date you complete at least 1,000 hours of service during the 12-month period that begins on your rehire date (or any Plan Year after that date)</td>
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</table>
When you may retire and begin receiving benefits

Age 65 is the Plan’s normal retirement age. However, the Plan provides a great deal of flexibility for retirement dates. You may continue working after you turn 65, or in some cases you can retire and begin receiving benefits as early as age 55 (with reduced monthly benefits).

The timing of your retirement will affect your benefit. Carefully read the information in the section titled Calculating your retirement benefits for more information.

Normal retirement date

Your normal retirement date is the first day of the month that falls on or immediately follows the later of:

- Your 65th birthday.
- The earlier of:
  - The date you complete five years of vesting service.
  - The fifth anniversary of the date you became a participant in the Plan.

On this date, the full amount of your benefit is payable to you through a variety of payment options, described later in this SPD. Unless you continue to work for the System past your normal retirement date, your benefit under the Plan is required to commence.

Early retirement date

The Plan allows you to retire early – anytime between ages 55 and 65 – provided you are vested in the Plan.

Your early retirement date is the first day of the month that falls on or follows the date you stop working for the System (as defined in the Definitions of terms section of this SPD) and choose to begin receiving retirement benefits. If you retire early and choose to begin receiving benefits before your normal retirement date, the amount of your monthly benefit will be reduced. This is done because you are expected to receive more payments over a longer retirement period since your benefits begin at a younger age.

In addition, effective for distributions commencing on or after April 1, 2018, the Plan allows participants with small benefits to elect to receive their vested benefit at any time as of the first day of the month that falls on or immediately follows their termination of employment with the System. This option is only available if the present value of your benefit is $25,000 or less. If you are not otherwise eligible to retire (under an early, normal or postponed retirement date), the forms of benefit available to you are limited but include a single lump sum payment option (see the Limited Immediate Payment Option portion of the section titled How your retirement benefit is paid). If you choose a monthly retirement benefit, the amount of your monthly benefit will be reduced. This is done because you are expected to receive more payments over a longer retirement period since your benefits begin at a younger age. If you are otherwise eligible to retire, in addition to all of the Plan’s regular payment options you may elect a single lump sum payment.

Postponed retirement date

If you decide to remain employed by your Employer after your normal retirement date, this is referred to as "postponed retirement." Your postponed retirement date is the first day of the month that falls on or follows the date you choose to retire. Once you stop working, your benefit is required to commence.

You will continue to earn benefit service under the Plan if you work beyond your normal retirement age.

If you retire after age 70½, the amount of your monthly benefit payment will be increased to reflect the fact that you did not begin receiving payments at that age.
When you will begin receiving benefit payments

Normally, the Plan will start paying your benefits on the first business day of the month that follows your retirement date and your decision to begin receiving a benefit. However, your benefit payments must commence no later than your normal retirement date (or your postponed retirement date if you continue to be employed after your normal retirement date). You will be required to fill out and return election forms specifying the manner in which you wish your benefits to be paid. (If you fail to properly complete the forms and return them in a timely manner, this could delay the date your early retirement benefit payments begin, or prevent your retirement benefits from being paid in the form you prefer once your payments are required to begin. If the Plan is required to commence your benefit and you do not complete and return your election forms within the timeframe required, your benefit will be paid in the legally designated form of payment for married participants described in How your retirement benefit is paid.)

To retire early and receive benefits in an optional form (as explained in the section How your retirement benefit is paid), you must inform the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org during the 90-day period that precedes the date you want to begin receiving retirement benefits. To receive benefits in an optional form (as explained in the section titled How your retirement benefit is paid), you must inform the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org during the 90-day period that precedes your normal retirement date or your postponed retirement date, as applicable, to begin receiving retirement benefits.

Calculating your retirement benefits

If you retire at your "normal retirement date," you will begin receiving a monthly normal retirement benefit for the rest of your life. This section describes how your benefits are calculated.

Note: If you are a transferred or grandfathered employee who was previously eligible or covered under a retirement plan maintained by certain Affiliates, your benefits are calculated differently. These calculations are described in the appendices at the end of this SPD.

Compensation

Your retirement benefits are based in part upon your compensation. "Compensation" means your salary and wages (excluding severance payments, if any) as reported on Box 1 of your Form W-2, plus the amount of any paycheck deductions made for contributions to a 401(k) and/or 403(b) plan or "cafeteria" plan sponsored by the Employer or an Affiliate.

"Compensation" does not include:

- Taxable reimbursements and other expense allowances,
- Taxable cash and noncash fringe benefits,
- Taxable moving expenses,
- Currently taxable benefits under nonqualified deferred compensation plans,
- Taxable welfare benefits,
- Taxable tuition reimbursements, and
- Taxable adoption assistance payments, to the extent that they are reported on Box 1 of your W-2 Form.

Compensation will be determined under the schedule of "Deductions and Other Earnings" maintained by BJC on behalf of your Employer from time to time, excluding
severance payments, if any. Compensation is the sum of your Compensation with all members of the System for whom you work during a Plan Year.

NOTE: In addition, under federal law, compensation in excess of $275,000 per year is not included in the calculation of your retirement benefit. (This $275,000 limit was lower for years prior to 2018, and may be increased from year to year to reflect increases in the cost of living.)

Two special compensation-related factors that affect the amount of your benefit are your "final average monthly compensation" and your "covered compensation limit." After we explain what these terms mean, we will show you the basic formula for calculating your retirement benefit.

**Final average monthly compensation**

This is how the Plan calculates your "final average monthly compensation." For an explanation of the way the Plan defines "compensation" please refer to Compensation on page 8).

The Plan looks at the past 10 years as specified below, and determines the five consecutive years within this period during which you received the most total compensation from the Employer. The Plan then calculates your average monthly compensation for these five years. This amount is your "final average monthly compensation."

The calculation of your final average compensation does not include any Plan Years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than 60 consecutive months of employment with Employers, your total compensation amount will simply be divided by your complete calendar months of employment to get the monthly average (note that this calculation will ignore any months of employment during years when you are credited with less than 1,000 hours of employment, except the last year in which you worked if this would increase the result).

If you were a participant in the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan prior to September 1, 2001, compensation you earned with certain employers before the employers became affiliated with BJC Health System will not be counted in calculating your final average compensation.

**Covered compensation limit**

"Covered compensation limit" is short for "compensation that is limited to what is covered as taxable by Social Security." This is calculated based on two factors that we must define: the "taxable wage base" and your "Social Security retirement age."

The "taxable wage base" is the maximum amount that may be considered as wages for the purposes of taxation for old age, survivor and disability benefits under the Social Security laws. This amount is subject to adjustment from year to year based on cost-of-living increases. For example, the annual taxable wage base was set at $127,200 for 2017, but increased to $128,400 for 2018.

Your "Social Security retirement age," for the purposes of this provision of the Plan, depends on the year in which you were born, as shown in this table:

<table>
<thead>
<tr>
<th>If you were born in:</th>
<th>Your Social Security retirement age is:</th>
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<tbody>
<tr>
<td>1937 or earlier</td>
<td>Age 65</td>
</tr>
<tr>
<td>1938 through 1954</td>
<td>Age 66</td>
</tr>
<tr>
<td>1955 and later</td>
<td>Age 67</td>
</tr>
</tbody>
</table>

Your "covered compensation limit" is 1/12 of the average taxable wage base for each year in the 35-year period that ends with the year you reach your Social Security retirement age.

For the Plan's purpose of calculating a benefit, if you have not yet reached your Social Security retirement age when the calculation is
made, taxable wage bases for future years are assumed to be the same taxable wage base for the current year. Unless stated otherwise, calculations of your benefits are based on the assumption that you are retiring now.

**Your monthly benefit amount**

Your monthly retirement benefit is calculated according to the following formula:

\[
1\% \times \text{Your final average monthly compensation} \times \text{Your years of benefit service} \\
+ \\
0.5\% \times \text{Your final average monthly compensation over the covered compensation limit} \times \text{Your years of benefit service (up to a maximum of 35 years)}
\]

Following is an example showing how the monthly amount of a participant's retirement benefit would be calculated according to the "single life annuity" form of payment (described under How your retirement benefit is paid on page 14).

**Note:** The assumptions in these examples — including salary figures and increases, future increases to the covered compensation limit, and future years of employment — are just examples. They are not guarantees of pay, salary increases, benefits or employment.

**Example 1: Barbara**

Barbara is retiring in 2017 with 30 years of benefit service:

Date of birth: November 15, 1952

Hire date: December 1, 1986

Normal retirement date: December 1, 2017

Years of benefit service: 30 years

This table shows Barbara's salary for the 10 years immediately preceding her retirement, with the five highest-paid consecutive years highlighted. It assumes that her current annual rate of pay (in 2017) is $35,000 and that her pay increased by 3% each year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$32,083 (for 11 months worked)</td>
</tr>
<tr>
<td>2016</td>
<td>$33,980</td>
</tr>
<tr>
<td>2015</td>
<td>$32,990</td>
</tr>
<tr>
<td>2014</td>
<td>$32,029</td>
</tr>
<tr>
<td>2013</td>
<td>$31,096</td>
</tr>
<tr>
<td>2012</td>
<td>$30,190</td>
</tr>
<tr>
<td>2011</td>
<td>$29,310</td>
</tr>
<tr>
<td>2010</td>
<td>$28,456</td>
</tr>
<tr>
<td>2009</td>
<td>$27,627</td>
</tr>
<tr>
<td>2008</td>
<td>$26,822</td>
</tr>
</tbody>
</table>

Total compensation for the highest-paid five consecutive years during the last 10 years preceding the retirement date is: $162,178 (the sum of the shaded figures in the table)

Covered compensation limit: $6,708 (for year 2017)

1. Final average monthly compensation = $162,178 ÷ 60 months (five years) = $2,702.97
2. 1% x $2,702.97 = $27.03
3. $27.03 x 30 years = $810.90
4. Final average monthly compensation exceeding covered compensation limit = $0
5. 0.5% x $0 = $0
6. $0 x 30 years = $0

10
Barbara's normal retirement benefit of $810.90 is paid monthly for the rest of her life.

**Example 2: Jerry**

Here is an example of another employee whose retirement at normal retirement age is not far off. However, Jerry joined the employer later in his career (at age 54) and will retire with fewer years of service:

- **Date of birth:** November 15, 1952
- **Hire date:** December 1, 2006
- **Normal retirement date:** December 1, 2017
- **Years of benefit service:** 10 years

This table shows Jerry's salary for the 10 years immediately preceding his retirement, with the five highest-paid consecutive years highlighted. Projections begin with the assumption that his current pay (in 2017) is $36,000 and that his pay increased by 3% each year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$33,000</td>
</tr>
<tr>
<td></td>
<td>(for 11 months worked)</td>
</tr>
<tr>
<td>2016</td>
<td>$34,951</td>
</tr>
<tr>
<td>2015</td>
<td>$33,933</td>
</tr>
<tr>
<td>2014</td>
<td>$32,944</td>
</tr>
<tr>
<td>2013</td>
<td>$31,984</td>
</tr>
<tr>
<td>2012</td>
<td>$31,052</td>
</tr>
<tr>
<td>2011</td>
<td>$30,147</td>
</tr>
<tr>
<td>2010</td>
<td>$29,268</td>
</tr>
<tr>
<td>2009</td>
<td>$28,415</td>
</tr>
<tr>
<td>2008</td>
<td>$27,587</td>
</tr>
</tbody>
</table>

Total compensation for the highest-paid five consecutive years during the last 10 years preceding the retirement date is: $166,812 (the sum of the shaded figures in the table)

**Covered compensation limit:** $6,708 (for year 2017)

**Step 1.** Final average monthly compensation  
= $166,812 ÷ 60 months (five years) = $2,780.20

**Step 2.** 1% x $2,780.20 = $27.80

**Step 3.** $27.80 x 10 years = $278.00

**Step 4.** Final average monthly compensation exceeding covered compensation limit = $0

**Step 5.** 0.5% x $0 = $0

**Step 6.** $0 x 10 years = $0

**Step 7.** Step 3 plus Step 6 = $278.00 + $0 = $278.00

Jerry's normal retirement benefit of $278.00 is paid monthly for the rest of his life.

