

## FREQUENTLY ASKED QUESTIONS

### UPSTATE MEDICAL UNIVERSITY RETIREMENT PLAN FOR FORMER EMPLOYEES OF COMMUNITY GENERAL HOSPITAL

This document of Frequently Asked Questions (“FAQ”) is intended to help you understand the main provisions of the Plan identified above. To serve its purpose, these FAQ cannot explain all Plan provisions, or how certain Plan rules differed at earlier times. You may contact Retirement Support at BPAS Actuarial & Pension Services with questions at the following:

[pension@bpas.com](mailto:pension@bpas.com)

(866) 221-8780 (toll free)

**The terms of the formal Plan document will govern if there are any inconsistencies with these FAQ.**

#### **Q1: Am I eligible to participate in the Plan?**

A1: Only individuals who were participating in the Plan on or before July 6, 2011 are permitted to continue participation in the Plan. No new participants will be added after that date. If a participant is terminated and later rehired, they will not be eligible to resume participation in the Plan.

#### **Q2: What is my benefit under the Plan?**

A2: Your benefit under the Plan is generally an annuity payable monthly for your lifetime beginning at your Normal Retirement Date (See Q&A 3). The amount is calculated as a percentage of your pay.

The benefit formula was changed effective January 1, 2009. For service after December 31, 2008, your monthly benefit amount is calculated as 1.85% of your monthly compensation each year you work at least 1,000 hours plus the monthly benefit amount you earned before January 1, 2009 under the previous formula.

***If you did not elect to continue earning benefits under this Plan by July 6, 2011, then your benefit amount under this Plan is frozen based on service and compensation earned as of July 6, 2011.***

#### **Q3: When can I receive my benefits from the Plan?**

A3: Since the Plan is intended to provide income in retirement, you can generally only receive benefit payments once you are eligible to retire. Your Normal Retirement Date is the later of age 65 or the fifth anniversary of your participation in the Plan. There are several situations when you could begin receiving benefits from the Plan before your Normal Retirement Date. These situations are described below.

##### *Early Retirement*

If you complete at least 10 years of Vesting Service (a calendar year in which you work at least 1,000 hours), then you may retire as early as age 55. However, your pension benefit will be reduced to reflect the fact that you will be receiving payments sooner than your Normal Retirement Date.

## FREQUENTLY ASKED QUESTIONS

### UPSTATE MEDICAL UNIVERSITY RETIREMENT PLAN FOR FORMER EMPLOYEES OF COMMUNITY GENERAL HOSPITAL

#### *Disability Retirement*

If you complete at least 10 years of Vesting Service (a calendar year in which you work at least 1,000 hours) and have qualified for disability benefits under Social Security, then you may begin receiving your pension as early as age 40. Your pension benefit will be the amount that you could receive beginning at your Normal Retirement Date.

#### *Small \$10,000 Benefit Cashout*

If you complete at least 5 years of Vesting Service (a calendar year in which you work at least 1,000 hours), cease employment with Upstate **and** the total lump sum value of your benefit at that time is not more than \$10,000, then the entire value of your Plan benefit will be paid to you in a single sum. If you are over age 62 and did not elect to continue earning benefits under this Plan, then you do not have to cease employment with Upstate in order to receive your benefits under this provision.

#### **Q4: What if I die before I begin receiving my benefits from the Plan?**

A4: If you are married at the time of death and have completed at least 5 years of Vesting Service (a calendar year in which you work at least 1,000 hours) then a death benefit will be paid to your surviving spouse.

If you are not married at the time of death and have completed at least 5 years of Vesting Service (a calendar year in which you work at least 1,000 hours), and are actively employed by Upstate at the time death, a death benefit is payable to your designated beneficiary. If you are not married at the time of death and are not actively employed by Upstate, there is no death benefit payable.

The death benefit payable is equal to the benefit your surviving spouse or beneficiary would have received had you retired with a Joint & 50% Survivor Annuity the day before your death.

It is important for you to maintain a current beneficiary designation if you are not married and actively employed by Upstate. You can do so by printing and completing a Pre-Retirement Beneficiary Election Form under "Pension Documents" (located on the Home Page screen) and faxing, mailing, or uploading your completed form to this Pension Portal Website.

#### **Q5: What if I die after I begin receiving my benefits from the Plan?**

A5: Whether a death benefit is payable to your surviving spouse or designated beneficiary will depend on the form of payment you elect when you begin receiving payments from the Plan.