**Example 3: Charlotte**

So far, none of these employees has had a final average monthly compensation that's high enough to exceed the covered compensation limit. Charlotte, however, has a higher level of pay. She is retiring in 2017 with 25 years of benefit service:

- **Date of birth:** October 15, 1952
- **Hire date:** November 1, 1991
- **Normal retirement date:** November 1, 2017
- **Years of benefit service:** 25 years

The following table shows Charlotte's salary for the 10 years immediately preceding her retirement, with the five highest-paid consecutive years highlighted. It assumes that her current annual rate of pay (in 2017) is $100,000 and that her pay increased by 3% each year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$100,000</td>
</tr>
<tr>
<td>2016</td>
<td>$97,010</td>
</tr>
<tr>
<td>2015</td>
<td>$94,041</td>
</tr>
<tr>
<td>2014</td>
<td>$91,098</td>
</tr>
<tr>
<td>2013</td>
<td>$88,176</td>
</tr>
<tr>
<td>2012</td>
<td>$85,274</td>
</tr>
<tr>
<td>2011</td>
<td>$82,376</td>
</tr>
<tr>
<td>2010</td>
<td>$79,493</td>
</tr>
<tr>
<td>2009</td>
<td>$76,620</td>
</tr>
<tr>
<td>2008</td>
<td>$73,755</td>
</tr>
</tbody>
</table>

Total compensation for the highest-paid five consecutive years during the last 10 years preceding the retirement date is: $166,812 (the sum of the shaded figures in the table)
<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$83,333</td>
</tr>
<tr>
<td></td>
<td>(for 10 months worked)</td>
</tr>
<tr>
<td>2016</td>
<td>$97,088</td>
</tr>
<tr>
<td>2015</td>
<td>$94,260</td>
</tr>
<tr>
<td>2014</td>
<td>$91,515</td>
</tr>
<tr>
<td>2013</td>
<td>$88,850</td>
</tr>
<tr>
<td>2012</td>
<td>$86,263</td>
</tr>
<tr>
<td>2011</td>
<td>$83,750</td>
</tr>
<tr>
<td>2010</td>
<td>$81,311</td>
</tr>
<tr>
<td>2009</td>
<td>$78,943</td>
</tr>
<tr>
<td>2008</td>
<td>$76,644</td>
</tr>
</tbody>
</table>

Total compensation for the highest-paid five consecutive years during the last 10 years preceding the retirement date is: $457,976 (the sum of the shaded figures in the table)

Covered compensation limit: $6,708 (for year 2017)

Step 1. Final average monthly compensation = $457,976 ÷ 60 months (five years) = $7,632.93

Step 2. 1% x $7,632.93 = $76.33

Step 3. $76.33 x 25 years = $1,908.25

Step 4. Final average monthly compensation exceeding covered compensation limit = $7,632.93 - $6,708.00 = $924.93

Step 5. 0.5% x $924.93 = $4.62

Step 6. $4.62 x 25 years = $115.50

Step 7. Step 3 plus Step 6 = $1,908.25 + $115.50 = $2,023.75

Charlotte's normal retirement benefit of $2,023.75 is paid monthly for the rest of her life.

Early retirement benefit

If you choose early retirement, your monthly benefit will be calculated in the same way as your normal retirement benefit, using your years of service and final average monthly compensation as of your early retirement date. However, if you retire and begin receiving benefits before age 65, the amount of your monthly benefit will be reduced because you are expected to receive more payments during a longer retirement period.

The amount by which your benefit payments will be reduced depends on the number of months between your early retirement date and your 65th birthday (up to a maximum of 120 months), as shown in this table:

<table>
<thead>
<tr>
<th>For each month your retirement date precedes:</th>
<th>Your benefit payments are reduced by</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) your 65th birthday, if you were born on the first of the month or b) the first day of the month that next follows your 65th birthday, if you were not born on the first day of the month</td>
<td>1/180 per month</td>
</tr>
<tr>
<td>1st through 60th month</td>
<td>1/180 per month</td>
</tr>
<tr>
<td>61st through 120th month</td>
<td>1/360 per month</td>
</tr>
</tbody>
</table>

Following are examples of the reductions that would apply if you were to retire and begin receiving benefits on the following dates. (Although reductions are made on a monthly basis, for simplicity's sake this table uses only whole years as examples, by assuming that you retire exactly on your birthday.)
If you retire on the date you reach this age | Your monthly retirement benefit is reduced by this percentage
---|---
65 | 0.00%
64 | 6.67%
63 | 13.33%
62 | 20.00%
61 | 26.67%
60 | 33.33%
59 | 36.67%
58 | 40.00%
57 | 43.33%
56 | 46.67%
55 | 50.00%

For example, suppose your monthly benefit at normal retirement age is $1,050 per month. However, you decide to take early retirement on the date you turn 60 — which is 60 months prior to your 65th birthday — and begin receiving benefits immediately. Your normal benefit would be reduced as follows:

Step 1. Normal monthly retirement benefit at age 65 = $1,050

Step 2. Reduction factor: 33.33%  
(60 months x 1/180 = 33.33%)

Step 3. Normal monthly benefit multiplied by reduction factor -  
$1,050.00 x 33.33% = $349.97 as the amount of your reduction

Step 4. Normal monthly benefit minus reduction amount = $1,050 - $349.97  
= $700.03

Therefore, if you took early retirement at age 60, your retirement benefit would be $700.03 per month, based on the assumptions in this example.

If you leave the System before you reach normal retirement age

If you terminate employment with the System before you reach normal retirement age and are not vested, you are not eligible to receive a retirement benefit.

If you terminate employment with the System after becoming vested in the Plan but before you reach early or normal retirement age, you may begin to receive your benefits when you qualify for early or normal retirement. This benefit is referred to as a "deferred vested benefit" — "vested" because you have the right to receive it, but "deferred" because you cannot receive it immediately; not until you later choose to begin receiving benefits according to the Plan rules. If, however, the present value of your vested benefit is $25,000 or less at your annuity starting date (i.e., the first day of the month for which an amount is payable as an annuity or other form), you may choose to receive your benefit at any time.

The amount of your deferred vested benefit is calculated in the same way as your normal retirement benefit, but is based on your years of service and final average monthly compensation as of the date you terminate employment with the System.

Normally, your retirement benefits begin when you reach age 65 — but if you wish, you may stop working and begin receiving benefits any time after age 55. In addition, if the present value of your vested benefit is $25,000 or less at your annuity starting date, you may choose to receive your benefit at any time.

If you want your benefit to begin before you reach age 65, you must request and complete the required "Benefit Election Forms," which are available from the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org. (Remember that monthly retirement benefits beginning before age 65 will be reduced.)
If you do not elect to begin receiving your benefits before you turn 65, the Plan will begin payment at that time. To do so, however, the Plan must be able to contact you. **Therefore, it is important that you notify the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org of any change in your address after you leave.**

**How your retirement benefit is paid**

Now you've seen how the amount of your retirement benefit is calculated, according to different circumstances. However, the form in which your benefits are paid can be as important to you as the amount you receive.

Because people have different needs, the Plan provides different forms of payment for receiving your retirement benefit that you may elect provided you do so in a timely manner.

Some forms of payment are designated by law as the required form of payment unless you choose a different option in accordance with Plan rules. The legally designated form of payment depends on whether you are married at the time payments start:

- If you are single, the designated form of payment is the "single life annuity" option, unless you have chosen another option.
- If you are married when payments start, the designated form of payment is the "50% joint-and-survivor annuity" option, unless you and your spouse have chosen another option.

The monthly amount you receive under each form of payment is affected by your life expectancy, and in some cases, by the life expectancy of your spouse or other beneficiary.

Following are more details about the legally designated and optional forms of payment.

**Single Life Annuity option**

The single life annuity option is the legally designated form if you are single when payments begin, unless you choose another option according to the Plan's rules.

(The examples under Calculating your retirement benefits are based on the single life annuity option. If you choose another payment option, reductions will apply as explained later.)

As you might guess from its name, this option pays you a monthly benefit during your lifetime only — after your death, no additional payments will be made.

**50% Joint-and-Survivor Annuity option**

This payment form is the legally designated form if you are married when your retirement payments begin, unless you choose another option according to the Plan's rules.

The 50% joint-and-survivor annuity option pays you an income for your life. It also provides continuing protection for your spouse after your death. After you retire, if you die first your spouse will continue to receive, for his or her life, monthly payments equal to 50% of the amount you were receiving.

If, on the other hand your spouse dies first, you will continue to receive the same benefits you were receiving before, for the rest of your
life (with no adjustments). At your death, all benefit payments will end.

You may choose someone other than your spouse as your beneficiary for this option, if your spouse agrees in writing. You must also obtain your spouse's written agreement if you are married and wish to choose any form of payment except a joint-and-survivor annuity option with a spousal survivor benefit equal to at least 50%. To confirm your spouse's consent, you and your spouse must sign the "Spousal Waiver Form" that will be sent to you along with your Benefit Election Forms. This form must be witnessed by a notary public or a Plan representative.

If you are not married, you may choose a joint-and-survivor annuity option as an optional form of payment. In this case, you will need to designate a beneficiary as the recipient of the "survivor" benefits.

Your monthly benefit payments under this option will be reduced (compared to the single life annuity option) to reflect the fact that additional payments are expected to be made after your death. (The adjustment is based on the statistical life expectancy of your spouse or other beneficiary.)

75% Joint-and-Survivor Annuity option

This payment form is similar to the 50% joint-and-survivor annuity option, except the amount that is paid to your beneficiary will equal 75% of the amount that is paid to you.

Your monthly benefit payments under this option will be reduced further, however, to reflect the fact that a larger percentage of that benefit will continue to be paid after your death.

100% Joint-and-Survivor Annuity option

This payment form is similar to the 50% joint-and-survivor annuity option, except the amount that is paid to your beneficiary will equal 100% of the amount that is paid to you.

Your monthly benefit payments under this option will be reduced further, however, to reflect the fact that a larger percentage of that benefit will continue to be paid after your death.

Life Annuity options with a minimum number of payments (5, 10, 15-year)

These options are modified versions of the single life annuity option. Under these options, the Plan pays you a monthly benefit for life — but a designated, minimum number of monthly payments are specified as "certain" to be made, even if you die before receiving them all. The remainder of the "certain" payments will be paid to your beneficiary.

There are three variations of this option — each with its own specified number of "certain" monthly payments, as shown in the table below:

<table>
<thead>
<tr>
<th>If you choose this option</th>
<th>And you die before receiving</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5-Year Certain and Life Annuity</strong></td>
<td>60 monthly benefit payments, the Plan will continue to make payments to your beneficiary until a total of 60 payments have been made (from the date of your retirement)</td>
</tr>
<tr>
<td><strong>10-Year Certain and Life Annuity</strong></td>
<td>120 monthly benefit payments, the Plan will continue to make payments to your beneficiary until a total of 120 payments have been made (from the date of your retirement)</td>
</tr>
</tbody>
</table>
### 15-Year Certain and Life Annuity

| 180 monthly benefit payments, the Plan will continue to make payments to your beneficiary until a total of 180 payments have been made (from the date of your retirement) |

For example, suppose an employee chooses the 5-year certain and life annuity option, but dies after receiving only 27 months of benefit payments. The participant's surviving beneficiary is entitled to receive payments for another 33 months, bringing the total monthly payments to 60.

Suppose, however, that the participant chooses the 5-year certain and life annuity option and dies after receiving 72 monthly payments. Since the required 60 monthly payments have already been paid, the beneficiary would not be entitled to any additional monthly payments.

If you choose one of these options, the benefit amount per month is reduced to reflect the fact that more payments may continue after your death. The larger the number of benefit payments that are specified as "certain," the greater the amount of the reduction, and the smaller the monthly payments will be.

You may choose more than one beneficiary with these options.

If both you and all designated beneficiaries die before all the "certain" payments are made, the remaining "certain" payments will be paid to the estate of the individual who died last.

### Age 62 Level Income Annuity option

You become eligible to receive Social Security retirement benefits at age 62. If you retire before that age and receive retirement benefits from the Plan under any of the options discussed so far, this means your total monthly retirement income will suddenly increase at age 62 when your Social Security benefits begin.

You may prefer a steadier income level throughout your retirement. If this is the case, consider the Plan's age 62 level income annuity option.

Under this option, the Plan's monthly benefit payments before age 62 are increased, and payments after age 62 are decreased, based on the amount of your estimated Social Security benefits. As a result, your combined monthly retirement income (from both our Plan and Social Security) will stay at about the same level after your Social Security benefits begin.

Benefits under this option are paid to you, for your life only. Payments are not made to any beneficiary.

| Note: In some cases, this adjustment may require that all of the Plan's retirement benefits be paid before you reach age 62, and reduced to zero after age 62. In other words, your benefit payments from the Plan could stop altogether at age 62. This is most likely to happen in cases in which an individual has a small benefit because he or she has only a short term of service with the System and retired relatively early. |

### Immediate distribution option

**present value $25,000 or less**

If you terminate employment with the System and the present value of your vested benefits is $25,000 or less you may elect to commence distribution at any time with the following limited payment options:

- If you elect to commence payment prior to your early retirement date and you are single, your payment choices are the single life annuity option or a lump sum payment.
- If you elect to commence payment prior to your early retirement date and you are
married, your payment choices are, a 50% joint-and-survivor annuity option, a 75% joint-and-survivor annuity option or a lump sum payment.

- If you elect to commence payment on or after your early retirement date regardless of your marital status, in addition to all of the normal payment choices available to you, you may also choose a lump sum payment. If you are married, you will need spousal consent for any option other than the 50%, 75% or 100% joint-and-survivor annuity option with your spouse as the beneficiary.

The "present value" of your benefit is calculated based on the single life annuity option and your life expectancy.

**Lump-sum payment of small benefits (present value $5,000 or less)**

If you terminate employment with the System and the present value of your vested benefits is $5,000 or less, such amount will be paid from the Plan. The "present value" of your benefit is calculated based on the life-only option and your life expectancy. If this "small benefit" rule applies to you, you may elect to receive your benefit in the form of a lump sum payment directly to you or a direct payment ("rollover") of all or a portion of your distribution to an Individual Retirement Account ("IRA") or to another employer-sponsored retirement plan by timely filing a written election with the BJC Retirement Service Center. If you fail to timely file a written election, your benefit will be rolled over automatically to an IRA in your name. The IRA will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. However, any IRA fees and expenses will be paid only from the IRA and not by the Plan or your former employer(s).

For further information concerning the automatic rollover provision, including the IRA provider and fees and expenses applicable in the case of an automatic rollover, please contact the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org.

**Changing your payment option before benefit payments begin**

**NOTE: Once your benefit payments begin, your payment option cannot be changed.**

However, if benefit payments have not yet begun, you may change your form of payment. You may do so by filing a written request with the BJC Retirement Service Center before your benefit payments begin. Contact the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org for filing instructions.

If you are married and wish to choose any payment option other than a joint-and-survivor annuity option, or designate someone other than your spouse as your beneficiary, you must obtain your spouse's consent to do so as described under the section titled 50% Joint-and-Survivor Annuity option.

If you are to receive benefits under one of the joint-and-survivor annuity options, but your beneficiary dies before benefits begin, your chosen option will be considered void. Benefits will be paid according to whatever form is legally designated for your circumstances (married or single), unless you choose another option (or another beneficiary) before your benefits begin.

**If you become disabled**

If, before your normal retirement date, you become permanently and totally disabled while you're an active employee, and you have at least five years of vesting service, then you'll continue to earn 1,000 hours of service for each full year you are disabled. You will also earn hours of service for each partial year of disability calculated by multiplying 1,000 by the number of complete calendar months you were disabled that year divided by 12. As long as you continue to accrue a benefit (earning
1,000 hours of service pro-rated as described above) you shall not be regarded as having terminated service for purposes of the Plan only.

You'll continue to earn this service until the earliest of the following dates:

- The date you are no longer disabled.
- Your normal retirement date.
- The date you choose to begin receiving early retirement benefits.

Once you retire, you will begin receiving retirement benefits as if you had been working for your employer(s) during your period of disability.

For the purpose of calculating your retirement benefit, the amount of your "compensation" for each full year you are disabled will be considered to be the same as what you were earning the last full year you worked before you became disabled (subject to the applicable compensation limit for such year and any applicable breakpoint for such year). The amount of your "compensation" for each partial year you are disabled will be calculated by taking the amount you were earning as of the last full year you worked before you became disabled multiplied by the number of complete calendar months you were disabled that year divided by 12.

Effective as of January 1, 2018, you are considered "permanently and totally disabled" if either:

- You are receiving disability benefits under the Federal Social Security Act, or
- You are receiving full disability benefits under the BJC long-term disability plan.

If you die before you retire

Different rules apply for determining whether any benefits will be paid if you die before you retire, depending on whether you earn an hour of service on or after January 1, 2001.

If you do not earn an hour of service on or after January 1, 2001

If you die before retirement and were not married to your spouse for at least one year as of the date of your death, no benefits from the Plan will be paid to anyone.

On the other hand, if you die before retirement, are vested and were married to your spouse for at least one year as of the date of your death, your spouse will be entitled to a monthly benefit for his or her life. Your spouse's benefits will begin on the first day of the month following the later of:

- The date you would have reached age 55 (or, if your spouse does not choose to begin receiving benefits on that date, the date you would have reached age 65).
- The date of your death.

The amount of your spouse's monthly benefit will be 50% of your normal retirement benefit, with the following adjustments:

- If your spouse chooses to begin receiving benefits before your normal retirement date, the amount will be reduced by the factors given in the table under Early retirement benefit.
- The amount will be reduced by the same factor that's used to reduce the benefit paid under the life-only option to the amount paid under the 50% joint-and-survivor annuity option.
- If before you die you elect the 100% joint-and-survivor annuity option with your spouse as the beneficiary and you die before the date your benefit payments begin, your spouse will receive benefits determined under that option.
- If the present value of your spouse's benefit is $25,000 or less, your spouse may elect to receive a lump sum of equivalent value to the 50% joint-and-survivor annuity option.
• If the present value of your spouse's benefit is $5,000 or less, it will be subject to the automatic cash-out provision described in the section titled "Lump-sum payment of small benefits" on page 17.

If you earn an hour of service on or after January 1, 2001

If you die before retirement and you are vested, your spouse or one or two beneficiaries you designate will be entitled to a benefit.

Designating a beneficiary

You may designate up to two beneficiaries to receive this benefit. A beneficiary must be either an individual or a trust.

Designation of a beneficiary other than your spouse will be effective only if you meet one of these requirements:

• Your spouse consents to, and acknowledges the effect of, your beneficiary designation in writing and this consent is notarized or witnessed by a plan representative.

• You establish to the satisfaction of the Plan Administrator that no consent can be obtained because you have no spouse, your spouse cannot be located, or other circumstances consistent with federal law.

You may change your beneficiary designation at any time. If your original beneficiary designation needed your spouse's consent, you also need your spouse's consent to change the original beneficiary. Any spousal consent or demonstration that such consent is not possible will be effective only with respect to that spouse.

You may also name up to two contingent beneficiaries. Your contingent beneficiary(ies) become(s) the beneficiary(ies) only if your primary beneficiary(ies) fail to survive you. If you designate two primary beneficiaries, and one subsequently dies, the other primary beneficiary becomes the sole beneficiary.

If you do not designate any beneficiaries, or if no beneficiary that you designate survives you, then your surviving spouse will be your designated beneficiary. In addition, you may not designate a beneficiary (other than your spouse) before the first day of the Plan Year in which you reach age 35, so if you die before you reach age 35, the beneficiary will automatically be your surviving spouse. If you have no surviving spouse under either of these circumstances, then no benefit will be payable under the Plan.

How the benefit is paid

If your beneficiary is your spouse, he or she will be entitled to a monthly benefit for his or her life. However, your spouse may elect to receive his or her benefit in a lump sum. If the present value of your spouse's benefit is $5,000 or less, it will be subject to the automatic cash-out provisions described in the section titled "Lump-sum payment of small benefits" on page 17.

If your beneficiary is not your spouse, your beneficiary will receive the benefit in a lump sum of equivalent value to the 50% joint-and-survivor annuity option.

If payment of your retirement benefit is to be made to a beneficiary who is a minor under state law, special rules will apply. You may designate a custodian in writing to receive the payment of your benefit for your beneficiary. If you don't designate a custodian, or if the designated custodian dies before you, a custodial parent of the minor will be deemed to be the custodian. If there is no custodial parent, the legal guardian of the minor will be deemed to be the custodian.

The amount of the benefit

The amount of your beneficiary's benefit will be 50% of your normal retirement benefit, with the following adjustments:

• If the benefit is being paid in the form of a monthly benefit for the life of your surviving spouse, the amount will be reduced by the same factor that's used to
reduce the benefit paid under the single life annuity option to the amount paid under the 50% joint-and-survivor annuity option.

- If the benefit is being paid in a lump sum, the amount will be converted to the single sum of equivalent value and reduced by the same factor that's used to reduce the benefit paid under the single life annuity option to the amount paid under the 50% joint-and-survivor annuity option over your life and the life of your beneficiary.

- If benefits begin before your normal retirement date, the amount will be reduced by the factors given in the table under Early retirement benefit.

However, if before you die you elect the 100% joint-and-survivor annuity option with your spouse as the beneficiary and you die before the date your benefit payments begin, your spouse will receive benefits determined under that option.

If the death benefit is paid to two beneficiaries, the amount of the survivor benefit will be calculated based on the age of the oldest beneficiary. If you name a trust as a beneficiary, the age of the survivor will be deemed to be your age at the time of your death for the purposes of determining the amount of the benefit payable.

**When the benefit will be paid**

If your spouse will receive monthly benefits, those benefits will begin on first day of the month, or as soon as administratively practicable after that date, following the later of:

- The date you would have reached age 55 (or, if your spouse does not choose to begin receiving benefits on that date, the date you would have reached age 65).

- The date of your death.

- However, if your spouse or other beneficiary will receive a lump sum, that benefit will be paid on the first day of the month following the date of your death, or as soon as administratively practicable after that date.

- Your beneficiary may directly rollover any lump sum distribution received under the Plan to an eligible retirement plan. In the case of a distribution to a beneficiary who is not your spouse, the direct rollover must be made to an IRA established on behalf of your non-spouse beneficiary. The IRA must be treated as an "inherited IRA", therefore it must be registered (for example, "Tom Smith as beneficiary of John Smith").

**Transferring ownership of your retirement benefits**

Before you receive your retirement benefit from the Plan, you may not sell it, give it away, or use it as collateral for a loan. In addition, your creditors may not attach or garnish your benefits.