If you elect a Single Life Annuity or the Level Income Option, when you die, no further benefits will be payable from the Plan.

If you elect one of the Joint & Survivor Annuities (50%, 75% or 100%), a percentage of the monthly benefit you received during your lifetime (50%, 75% or 100%) will be paid to your surviving spouse or surviving designated beneficiary upon your death. Upon your surviving spouse's or surviving designated beneficiary's death, no further benefits are

## FREQUENTLY ASKED QUESTIONS

### UPSTATE MEDICAL UNIVERSITY RETIREMENT PLAN FOR FORMER EMPLOYEES OF COMMUNITY GENERAL HOSPITAL

payable from the Plan. ***Note under this form of payment, you may not change or replace your beneficiary once your payments from the Plan begin.***

If you elect the Ten-Year Certain & Life Annuity and you die before the end of your ten year guaranteed payment period, payments will continue to your designated primary beneficiary until the end of the 10 year guarantee period. If your designated primary beneficiary is deceased before the end of the 10 year guarantee period, payments will be made to your designated contingent beneficiary until the end of the 10 year guarantee period.

If you receive a cashout payment under \$10,000 described in Q&A3, you will receive no death benefits under the Plan.

#### **Q6: How are my benefits taxed?**

A6: No taxes are due on your benefits until you begin receiving payments from the Plan. All payments are subject to Federal Income tax in the year in which they are paid to you. If you receive a single sum cash distribution under the small \$10,000 benefit cashout described in Q&A3, 20% will automatically be withheld upfront for Federal Income Taxes. There is an additional 10% excise tax that applies if you have not yet reached age 59 1/2. The excise tax can be avoided and the regular income tax can be deferred on a single sum distribution if you roll the entire payment over into a qualified Individual Retirement Account or other tax-qualified plan within strict time-frames.

The New York State Department of Taxation and Finance has indicated that benefit payments from the Plan received by a Participant who transferred employment from Community General Hospital to Upstate University Hospital on July 7, 2011 will generally be excluded from New York State income, regardless of whether the Participant opted to continue active participation in this Plan or to participate under another New York State retirement plan and without regard to the amount of such benefits. However, if you did not transfer employment from Community General Hospital to Upstate University Hospital on July 7, 2011, this exclusion will not apply to your benefits.

THE TAX RULES ARE COMPLEX AND IT IS HIGHLY RECOMMENDED THAT YOU CONSULT WITH YOUR TAX ADVISOR BEFORE MAKING A CHOICE ABOUT HOW AND WHEN TO RECEIVE YOUR BENEFITS AND HOW ANY SUCH BENEFITS ARE TREATED FOR TAX PURPOSES.

#### **Q7: How did the merger with Upstate University Hospital affect my benefit amounts under the Plan?**

A7: As a result of the merger, affected employees were permitted a one-time election to either continue earning benefits under the Plan in the future or freeze benefits at their July 7, 2011 levels and begin earning future benefits under the New York State Employees' Retirement System (ERS) OR the SUNY Optional Retirement Plan (ORP). Employees who elected to freeze their benefits under the Plan will still earn future service under the Plan for purposes of determining vesting – but not for purposes of calculating benefit amounts.

## FREQUENTLY ASKED QUESTIONS

### UPSTATE MEDICAL UNIVERSITY RETIREMENT PLAN FOR FORMER EMPLOYEES OF COMMUNITY GENERAL HOSPITAL

**Q8: How did the merger of Upstate University Hospital affect my benefit security under the Plan?**

A8: Community General Hospital established the Plan and began funding an independent trust for the sole purpose of paying benefits under the Plan in 1966. Upstate University Hospital took over responsibility for maintaining the Plan and funding the trust as part of the merger with Community General Hospital in July 2011. The Hospital established a Pension Oversight Committee (“POC”) to assume primary responsibility for managing the Plan. The POC consists of representatives from the Hospital, investment professionals, actuaries and external experts. The POC established administrative, funding and investment policies to maintain the Plan in a manner largely consistent with those that have existed for years. All Plan trust assets are still maintained for the sole purpose of paying benefits under the Plan.

As a New York State public governmental defined benefit plan, your benefits are guaranteed by the New York State constitution.

**Q9: Who is responsible for the Plan?**

A9: The State University of New York Upstate Medical University is the Plan Sponsor and is ultimately responsible for maintaining and funding the Plan.

The Pension Oversight Committee (“POC”) is the Plan Administrator and is responsible for the administration of the Plan.