However, the Plan may be required to pay some of your benefits to another person who is not your current spouse or beneficiary as a result of a "qualified domestic relations order" (QDRO). You may obtain, without charge, a copy of the Plan's procedures governing QDROs by contacting the BJC Retirement Service Center. To assist in the preparation of a QDRO, you or your legal representation may contact the BJC Retirement Service Center to obtain a copy of the applicable model QDRO for the Plan that has been designed to satisfy the applicable rules.

A domestic relations order is a court order that names you as being responsible for providing payment or support to another individual, usually as part of a marital property settlement or family support obligation. The order directs the Plan to pay some part of your benefit to someone else (usually a former spouse). The Plan must comply with such an
order if it "qualifies" under the rules outlined in the law and is a QDRO.

**How payment options or benefit accruals may be restricted or suspended**

Federal law requires certain accelerated payment options, such as lump sums or age 62 level income annuity options, to be restricted or suspended during periods when the Plan's level of funding does not meet certain standards. In addition, federal law requires that benefit accruals under the Plan be suspended during periods when the Plan's level of funding does not meet certain standards. You will be notified by the Plan Administrator if these restrictions should ever apply to you.

**How benefits may be forfeited or reduced**

In the following situations, it is possible that retirement benefits may be forfeited or reduced:

- If you terminate employment with the System before becoming vested in the Plan, no benefits will be paid.

- If you terminate employment with the System and have a deferred vested right to a benefit under the Plan, but die before your payments begin, no death benefit will be paid unless you have a surviving spouse or have designated a beneficiary.

- If you earn a vested benefit but die before you reach age 35 and you don't leave a surviving spouse.

- If you terminate employment with the System before becoming vested in any benefit under the Plan, and your break-in-service is longer than five consecutive years. If you later return to employment, only the service after the break will count. (See the section titled *Breaks-in-service.*)

- If the Plan terminates, you will be entitled to your vested retirement benefit to date to the extent there are sufficient funds in the Plan's trust fund. If there are not enough funds to provide all such benefits, the remaining benefits will be paid by an insuring agency known as the Pension Benefit Guaranty Corporation (PBGC), subject to certain conditions and limitations. (See the sections titled *Insured retirement benefits* and *Changing or ending the Plan.*)

- The benefits of certain participants may be limited to maximum amounts specified by law.

**How benefits may be suspended**

If you retire from the System, begin receiving retirement benefits, and then return to work for a member of the System, your benefit payments may be suspended. When you are re-employed, your payments will end as soon as administratively feasible after the date in which you complete 1,000 hours of service in any Plan Year following the Plan Year in which you retired. If you leave the System and return within the same Plan Year, no hours will be counted during the time you are not working for the System.

Hours you were scheduled to work after December 31, 2005, but did not work due to your Employer's low patient census will not be treated as hours of service in determining whether your benefit payments will be suspended after re-employment, or whether they will be resumed as described in the section below titled *Resumption of suspended benefits.*

**Resumption of suspended benefits**

If your retirement benefits are suspended because you have been re-employed by the System and were paid for 1,000 or more hours in a Plan Year, such retirement benefits will resume in the same form originally elected when you retire again. Payments will resume as soon as administratively feasible effective with the first day of the month that falls on or next follows the day you stop working.
In addition, payments will resume following three consecutive months in which you complete less than 40 hours of service for each month. The first such payment will include payment for the month in which your payments resume and payment for the three consecutive calendar months in which you completed less than 40 hours of service.

When your resumed benefits are calculated, they may be reduced to reflect the fact that you have already received some of your retirement benefits. However, your resumed benefits cannot be reduced to less than the benefits you were receiving when you became re-employed, taking into account the optional form of benefit you were receiving as of such date of reemployment.

**Insured retirement benefits**

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

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

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

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

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC’s Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number) or (800) 400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000 or (800) 400-7242. Additional information about the PBGC’s pension insurance program is available through the PBGC’s website on the Internet at http://www.pbgc.gov.

**Definitions of terms**

**Affiliate or Affiliated Organization**
A member of the controlled group that includes BJC Health System.

**Employer**
BJC Health System and the Participating Employers, collectively.

**Excluded Employer**
Any Affiliate that does not participate in the Plan, including, but not limited to, Alton Memorial Hospital, Parkland Health Center, Protestant Memorial Medical Center, Inc., and Metro-East Services, Inc.

**Normal retirement age**
The date you have attained age 65 and have either completed five years of vesting service or marked the fifth anniversary of the date on which you became a participant in the Plan.
Participating Employer
BJC Health System and the following Affiliates that have adopted the Plan with the consent of BJC Health System and such other Affiliates that may adopt the Plan in the future:
- Barnes-Jewish Hospital
- Barnes-Jewish West County Hospital
- Barnes-Jewish St. Peters Hospital
- BJC Behavioral Health
- BJC Corporate Health Services
- BJC Home Care Services
- BJC Home Care Services
- CH Allied Services, Inc. d/b/a Boone Hospital Center
- Boone Hospital Center's Visiting Nurses, Inc.
- Christian Health Services Development Corporation
- Christian Hospital Northeast-Northwest
- Fairview Heights Medical Group, S.C.
- Missouri Baptist Medical Center
- Missouri Baptist Hospital of Sullivan
- Physician Groups, L.C.
- Progress West HealthCare Center
- St. Louis Children's Hospital

Permanently and Totally Disabled
You are considered "permanently and totally disabled" if either of the following apply:
- You are receiving disability benefits under the Federal Social Security Act, or
- You are receiving full disability benefits under the BJC long-term disability plan.

Plan
The Plan is known formally as the "BJC Pension Plan."

Predecessor Employer
An employer, designated by BJC Health System, whose prior employees become eligible to participate in the Plan as a result of an acquisition of the employer by BJC Health System or an Affiliate. You may contact the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org to determine whether you have service with a Predecessor Employer.

System
BJC Health System and all Affiliates (including Participating Employers and Excluded Employers).

Plan administration information

Plan name and number
BJC Pension Plan
Plan Number 333

Type of Plan
Defined benefit plan.

Employer identification number
43-1617558

Plan Year
The calendar year.

Plan sponsor
BJC Health System (also known as BJC HealthCare).

You may direct correspondence to:
Committee, BJC Pension Plan
8300 Eager Road, Suite 300C
Mailstop 92-92-248
St. Louis, MO 63144

Plan Administrator
Committee, BJC Pension Plan
8300 Eager Road, Suite 300C
Mailstop 92-92-248
St. Louis, MO 63144
(314) 362-0551

Agent for service of legal process
Committee, BJC Pension Plan
8300 Eager Road, Suite 300C
Mailstop 92-92-248
St. Louis, MO 63144

Legal notices may also be served upon the trustee.
**Funding**
The Plan is a trusteed pension plan administered by the Plan Administrator. Retirement benefits are paid from the assets accumulated in the trust fund established under the Plan. Contributions are based on actuarial computations.

**Type of administration**
The Plan is self-administered by BJC Health System.

**Plan trustee**
The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60603

**Normal retirement age**
The normal retirement age under the Plan is the date a participant both:

- Reaches age 65.
- Completes five years of vesting service or reaches the fifth anniversary of the date he or she began participating in the Plan.

A participant who continues employment beyond his or her normal retirement age continues to participate in the Plan.

**Employment rights**
Participation in this Plan does not imply that an individual has any more employment rights than any other employee.

**Top-heavy rules**
Stated simply, any plan is top-heavy if the value of the accrued benefits belonging to "key employees" is greater than 60% of the value of the accrued benefits for all employees. Key employees are generally officers, owners and highly paid employees. The IRS provides a complicated set of rules for determining if a plan is top-heavy in a given year.

It is very unlikely our Plan will ever become top-heavy. However, if it does, a special set of rules will apply and may provide for a generally larger benefit for that year for the majority of employees. In addition, during years when the Plan is top-heavy, only three years of vesting service (instead of five) will be required before an employee becomes vested.

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

**Receive Information About Your Plan and Benefits**
Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.
Prudent Actions by Plan Fiduciaries

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

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

If your claim is denied

If your claim for a benefit is denied, you must file a written request for a claim review in accordance with the procedures adopted by the Plan Administrator. The request may be filed with the Director of Benefits at the following address:

BJC Pension Plan
Attn: Director of Benefits
8300 Eager Road, Suite 300C
Mailstop 92-92-248
St. Louis, MO 63144

Upon receipt of your claim, the Director of Benefits will review your claim and render a decision within 90 days. If special circumstances require an extension of time beyond the initial 90-day period, prior to the end of the initial 90-day period the Director of Benefits will give you written notice of the extension, the special circumstances requiring the extension, and the date by which the Director of Benefits expects to render a final decision. In no event will an extension exceed a period of 90 days from the end of the initial 90-day period. If the Director of Benefits
does not respond within the initial 90-day period or extended period, you will be deemed to have exhausted the claims and review procedures and you will be entitled to file suit in federal court.

If after review, your claim is again denied, you will receive a written notice that will:

- Inform you of the specific reason or reasons for the denial;
- Refer to the specific Plan provisions on which the denial is based;
- Describe any additional material or information necessary to perfect the claim and explain why the material is necessary; and
- Describe the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of an appeal;

If you are not satisfied with the decision of the Director of Benefits, you may submit a request for a review of the decision. Your request for a review must be addressed to:

BJC Pension Plan
Attn: Plan Administrator
8300 Eager Road, Suite 300C
Mailstop 92-92-248
St. Louis, MO 63144

The request for review must be made within 60 days after your receipt of the decision of the Director of Benefits, or else your right to challenge such decision will be lost. The Plan Administrator will, within 60 days of the receipt of your request, review and decide the case and render a detailed written decision. If special circumstances required an extension of time beyond the initial 60-day period, prior to the end of such initial 60-day period the Plan Administrator will provide you written notice of the extension, the special circumstances requiring the extension, and the date by which the Plan Administrator expects to render a final decision. In no event will an extension exceed a period of 60 days from the end of the initial 60-day period. The Plan Administrator shall possess and exercise discretionary authority to make determinations as to a claimant's eligibility for benefits and to construe the terms of the Plan. You will receive a copy of the Plan Administrator's final decision, which is binding on both you and the Plan. Any denial will include the specific reason or reasons for the denial, refer to the specific Plan provisions on which the denial is based, state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and state that you have the right to bring a civil action under ERISA §502(a).

You cannot bring any action against the Plan in any court unless the claims and appeals procedures described above have been fully exhausted. Any participant, beneficiary or claimant asserting any action in connection to the Plan under ERISA §502, ERISA §510 or any other provision of ERISA shall do so, if at all, within one year after the cause of action accrued. A cause of action shall be deemed to have accrued the earliest of when the participant, beneficiary or claimant has exhausted his administrative remedies under the Plan, when the Plan Administrator fails to produce documents in the time or manner required by ERISA in response to the participant's, beneficiary's or claimant's written request, when the claimant first was advised that he was an independent contractor, when the participant, beneficiary or claimant first knew or should have known of the action allegedly violating ERISA §510, or when a Plan fiduciary has clearly repudiated the claim (even if not yet filed) and such repudiation is known to the participant, beneficiary or claimant. Failure to bring an action in court within this time frame shall preclude a participant, beneficiary or claimant from bringing any action in court.

Any action in connection with the Plan, whether brought under ERISA §502 or any other provision of ERISA by a participant or beneficiary under the Plan or any other person,
may only be brought in a federal district court sitting within the Eastern District of Missouri.

**Disability Benefit Claims**

Notwithstanding the claims and review procedures set forth above, if a determination of total and permanent disability must be made in order to decide a claim, the claim will be considered a disability claim subject to the following procedures.

The Director of Benefits will respond to a disability claim within a reasonable period of time, but no later than 45 days after receipt of the disability claim. If the Director of Benefits determines that an extension to process the disability claim is necessary due to matters beyond its control, the Director of Benefits may extend the 45-day response period for up to 30 days by notifying you, prior to the termination of the initial 45-day period, of the circumstances requiring the extension of time and the date by which it expects to respond. If the Director of Benefits determines that an additional extension is necessary, the Director of Benefits may extend the response period for up to an additional 30 days by notifying you, prior to the termination of the first 30-day extension period, of the circumstances requiring the extension of time and the date by which it expects to respond. An extension notice will include the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the disability claim, and the additional information needed to resolve those issues. If the reason for the extension is your failure to provide necessary information to decide the claim, the determination period will be tolled from the date notice of insufficiency is given, until you respond to the notice. You will have 45 days within which to provide the specified information.

If your claim is denied, the Director of Benefits will:

- Inform you of the specific reason or reasons for the denial;
- Refer to the specific Plan provisions on which the denial is based;
- Describe any additional material or information necessary to perfect the claim and explain why the material is necessary;
- Describe the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under ERISA §502(a) following a denial of an appeal; and
- Refer to any specific guidelines that were relied upon in issuing the denial, or state that such guidelines will be provided to you free of charge upon request.

If your claim is denied in whole or in part, you or your duly authorized representative may, within 180 days after receiving the denial:

- Make written application to the Plan Administrator for a review of the decision. The application must be on a form specified by the Plan Administrator and submitted with such documentation as required by the Plan Administrator;
- Review, upon request and free of charge, all documents, records and other information in the possession of the Director of Benefits or the Plan Administrator which are relevant to the disability claim; and
- Submit written comments, documents, records and other information relating to the claim.

The Plan Administrator will review all comments, documents, records, and other information you submit, without regard to whether such information was submitted or considered in the initial benefit determination. The Plan Administrator's review shall not afford deference to the initial adverse benefit determination. The individual(s) conducting the decision on review shall not be the individual(s) who made the initial adverse decision, nor the subordinates of such individual(s).
In the case of an appeal involving medical judgment, the Plan Administrator will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. The health care professional consulted will be an individual who is neither an individual who was consulted in connection with the initial denial, nor the subordinate of any such individual. If requested by the claimant, the Plan Administrator will identify the medical or vocational expert whose advice was obtained on behalf of the Plan, without regard to whether the advice was relied upon in making the benefit determination.

The Plan Administrator will respond to your appeal no later than 45 days after you file your appeal. If the Plan Administrator determines that an extension to process the appeal is necessary due to special circumstances, the Plan Administrator may extend the 45-day response period for up to 45 days by notifying you, prior to the termination of the initial 45-day period, of the circumstances requiring the extension of time and the date by which it expects to render a decision. If the reason for the extension is your failure to provide necessary information to decide the appeal, the determination period shall be tolled from the date notice of insufficiency is given, until you respond to the notice.

Any denial will be furnished in writing or electronically, and will include the specific reason or reasons for the denial, refer to the specific Plan provisions on which the denial is based, refer to any specific guidelines that were relied upon in issuing the denial, or state that such guidelines will be provided to you free of charge upon request, state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and state that you have the right to bring a civil action under ERISA §502(a).

You can’t bring any action against the Plan in any court unless the claims and review procedures prescribed above have been fully exhausted. Any participant, beneficiary or claimant asserting any action in connection to the Plan under ERISA §502, ERISA §510 or any other provision of ERISA shall do so, if at all, within one year after the cause of action accrued. A cause of action shall be deemed to have accrued the earliest of when the participant, beneficiary or claimant has exhausted his administrative remedies under the Plan, when the Plan Administrator fails to produce documents in the time or manner required by ERISA in response to the participant’s, beneficiary’s or claimant’s written request, when the claimant first was advised that he was an independent contractor, when the participant, beneficiary or claimant first knew or should have known of the action allegedly violating ERISA §510, or when a Plan fiduciary has clearly repudiated the claim (even if not yet filed) and such repudiation is known to the participant, beneficiary or claimant. Failure to bring an action in court within this time frame shall preclude a participant, beneficiary or claimant from bringing any action in court.

Any action in connection with the Plan, whether brought under ERISA §502 or any other provision of ERISA by a participant or beneficiary under the Plan or any other person, may only be brought in a federal district court sitting within the Eastern District of Missouri.

Changing or ending the Plan

While BJC Health System and the Participating Employers hope to continue the Plan indefinitely, BJC Health System has the legal right to change or end the Plan at any time, and any Participating Employer has the legal right to end its participation in the Plan at any time. However, this cannot decrease any benefit you have accrued under the Plan.

If the Plan terminates, or only part is terminated in a way that affects you, you will immediately be 100% vested in the benefits you have earned as of the termination date, to the extent the Plan has sufficient assets. Benefits will be paid, according to law, as described below. Fund assets would be used
to provide benefits to retirees, beneficiaries and active participants up to the total amount of assets in the fund. Any money remaining in the fund may be returned to the Employer after all required benefits have been provided.

Once approval to terminate the Plan has been received from the PBGC, Plan benefits would be paid in the order prescribed by law. If for any reason the funds are insufficient to pay full benefits to all participants, payment would be made in this order:

1. First, those benefits that were already in the process of being paid before the beginning of the three-year period preceding the date the Plan ended. This includes benefits that could have been in the process of being paid before the beginning of that three-year period.

2. Second, all other benefits of individuals under the Plan that are guaranteed by the PBGC under the termination-insurance provisions of ERISA.

3. Third, all other vested benefits under the Plan.

4. Fourth, all other benefits under the Plan.

If the Plan is merged or consolidated with another plan, or if its assets are transferred to another plan, your current accrued benefit will be protected to the extent that there are sufficient funds in the Plan.

If the Plan ends immediately after the change, your benefit under the new plan would at least equal the amount you would be entitled to if the Plan had ended on the date before the change.

**If you transfer to or from an Affiliate**

**Transfer between Participating Employers**

If you transfer directly between two Participating Employers, you have not terminated employment for purposes of the Plan and all of your service with both employers will count for all purposes under the Plan. If you do not transfer directly between two such employers, i.e., you terminate employment with one Participating Employer and are later hired by another Participating Employer, your prior service will count toward the Plan's requirements for eligibility, vesting and benefits, unless you have had breaks-in-service for five consecutive years as described in the section titled Breaks-in-service on page 6.

**Transfers from an Excluded Employer**

If, prior to September 1, 2016, you transferred directly from an Excluded Employer to a Participating Employer, and, prior to the transfer you participated in a "defined contribution plan" sponsored by that Excluded Employer which provided Non-Elective Contributions, the following special rule will apply. The service credited to you under the defined contribution plan of the Excluded Employer counts toward the Plan's requirements for eligibility and vesting. However, it does not count toward your benefit service under the Plan. You will receive benefit service for the Plan Year of your transfer if you have a combined 1,000 hours of service in that Plan Year from your Excluded Employer and your Participating Employer.

If you do not transfer directly from the Excluded Employer, i.e., you terminate employment with the Excluded Employer and are later hired by a Participating Employer, the service credited to you under the defined contribution plan will count toward the Plan's requirements for eligibility and vesting unless you have had breaks-in-service for five consecutive years as described in the section titled Breaks-in-service on page 6.

If you are not actively participating in the Plan on August 31, 2016 and after that date you transfer directly or indirectly (such as a rehire) from an Excluded Employer to a Participating Employer, you will not be eligible to participate in the Plan.
A "defined contribution plan" means a plan whose benefit payout depends on contributions that you or your employer pays into the plan and their resulting investment earnings. A 401(k) plan would be an example. In contrast, the Plan summarized in this SPD is a "defined benefit plan," meaning it is a pension plan that pays its benefits according to a specified formula.

**Transfer to an Excluded Employer**

If you participate in the Plan and you transfer directly from a Participating Employer to an Excluded Employer, the following rules will apply. You will remain a participant in the Plan and cannot become eligible for Non-Elective Contributions under the defined contribution plan of the Excluded Employer. You will continue to accrue vesting and benefit service under the Plan for your hours of service with the Excluded Employer, and your final average compensation will take into account compensation and hours of service as an employee of the Excluded Employer. If eligible, you may also participate in the BJC 401(k) Plan or the BJC 403(b) Plan.

If, prior to September 1, 2016, you do not transfer directly from a Participating Employer to the Excluded Employer, i.e., you terminate employment with a Participating Employer and are later hired by an Excluded Employer, you will remain a participant in the Plan and cannot become a participant in the defined contribution of the Excluded Employer. You will continue to accrue vesting and benefit service under the Plan for your hours of service with the Excluded Employer, and your final average compensation will take into account compensation and hours of service as an employee of the Excluded Employer unless you have had breaks-in-service for five consecutive years as defined in the section titled *Breaks-in-service* on page 6. If you terminated employment prior to August 31, 2016 and are rehired by an Excluded Employer on or after September 1, 2016, you will not be eligible to participate in the Plan.

If you feel any if the above situations apply to you, you may contact the BJC Retirement Service Center at 1-800-713-2854 or online at mybjcpension.org for more information about the impact on your benefits and Plan participation.

**Certain transfers from Washington University to the employer**

If, prior to September 1, 2001, you transferred from employment with Washington University to the status as an Employee of Physician Groups, L.C. and such transfer occurred at the request of either Washington University or Physician Groups, L.C. under circumstances such that, absent such transfer, you would have lost your employment with Washington University, you will become eligible to participate in the Plan on the later of (i) the date you become an Employee or (ii) the date you satisfies the eligibility requirements described on page 2 taking into account all Hours of Employment with Washington University. For purposes of vesting, your Hours of Employment with Washington University shall count as Hours of Employment under this Plan.
Appendix I: Special Provisions for transferred employees of related retirement plans

BJC Health System includes several organizations that were previously independent and had their own retirement plans. There are also certain organizations with which BJC Health System has close relationships, but that have not adopted the BJC Pension Plan.

This appendix describes the provisions that apply to transferred employees of related retirement plans identified herein.

Note: The term "retirement plan" in this appendix always refers to a plan that, like the BJC Pension Plan, is a pension or "defined benefit" plan — meaning that it pays its benefits according to a specified formula. It does not include plans, such as 401(k) or 403(b) plans, whose benefit payout depends on contributions that you or your employer pays into the plan and their resulting investment earnings.

Note: Some employees are also "grandfathered." This means another set of special provisions applies to them which is intended to protect certain rights and benefits these employees had under an affiliated organization's previous retirement plan. The special provisions for grandfathered employees are described separately in the following appendices to this SPD:

- Appendix II: Grandfathered employees who are former employees of Barnes Hospital (Including satellite locations)
- Appendix III: Grandfathered employees who are former employees of CH Allied Services, Inc. (including Boone Hospital)
- Appendix IV: Grandfathered employees who are former employees of Missouri Baptist Medical Center
- Appendix V: Grandfathered employees who are former employees of St. Louis Children's Hospital
- Appendix VI: Grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan

Coordinate Employers

Effective January 1, 2004, if you were involuntarily transferred to your employer from Alton Memorial Hospital, or any other employer that may be designated under the Plan as a "coordinate employer," your hours of service with Alton Memorial Hospital or the other coordinate employer in the year of your transfer will count as hours of service for purposes of determining if you meet the eligibility service requirement of the Plan and determining your vesting service and benefit service.