The Pension Oversight Committee has hired the following entities to provide services helping to administer and maintain the Plan:

Service Providers	
Trustee / Custodian	Key Bank
Investment Management	Callan Associates, Inc.
Legal Representative	Bond, Schoeneck and King
Actuary / Recordkeeper	BPAS Actuarial & Pension Services

**Q10: What do I need to do in order to receive my benefits from the Plan?**

A10: You should apply for benefit payments online by logging into the website at the following internet address:

<https://www.mypensionbenefit.com/Default.aspx?co=upstate>

You may request a formal retirement benefit calculation by clicking on “Request to Begin Pension” on the right side of the screen under Quick Links. You may also find this form under “Pension Documents”. This form can then be mailed, faxed or uploaded to the secure website (see below).

You will need to either provide an age or specific date when you plan on ceasing employment and a separate age or specific date when you would like to begin receiving

## FREQUENTLY ASKED QUESTIONS

### UPSTATE MEDICAL UNIVERSITY RETIREMENT PLAN FOR FORMER EMPLOYEES OF COMMUNITY GENERAL HOSPITAL

payments from the Plan. ***Benefit payments begin on the first day of a month and must begin after your termination date.***

If you are married, you must provide your spouse's date of birth. If you are married and would like to have the Joint & Survivor Annuities calculated using a non-spousal beneficiary, please provide both your spouse's date of birth and your designated beneficiary's date of birth.

If you are not married and would like the Joint & Survivor Annuities calculated, please provide your designated beneficiary's date of birth.

In addition, you will need to send in the following documentation:

- Proof of age (e.g., copy of birth certificate, passport, driver's license)
- Proof of beneficiary's age (if applicable)
- Proof of marriage (if applicable)

The above items can be sent either by mail, fax or secure website upload below:

Mail: BPAS Actuarial & Pension Services  
Attn: Retirement Support - Upstate  
706 N. Clinton Street; Suite 200  
Syracuse, NY 13204

Fax: (315) 292-6468 (Attn: Retirement Support – Upstate)

Website Upload: <https://www.mypensionbenefit.com/Default.aspx?co=upstate>

1. select "Pension Documents" on the Home Page screen
2. select "Add" on Participant Documents
3. select "File to Upload" on the next screen to locate and choose your file
4. Select "Document Type" and add description if necessary
5. Select "Add" in the bottom right hand corner

A formal benefit election package will be sent to you within 14 days of receiving all the necessary documentation and Plan Sponsor approval of your request. You will need to complete the forms and return them at least 30 days before you would like payments to begin to prevent possible delays in your first payment.

***In order to prevent possible delays in your first payment, you should apply for retirement benefits no later than 90 days before you would like to receive your first payment. You may not apply for benefits more than 180 days before you would like to receive your first payment.***

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### UPSTATE MEDICAL UNIVERSITY RETIREMENT PLAN FOR FORMER EMPLOYEES OF COMMUNITY GENERAL HOSPITAL

**Q11: What if I am not ready to retire but would like to estimate my benefits?**

A11: If you are not ready to actually retire but would like an estimate of what your benefits under the Plan might be at a future date, you may click on the "Benefit Calculation" on the Home Page screen and provide your estimated future termination date and future date you would like payments to begin.

**Q12: How do I log into the website?**

A12: You will need to know your User ID and your password.

*User ID*

Your User ID is the first 2 letters of your last name (the first letter is capitalized, the second letter is not capitalized) followed by the first letter of your first name (capitalized) followed by the last 4 digits of your social security number. For example, if your name is Jane Doe with a social security number of 123-45-6789, then your User ID is DoJ6789. Your User ID will never change.

*Password*

Your initial password is randomly generated and was sent to you with your benefit statement in July 2012. You will be required to change your password the first time you log into the site. *You should also supply an email address when you first login so that your password can be emailed to you in the event you forget it in the future.*

**Q13: What do I do if I forget my login ID or password?**

A13: If you forget your login ID or password you can:

- Click on "Forgot User ID?" and/or "Forgot Password" on the initial login screen of the Pension Portal <https://www.mypensionbenefit.com/Default.aspx?co=upstate>
- Contact Retirement Support at (866)-221-8780 (toll free)

**Q14: How can I get more information?**

A14: You can get more information from:

- The Pension Portal <https://www.mypensionbenefit.com/Default.aspx?co=upstate>. The Summary Plan Description and Plan Document are found under "Pension Documents" on the Home Page screen.
- Contact Retirement Support at (866)-221-8780 (toll free)