Eligibility

In general, the normal eligibility rules apply for transferred employees, including the requirement that you complete 1,000 hours in your first 12 months of employment or a subsequent Plan Year before you begin earning a benefit. Your service with the employer is considered to begin on the date you were hired by any of these affiliates:

- Barnes Hospital.
- The Jewish Hospital of St. Louis.
- CH Allied Services, Inc.
- Christian Hospital Northeast-Northwest.
- Missouri Baptist Medical Center.
- St. Louis Children's Hospital

However, the following exception to the normal rules regarding service requirements applies: If you were hired before January 1, 1996, by CH Allied Services, Inc., you are only required to have completed 832 hours (instead of 1,000) in your first 12 months of employment to begin accruing a benefit, provided you met the age and service requirements of the Retirement Plan for Employees of CH Allied Services, Inc., before January 1, 1997. (If you did not complete 832 hours during your first 12 months of employment, the Plan will instead consider
the first subsequent calendar year in which you completed 832 hours.)

If you transferred from Washington University to Physician Groups, L.C. prior to September 1, 2001, the transfer occurred at the request of either Washington University or Physician Groups, L.C. and you would have lost your job with Washington University if you did not transfer, then you were eligible to participate in the Plan on the later of the date you became an employee or the date you met the eligibility requirements for the Plan. For purposes of determining if you met the eligibility requirements and determining your vesting service, all of your hours of service with Washington University count as hours of service under the Plan.

If you were a transferred employee under Appendix I to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a transferred employee under this Appendix.

Factors that affect your retirement benefit

Several factors affect the benefit amount you may receive when you retire.

Your participation in other retirement plans

Your benefit under our Plan will include benefits based on your previous participation in any of the following retirement plans of affiliates:

- The Barnes Hospital Pension Plan
- The Barnes Hospital Pension Plan for Barnes West County Hospital
- The Barnes Hospital Pension Plan for Barnes St. Peter's Hospital
- The Barnes Hospital Pension Plan for BarnesCare, Inc., Barnes Continuing Care Corporation, and Barnes Health Ventures, Inc.
- The Jewish Hospital of St. Louis Employees Retirement Plan
- The Retirement Plan for Employees of Christian Hospital Northeast-Northwest
- The Retirement Plan for Employees of Missouri Baptist Medical Center
- The Retirement Plan for Employees of CH Allied Services, Inc.
- The Retirement Plan for Employees of St. Louis Children's Hospital

Your pay

If you are a transferred employee, your retirement benefit is based in part on your pay. However, special rules apply if you are a transferred employee who participated in any of the following retirement plans:

- The Jewish Hospital of St. Louis Employees Retirement Plan
- The Retirement Plan for Employees of Christian Hospital Northeast-Northwest
- The Retirement Plan for Employees of Missouri Baptist Medical Center
- The Retirement Plan for Employees of CH Allied Services, Inc.

If you were a participant in any of those plans, your benefit accrued during employment before 1996 is based on your "base pay," which is defined as follows:

- For the calendar years 1995 and earlier: "Base pay" means whatever form of pay was used to calculate your benefit under your previous plan.
• For calendar years after 1995: "Base pay" means the same thing as "compensation" as defined by our Plan. It is your salary, wages and any other income that's reported in Box 1 of your W-2 form, plus the amount of any paycheck deductions made for contributions to a 401(k), 403(b) or "cafeteria" plan sponsored by the employer. However, "base pay" does not include overtime pay, management incentive pay, executive allowances, imputed income related to the use of employer cars, cash awards, retirement gifts, miscellaneous bonuses or other miscellaneous forms of compensation.

However, under federal law, base pay in excess of $275,000 per year is not included in the calculation of your retirement benefit. (This $275,000 limit was lower for years prior to 2018, and may be adjusted upward from year to year to reflect increases in the cost of living.)

If you transfer to the Employer from an Excluded Employer, compensation you received from that Employer will be treated as "compensation" under the Plan.

The Plan will use your "final average monthly base pay" in calculations in the same way it uses "final average monthly compensation."

"Final average monthly base pay" is calculated in the same way that "final average monthly compensation" is: The Plan looks at the past 10 Plan Years, and determines the five consecutive years within this period during which you received the most total base pay. The Plan then calculates your average monthly base pay for these five years. This amount is your "final average monthly base pay."

The calculation of your final average base pay does not include any Plan Years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than five consecutive years of employment, your total base pay amount will simply be divided by your completed calendar months of employment to get the monthly average.

**Vesting service**

In general, the normal rules for determining vesting service apply to transferred employees. Your service with the employer is considered to begin on the date you were hired by any of these affiliates:

• Barnes Hospital (including satellite locations).
• The Jewish Hospital of St. Louis.
• CH Allied Services, Inc.
• Christian Hospital Northeast-Northwest.
• Missouri Baptist Medical Center.
• St. Louis Children's Hospital.

However, the following exception to the normal rules regarding vesting service applies: If you had at least three years of service with CH Allied Services, Inc., as of December 31, 1996, you earn a year of vesting service for each year in which you complete 832 (instead of 1,000) hours of service.

**Benefit service**

In general, the normal rules for determining benefit service apply to transferred employees. Your service with the employer is considered to begin on the date you began participating in any of the retirement plans listed in the section titled *Your participation in other retirement plans.*

In addition, if you transfer to the Employer from an Excluded Employer, and you otherwise qualify as an employee at the time of your transfer, the years of service for which you accrued a benefit under a related retirement plan of the listed organizations will be treated as benefit service under the Plan.
Calculating your normal retirement benefit

In general, the normal retirement benefit for transferred employees is calculated using the Plan’s regular formula. It will include compensation, base pay and benefit service earned both before and after the transfer, as described in the main section of this SPD and in this appendix.

However, special rules apply to certain former participants in these related plans. These rules apply to you if you either:

- Were eligible to participate in one of the listed plans on December 31, 1996, and became a participant in our Plan on January 1, 1997.
- Were actively participating in one of the listed plans at the time you transferred to the Employer, and under that plan you had accrued a benefit for employment before 1996.

If this is the case, your monthly normal retirement benefit will be 1/12 of the following:

The annual benefit you accrued under your previous plan as of December 31, 1995, recalculated to reflect your final average base pay and covered compensation as of the day you stop working for the Participating Employer in the Plan

+ The annual benefit determined under the Plan's regular formula, but only for benefit service earned after December 31, 1995

- The amount of the benefit paid to you under your previous retirement plan (unless the assets necessary to fund the benefit under that plan have already been transferred to the Plan)

In addition, special benefit formulas apply to employees who participated in the retirement plans maintained by The Jewish Hospital of St. Louis and Christian Hospital Northeast-Northwest.

Pre-1996 formula for The Jewish Hospital of St. Louis

If you participated in The Jewish Hospital of St. Louis Employee Retirement Plan, your monthly normal retirement benefit for your service before January 1, 1996, is figured as shown below:

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.875%</td>
<td>Your final average monthly base pay</td>
</tr>
<tr>
<td>+</td>
<td></td>
</tr>
<tr>
<td>0.500%</td>
<td>Your final average monthly base pay over the covered compensation limit</td>
</tr>
</tbody>
</table>

Pre-1996 formula for Christian Hospital Northeast-Northwest

If you participated in the Retirement Plan for Employees of Christian Hospital Northeast-Northwest, your monthly normal retirement benefit for your service before January 1, 1996, is figured as shown below:

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.850%</td>
<td>Your final average monthly base pay</td>
</tr>
<tr>
<td>+</td>
<td></td>
</tr>
<tr>
<td>0.620%</td>
<td>Your final average monthly base pay</td>
</tr>
<tr>
<td>pay over the covered compensation limit</td>
<td>(up to a maximum of 35 years)</td>
</tr>
</tbody>
</table>

**Adjustments to monthly benefit payments**

Once your normal retirement benefit has been calculated, our Plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for transferred employees are made in the normal way, except that reductions may be limited so that the transferred employee's total benefit is no less than it would have been under the employee's previous plan.

**Special provisions for grandfathered employees**

Certain former employees of the following organizations are "grandfathered," and special plan provisions apply to them:

- Barnes Hospital (including satellite locations).
- CH Allied Services, Inc.
- Missouri Baptist Medical Center.
- St. Louis Children's Hospital.

The provisions for these grandfathered employees are given in the following sections ─ Appendices II, III, IV and V. The definition of a grandfathered employee varies and is given in each organization's specific section.

**Note**: The term "retirement plan" in the following appendices always refers to a plan that, like the BJC Pension Plan, is a pension or "defined benefit" plan ─ meaning that it pays its benefits according to a specified formula. It does not include plans, such as 401(k) or 403(b) plans, whose benefit payout depends on contributions that you or your employer pays into the plan and their resulting investment earnings.
Appendix II: Grandfathered employees who are former employees of Barnes Hospital (including satellite locations)

If you are a former employee of Barnes Hospital, you are grandfathered if all of the following apply to you.

- You were actively employed by the Participating Employer as of January 1, 1997.

- On December 31, 1996, you were an active participant in the Barnes Hospital Pension Plan or one of the pension plans of a Barnes satellite location. (These plans include the Barnes Hospital Pension Plan for Barnes West County Hospital, the Barnes Hospital Pension Plan for Barnes St. Peter's Hospital, and the Barnes Hospital Pension Plan for BarnesCare, Inc., Barnes Continuing Care Corporation, and Barnes Health Ventures, Inc.)

- You were a "grandfathered employee" under the terms of the Barnes Hospital Pension Plan, meaning:
  - You were hired before January 1, 1996.
  - You met the age and service requirements of the Barnes Hospital Pension Plan (or the pension plan of a Barnes satellite location) on or before December 31, 1996.
  - You either were an active "employee" as defined by the Barnes Hospital Pension Plan (or the pension plan of a Barnes satellite location) on December 31, 1996; you retired during 1996; or you stopped working for Barnes Hospital during 1996 after being vested.

If you are a former employee of Barnes Hospital, you will also be grandfathered if the following applies to you:

- You transferred directly from Barnes-Jewish Hospital after January 1, 1997, to a position where you qualify as an employee under the Plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the Retirement Plan for Employees of Barnes-Jewish Hospital.

If you are a grandfathered employee and you terminate employment with the employer, then are later re-employed, you will be a grandfathered employee during your re-employment if you are re-employed within 30 days (or six months, if your earlier termination was caused by the elimination of your job).

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Benefit service

In general, the normal rules for determining benefit service apply to grandfathered employees of Barnes Hospital. However, the calculation of your benefit service will include all hours of service that you accrued under the Barnes Hospital Pension Plan before January 1, 1997.

Calculating your normal retirement benefit

If you are a grandfathered former employee of Barnes Hospital, your normal retirement benefit is calculated according to a special formula. This calculation uses a limiting figure called a "breakpoint" (similar in function to the "covered compensation limit" used by the Plan's regular formula). This breakpoint was set at $25,500 for the Plan.
Year beginning January 1, 1997, and is increased by 6% (rounded to the nearest $100), on the first day of each subsequent Plan Year. The breakpoint will be determined as of your date of termination of service.

Examples of the breakpoint for the years 1997 through 2019 are shown in this table:

<table>
<thead>
<tr>
<th>Plan Year</th>
<th>Breakpoint</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$25,500</td>
</tr>
<tr>
<td>1998</td>
<td>$27,000</td>
</tr>
<tr>
<td>1999</td>
<td>$28,600</td>
</tr>
<tr>
<td>2000</td>
<td>$30,300</td>
</tr>
<tr>
<td>2001</td>
<td>$32,100</td>
</tr>
<tr>
<td>2002</td>
<td>$34,000</td>
</tr>
<tr>
<td>2003</td>
<td>$36,000</td>
</tr>
<tr>
<td>2004</td>
<td>$38,200</td>
</tr>
<tr>
<td>2005</td>
<td>$40,500</td>
</tr>
<tr>
<td>2006</td>
<td>$42,900</td>
</tr>
<tr>
<td>2007</td>
<td>$45,500</td>
</tr>
<tr>
<td>2008</td>
<td>$48,200</td>
</tr>
<tr>
<td>2009</td>
<td>$51,100</td>
</tr>
<tr>
<td>2010</td>
<td>$54,200</td>
</tr>
<tr>
<td>2011</td>
<td>$57,500</td>
</tr>
<tr>
<td>2012</td>
<td>$61,000</td>
</tr>
<tr>
<td>2013</td>
<td>$64,700</td>
</tr>
<tr>
<td>2014</td>
<td>$68,600</td>
</tr>
<tr>
<td>2015</td>
<td>$72,700</td>
</tr>
<tr>
<td>2016</td>
<td>$77,100</td>
</tr>
<tr>
<td>2017</td>
<td>$81,700</td>
</tr>
<tr>
<td>2018</td>
<td>$86,600</td>
</tr>
<tr>
<td>2019</td>
<td>$91,800</td>
</tr>
</tbody>
</table>

If you are a grandfathered employee of Barnes Hospital, your monthly normal retirement benefit is figured as shown below:

\[
\text{Your final average monthly compensation} \times \text{Your years of benefit service} + \text{Your final average monthly compensation over the breakpoint} \times \text{Your years of benefit service (up to a maximum of 35 years)}
\]

This benefit calculation will consider compensation and benefit service earned both before and after your transfer to the employer. There is a minimum monthly benefit equal to $8 times your completed years (and completed months, counted as fractional years) of continuous employment with the employer, including an affiliate. This minimum monthly benefit is calculated before any benefit reductions for the amount of benefits paid under the Barnes Hospital Pension Plan.

For purposes of calculating this minimum benefit, your period of continuous employment begins with your most recent hire date and ends when you stop working for the employer.

However, if you stop working after December 20, 1975, because of a disability, and your disability ends and you later become re-employed, your period of continuous employment before your disability will be included with your employment after your disability. Otherwise, your continuous employment does not include any time you were not an employee of the employer or an affiliate.

**Adjustments to monthly benefit payments**

Once your normal retirement benefit has been calculated, the Plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.
Adjustments for grandfathered Barnes Hospital employees are generally made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefit is no less than it would have been under the Barnes Hospital Pension Plan as of September 30, 1996.

**Special formula for benefit reductions for early retirement**

If you are a grandfathered Barnes Hospital employee and you take early retirement, reductions to your monthly benefit are *not* figured as described under *Early retirement benefit* on page 12.

Instead, reductions are applied according to this table:

<table>
<thead>
<tr>
<th>For each month (up to 120 months) your retirement date precedes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) your 65th birthday, if you were born on the first of the month</td>
</tr>
<tr>
<td>or</td>
</tr>
<tr>
<td>b) the first day of the month that next follows your 65th birthday, if you were not born on the first of the month</td>
</tr>
<tr>
<td><strong>Your benefit payments are reduced by 1/300th</strong></td>
</tr>
</tbody>
</table>

However, if you stop working after you reach age 62 and complete 30 years of vesting service there will be no reductions for early retirement applied to your benefits.

In addition, if your benefits are partly based on benefits from the Barnes Hospital Pension Plan, your early retirement benefit will not be less than what it would have been if you had taken early retirement under the Barnes Hospital Pension Plan, based upon that plan's provisions and your benefit as of September 30, 1996.
Appendix III: Grandfathered employees who are former employees of CH Allied Services, Inc. (including Boone Hospital)

If you are a former employee of CH Allied Services, Inc., you are grandfathered if all of the following apply to you:

- You were actively employed by the Participating Employer as of January 1, 1997.

- On December 31, 1996, you were an active participant in the Retirement Plan for Employees of CH Allied Services, Inc.

- You were a "grandfathered employee" under the terms of the Retirement Plan for Employees of CH Allied Services, Inc., meaning:
  - You were hired before January 1, 1996.
  - You met the age and service requirements of the Retirement Plan for Employees of CH Allied Services, Inc., on or before December 31, 1996.
  - You either were an active "employee" as defined by the Retirement Plan for Employees of CH Allied Services, Inc., on December 31, 1996; you retired during 1996; or you stopped working for CH Allied Services, Inc., during 1996 after being vested.

If you are a former employee of CH Allied Services, Inc., you will also be grandfathered if the following applies to you:

- You transferred directly from CH Allied Services Inc., after January 1, 1997, to a position where you qualify as an employee under the Plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the

Retirement Plan for Employees of CH Allied Services, Inc.

If you are a grandfathered employee and you terminate employment with the employer, and then are later re-employed, you will be a grandfathered employee during your re-employment if you are re-employed within 30 days (or six months, if your earlier termination was caused by the elimination of your job).

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Eligibility

Your service with the employer is considered to begin on the date you were hired by CH Allied Services, Inc.

Most of the Plan's regular rules for eligibility apply. However, if you were hired before January 1, 1996, by CH Allied Services, Inc., you are only required to have completed 832 hours (instead of 1,000) in your first 12 months of employment to begin accruing a benefit, provided you met the age and service requirements of the Retirement Plan for Employees of CH Allied Services, Inc., before January 1, 1997. (If you did not complete 832 hours during your first 12 months of employment, the Plan will instead consider the first subsequent calendar year in which you completed 832 hours.)

Using your pay to determine your benefit

If you are a grandfathered employee of CH Allied Services, Inc., your retirement benefit is based in part on both your "compensation" (as defined under the normal rules of the Plan) and your "base pay."

In your benefit calculations, "base pay" is used instead of "compensation" to calculate
benefits you accrued during employment before 1996. Your "base pay" is defined as follows:

- For the calendar years 1995 and earlier: "Base pay" means whatever form of pay was used to calculate your benefit under the CH Allied Services, Inc. plan.

- For calendar years after 1995: "Base pay" means the same thing as "compensation" as defined by the Plan. It is your salary, wages and any other income that's reported in Box 1 of your W-2 form, plus the amount of any paycheck deductions made for contributions to a 401(k), 403(b) or "cafeteria" plan sponsored by the employer. However, "base pay" does not include overtime pay, management incentive pay, executive allowances, imputed income related to the use of employer cars, cash awards, retirement gifts, miscellaneous bonuses or other miscellaneous forms of compensation.

However, under federal law, base pay in excess of $275,000 per year is not included in the calculation of your retirement benefit. (This $275,000 limit was lower for years prior to 2018, and may be adjusted upward from year to year to reflect increases in the cost of living.)

If you transfer to the Employer from an Excluded Employer, compensation you received from that organization will be treated as "compensation" under the Plan.

The Plan will use your "final average monthly base pay" in its calculations in the same way it uses "final average monthly compensation."

"Final average monthly base pay" is calculated in the same way that "final average monthly compensation" is: The Plan looks at the past 10 Plan Years, and determines the five consecutive years within this period during which you received the most total base pay. The Plan then calculates your average monthly base pay for these five years. This amount is your "final average monthly base pay."

The calculation of your final average base pay does not include any Plan Years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than five consecutive years of employment, your total base pay amount will simply be divided by your completed calendar months of employment to get the monthly average.

Vesting service

Your service with the employer is considered to begin on the date you were hired by CH Allied Services, Inc.

In general, the normal rules for determining vesting service apply to transferred employees. However, if you had at least three years of service with CH Allied Services, Inc., as of December 31, 1996, then you earn a year of vesting service for each year in which you complete 832 (instead of 1,000) hours of service.

Benefit Service

In general, the normal rules for determining benefit service apply to grandfathered employees of CH Allied Services, Inc. However, the calculation of your benefit service will include all hours of service you accrued before January 1, 1997.

Calculating your normal retirement benefit

If you are a grandfathered employee of CH Allied Services, Inc. your monthly normal retirement benefit is figured as shown below:

\[
1.2\% \times \text{Your final average monthly base pay} \times \text{Your years of benefit service before January 1, 1996} + \]

40
Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, the Plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for grandfathered employees of CH Allied Services, Inc. are made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefit is no less than it would have been under the Retirement Plan for Employees of CH Allied Services, Inc., as of September 30, 1996.
Appendix IV: Grandfathered employees who are former employees of Missouri Baptist Medical Center

If you are a former employee of Missouri Baptist Medical Center, you are grandfathered if all of the following apply to you:

- You were actively employed by the Participating Employer as of January 1, 1997.

- On December 31, 1996, you were an active participant in the Retirement Plan for Employees of Missouri Baptist Medical Center.

- You were a "grandfathered employee" under the terms of the Retirement Plan for Employees of Missouri Baptist Medical Center meaning:
  - You were hired before January 1, 1996.
  - You met the age and service requirements of the Retirement Plan for Employees of Missouri Baptist Medical Center on or before December 31, 1996.
  - You either were an active "employee" as defined by the Retirement Plan for Employees of Missouri Baptist Medical Center on December 31, 1996; you retired during 1996; or you stopped working for Missouri Baptist Medical Center during 1996 after being vested.

If you are a former employee of Missouri Baptist Medical Center, you will also be grandfathered if the following applies to you:

- You transferred directly from Missouri Baptist Medical Center after January 1, 1997, to a position where you qualify as an employee under this Plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the Retirement Plan for Employees of Missouri Baptist Medical Center.

Unless other provisions of the Plan provide otherwise, if you are a grandfathered employee and you stop working for the employer of an affiliate and are later re-employed by one of those organizations, you will still be a grandfathered employee during your re-employment if you are re-employed within 30 days (or six months, if your earlier termination was caused by the elimination of your job).

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Using your pay to determine your benefit

If you are a grandfathered employee of Missouri Baptist Medical Center, your retirement benefit is based in part on both your "compensation" (as defined under the normal rules of the Plan) and your "base pay."

In your benefit calculations, "base pay" is used instead of "compensation" to calculate benefits you accrued during employment before 1996. Your "base pay" is defined as follows:

- For the calendar years 1995 and earlier: "Base pay" means whatever form of pay was used to calculate your benefit under the Missouri Baptist Medical Center plan.

- For calendar years after 1995: "Base pay" means the same thing as "compensation" as defined by the Plan. It is your salary, wages, and any other income that's reported in Box 1 of your W-2 form, plus
the amount of any paycheck deductions made for contributions to a 401(k), 403(b) or "cafeteria" plan sponsored by the employer. However, "base pay" does not include overtime pay, management incentive pay, executive allowances, imputed income related to the use of employer cars, cash awards, retirement gifts, miscellaneous bonuses or other miscellaneous forms of compensation.

However, under federal law, base pay in excess of $275,000 per year is not included in the calculation of your retirement benefit. (This $275,000 limit was lower for years prior to 2018, and may be adjusted upward from year to year to reflect increases in the cost of living.)

If you transfer to the Employer from an Excluded Employer, compensation you received from that organization will be treated as "compensation" under this Plan.

The Plan will use your "final average monthly base pay" in its calculations in the same way it uses "final average monthly compensation."

"Final average monthly base pay" is calculated in the same way that "final average monthly compensation" is: The Plan looks at the past 10 Plan Years, and determines the five consecutive years within this period during which you received the most total base pay. The Plan then calculates your average monthly base pay for these five years. This amount is your "final average monthly base pay."

The calculation of your final average base pay does not include any Plan Years in which you completed less than 1,000 hours of service, except the last year in which you worked if this would increase the result. If you have less than five consecutive years of employment, your total base pay amount will simply be divided by your months of employment to get the monthly average.

**Benefit service**

In general, the normal rules for determining benefit service apply to grandfathered employees of Missouri Baptist Medical Center. However, the calculation of your benefit service will include all hours of service you accrued before January 1, 1997.

**Calculating your normal retirement benefit**

If you are a grandfathered employee of Missouri Baptist Medical Center, your monthly normal retirement benefit is figured as shown below:

<table>
<thead>
<tr>
<th>1%</th>
<th>Your final average monthly base pay</th>
<th>Your years of benefit service before January 1, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>0.6%</th>
<th>Your final average monthly base pay over the covered compensation limit</th>
<th>Your years of benefit service before January 1, 1996 (up to a maximum of 35 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1%</th>
<th>Your final average monthly compensation</th>
<th>Your years of benefit service after December 31, 1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 0.6% | Your final average monthly compensation over the covered compensation limit | Your years of benefit service after December 31, 1995 (up to a maximum of 35 years) |
Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, the Plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Adjustments for grandfathered employees of Missouri Baptist Medical Center are made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefit is no less than it would have been under the Retirement Plan for Employees of Missouri Baptist Medical Center as of September 30, 1996.
Appendix V: Grandfathered employees who are former employees of St. Louis Children's Hospital

If you are a former employee of St. Louis Children's Hospital, you are grandfathered if all of the following apply to you:

- You were actively employed by the employer participating in the Plan as of January 1, 1997.
- On December 31, 1996, you were an active participant in the Retirement Plan for Employees of St. Louis Children's Hospital.
- You were a "grandfathered employee" under the terms of the Retirement Plan for Employees of St. Louis Children's Hospital, meaning:
  - You were hired before January 1, 1996.
  - You met the age and service requirements of the Retirement Plan for Employees of St. Louis Children's Hospital on or before December 31, 1996.
  - You either were an active "employee" as defined by the Retirement Plan for Employees of St. Louis Children's Hospital on December 31, 1996; you retired during 1996; or you stopped working for St. Louis Children's Hospital during 1996 after being vested.

If you are a former employee of St. Louis Children's Hospital, you will also be grandfathered if the following applies to you:

- You transferred directly from St. Louis Children's Hospital after January 1, 1997, to a position where you qualify as an employee under the Plan, and before January 1, 1997, you were a "grandfathered employee" under the terms of the Retirement Plan for Employees of St. Louis Children's Hospital.

Unless other provisions of the Plan provide otherwise, if you are a grandfathered employee and you stop working for the employer or affiliate and are later re-employed by one of those organizations, you will still be a grandfathered employee during your re-employment if you are re-employed within 30 days (or six months, if your earlier termination was caused by the elimination of your job).

If you were a grandfathered employee under this same Appendix to the BJC Health System and Washington University Affiliates Co-Sponsored Multiple Employer Plan as in effect on September 1, 2001, as determined under the same provisions described in this Appendix, you are a grandfathered employee under this Appendix.

Using your compensation to determine your benefit

For grandfathered employees of St. Louis Children's Hospital, "compensation" has the usual meaning under the rules of the Plan. However, if you transfer to the Employer from an Excluded Employer, compensation you received from that organization will be treated as "compensation" under the Plan.

Benefit Service

In general, the normal rules for determining benefit service apply to grandfathered employees of St. Louis Children's Hospital. However, the calculation of your benefit service will include all hours of service you completed before January 1, 1997.

Calculating your normal retirement benefit

If you are a grandfathered employee of St. Louis Children's Hospital, your monthly
normal retirement benefit is figured as shown below:

| 1.25% X Your final average monthly compensation | X Your years of benefit service |
| + | |

| 0.6% X Your final average monthly compensation over the covered compensation limit | X Your years of benefit service (up to a maximum of 35 years) |

### Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, the Plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal early or postponed retirement and the payment option under which you are receiving your benefits.

Adjustments for grandfathered employees of St. Louis Children's Hospital are made in the normal way, except that reductions may be limited so that the grandfathered employee's total benefits is no less than it would have been under the Retirement Plan for Employees of St. Louis Children's Hospital as of September 30, 1996.

In addition, a special formula applies to reductions for early retirement.

### Special formula for benefit reductions for early retirement

If you are a grandfathered St. Louis Children's Hospital employee and you take early retirement, reductions to your monthly benefit are not figured as described under Early retirement benefit on page 12.

Instead, your monthly benefits will be reduced according to a special formula, which involves three "reduction factors" that we will call:

- Reduction Factor A
- Reduction Factor B
- Reduction Factor C

Let's look at how each reduction factor is figured and used to calculate your monthly benefit reductions for early retirement.

### Step 1

If you were born on the first of the month, count up the number of complete calendar months by which your retirement date precedes your 65th birthday.

If you were not born on the first of the month, count up the number of complete calendar months by which your retirement date precedes the first day of the month that next follows your 65th birthday.

Because this is a little complicated, let's look at the example of a grandfathered St. Louis Children's Hospital employee named Charles.

- Charles' date of birth: August 7, 1937
- Charles' early retirement date: July 1, 1996
- Charles' 65th birthday: August 7, 2002
- The first day of the month that next follows Charles' 65th birthday (since he was not born on the first of the month): September 1, 2002

Charles' early retirement date (July 1, 1996) precedes the first day of the month that next follows his 65th birthday (September 1, 2002) by six years and two complete calendar months. That's a total of 74 months.
Step 2
(Calculate Reduction Factor A)

Reduction Factor A = 1/240 x the number of months in Step 1.

In Charles's case, Reduction Factor A = 1/240 x 74 months = 0.308.

Step 3
(Calculate Reduction Factor B)

Reduction Factor B = 1/200 x the number of months in Step 1, up to a maximum of 60 months.

In Charles' case, Reduction Factor B = 1/200 x 60 months = 0.300.

Step 4
(Calculate Reduction Factor C)

If the number of months in Step 1 is more than 60, then Reduction Factor C = 1/240 x the number of months over 60, up to a maximum of 60 additional months.

If the number of months in Step 1 do not exceed 60, then Reduction Factor C = 0.

In Charles' case, Reduction Factor C = 1/240 x 14 months = 0.058.

Step 5

Now we will see how the reduction factors are used to calculate the reductions for early retirement.

If you are a grandfathered employee of St. Louis Children's Hospital taking early retirement, your monthly benefits are reduced by the sum of the following amounts:

<table>
<thead>
<tr>
<th>Reduction Factor A</th>
<th>Your final average monthly compensation</th>
<th>Your years of benefit service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\times 1.25%$</td>
<td>$X$</td>
<td>$X$</td>
</tr>
</tbody>
</table>

+ 

<table>
<thead>
<tr>
<th>Reduction Factor B</th>
<th>Your final average monthly compensation above covered compensation</th>
<th>Your years of benefit service (up to a maximum of 35 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\times 0.6%$</td>
<td>$X$</td>
<td></td>
</tr>
</tbody>
</table>

+ 

<table>
<thead>
<tr>
<th>Reduction Factor C</th>
<th>Your final average monthly compensation above covered compensation</th>
<th>Your years of benefit service (up to a maximum of 35 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\times 0.6%$</td>
<td>$X$</td>
<td></td>
</tr>
</tbody>
</table>

However, your benefits will not be reduced to less than the largest benefit you would have received if you had been a participant only in the Plan and retired after meeting its requirements for early retirement.

In addition, your early retirement benefit will not be less than what it would have been if you had taken early retirement under the Retirement Plan for Employee of St. Louis Children's Hospital as of September 30, 1996.
Appendix VI: Grandfathered employees who are former participants in the Alton Memorial Hospital Retirement Plan

If you are a former participant in the Alton Memorial Hospital Retirement Plan, you are a grandfathered employee (sometimes referred to as a "Wedge Plan Participant") if all of the following apply to you:

- You were an active participant in the Alton Memorial Hospital Retirement Plan on December 31, 1988; and

- As of December 31, 1988, you had at least five Years of Service (as defined in the Alton Memorial Hospital Retirement Plan on December 31, 1988); and

- As of December 31, 1988, you had age plus Service of at least 46; and

- You are currently an employee of Alton Memorial Hospital.

Unless other provisions of the Plan provide otherwise, you are a grandfathered employee under this Appendix VI.

Effect of transfer or termination of employment

If you are a grandfathered employee and are no longer employed by Alton Memorial Hospital or are transferred to an affiliate other than Alton Memorial Hospital, you will cease to be a grandfathered employee under this Appendix even if you later return to work for Alton Memorial Hospital.

Benefit service

If you are a grandfathered employee, you will accrue additional benefit service, retroactively to January 1, 1989.

In general, the normal rules for determining benefit service apply to grandfathered employees at Alton Memorial Hospital, except that only service at Alton Memorial Hospital will count towards benefit service, and service may be granted retroactively to January 1, 1989, for grandfathered employees. Grandfathered employees will also be credited with benefit service as determined under the Alton Memorial Hospital Retirement Plan in effect on December 31, 1988.

Calculation of your normal retirement benefit

If you are a Wedge Plan Participant, your monthly retirement will be 1/12 of the following:

\[
\text{The annual rate of the retirement benefit credited to you under the Alton Memorial Hospital Retirement Plan immediately before January 1, 1976} + \\
0.5\% \times \text{Your first $4,800 of Compensation} \times \text{For each year of service after 12/31/75 and before 1/1/89} + \\
1.5\% \times \text{Any Compensation in excess of $4,800} \times \text{For each year of service after 12/31/75 and before 1/1/89} + \\
0.85\% \times \text{Your first $4,800 of Compensation} \times \text{For each year of service after 12/31/88} + \\
1.5\% \times \text{Any Compensation in excess of $4,800} \times \text{For each year of service after 12/31/88}
\]
The actuarial equivalent benefit (as of your annuity starting date) of the accumulated value of a hypothetical account assuming the maximum Employer Basic and Matching contributions to the Alton Memorial Hospital Tax-Sheltered Annuity Plan beginning in the 1989 calendar year, including earnings thereon.

Using your pay and service to determine your benefit

Prior to January 1, 2008, the definitions of and "compensation" and "service" are determined under the terms of the Alton Memorial Hospital Retirement Plan.

Compensation means:

Prior to January 1, 1998, all compensation paid to you by Alton Memorial Hospital during a calendar year as reported on your W-2 Form for that year, increased by any salary reduction contributions made on your behalf under a plan maintained under Code Section 125, 401(k), 403(b) or 457(b).

Commencing on or after January 1, 1998, the gross amount of wages, as reported in Box 1 of the your Form W-2, for services rendered with respect to Alton Memorial Hospital,

- increased by any salary reduction contributions made on your behalf under a plan maintained under Code Section 125, 401(k) or 403(b), or 457(b), and clergy housing allowance; and
- decreased by taxable reimbursements and other expense allowances, taxable cash and noncash fringe benefits, taxable moving expenses, currently taxable benefits under nonqualified deferred compensation plans, taxable welfare benefits, and taxable tuition reimbursement payments.

Service means:

For periods of Service prior to January 1, 1976, "Service" means an Hour of Service as recognized under the Alton Memorial Hospital Retirement Plan.

Beginning on or after January 1, 1976, a Plan Year in which the Wedge Plan Participant completes at least 1,000 Hours of Employment with Alton Memorial Hospital.

Adjustments to monthly benefit payments

Once your normal retirement benefit has been calculated, the Plan makes certain adjustments to the amount of your monthly benefit payments, depending on whether you are taking a normal, early or postponed retirement, and the payment option under which you are receiving your benefits.

Special formula for benefit reductions for early retirement

If you are a grandfathered employee who retires and begins receiving benefits before your normal retirement date, your benefit will be reduced according to the reduction tables described in the section titled Early retirement benefit to take into account the early start date for your benefit payments.

Additional optional form of payment

Grandfathered employees are eligible for an additional optional form of payment, a 1% joint-and-survivor annuity option (subject to spousal consent). This payment form is similar to the 50% joint-and-survivor annuity option, except that the amount that is paid to your beneficiary will equal 1% of the amount that is paid to you.

You benefit will be reduced by a smaller amount, however, to reflect the fact that a smaller percentage of your benefit will continue to be paid after your death.
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