

Upstate Retirement Plan for Former Employees of Community General Hospital



Plan Overview
April 2018



Plan Overview Agenda

- How did we get here?

- Plan Basics
 - How is my pension benefit calculated?
 - When can I receive my pension benefits from the Plan?
 - What if I die before I begin my pension benefit?
 - How is my pension benefit paid?

- Retirement Planning
 - Tools & Resources
 - Preparing to Retire

- After your Retire
 - Death Benefits

- Q & A

How did we get here?

How did the merger with Upstate University Hospital affect my benefit amounts under the Plan?

At the time of the merger, affected employees were permitted to make a one-time election to either:

- Continue earning benefits under the Upstate University Hospital Retirement Plan for Former Employees of Community General Hospital Retirement Plan (the “CG Plan”) in the future.

OR

- Freeze benefits at their July 7, 2011 levels and begin earning future benefits under the New York State Retirement System or the SUNY ORP (which ever was applicable). Employees who elected to freeze their benefits under the Plan and were not vested at the time of the acquisition will still earn future service under the Plan for purposes of determining vesting – but not for purposes of calculating benefit amounts.

How did we get here?

The Decision ...

Continue earning benefits under the CG Pension Plan.

Or

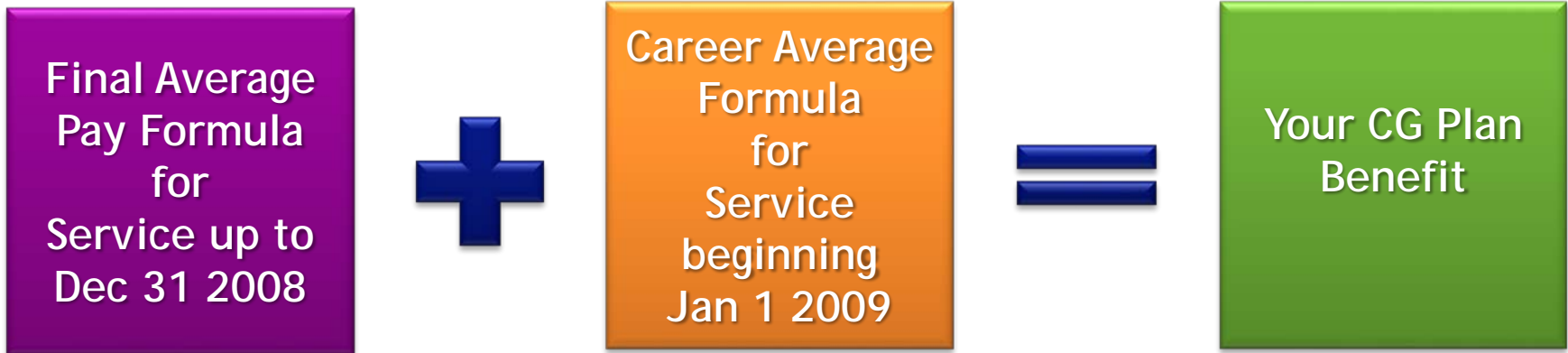
Begin earning benefits under one of the NYS Pension/Retirement Plans.

Even if you chose to continue to earn future retirement benefits under the NYS Retirement System or the SUNY ORP, you most likely have a “Frozen Accrued Benefit” under the CG Pension Plan.

How is my CG Plan Benefit Calculated?



Two formulas added together -



How is my CG Plan Benefit Calculated?



Final Average
Pay Formula
for
Service up to
Dec 31 2008

What goes into calculating this piece?

1. Final Average Pay = highest 5 years of salary or pay of your last 10 years (prior to Dec 31 2008)

Let's see an example of how Final Average Pay is calculated ...

How is my CG Plan Benefit Calculated?



Final Average Pay

Year	Hours	Pay	Annualized Pay
1999	1,700	\$ 34,000	\$ 34,000
2000	2,080	\$ 42,800	\$ 42,800
2001	2,080	\$ 44,100	\$ 44,100
2002	2,080	\$ 45,500	\$ 45,500
2003	2,080	\$ 46,800	\$ 46,800
2004	1,040	\$ 24,000	\$ 48,000
2005	2,040	\$ 48,700	\$ 49,655
2006	2,080	\$ 51,200	\$ 51,200
2007	2,080	\$ 52,700	\$ 52,700
2008	2,080	\$ 54,300	\$ 54,300

Sum of the 5 highest years of the last 10 years =
 $\$255,855 / 5 = \$51,171$

How is my CG Plan Benefit Calculated?



Final Average
Pay Formula
for
Service up to
Dec 31 2008

What goes into calculating this piece?

1. Final Average Pay = highest 5 years of pay of your last 10 years.
\$51,171
2. Credited Service = You earn 1 Year of Credited Service for each Year you had 2,080 hours. Partial credit is give for years with a least 1,000 hours.

How is my CG Plan Benefit

Calculated?



Credited Service

Year	Hours	Credited Service
1999	1,700	0.817
2000	2,080	1
2001	2,080	1
2002	2,080	1
2003	2,080	1
2004	1,040	0.500
2005	2,040	0.981
2006	2,080	1
2007	2,080	1
2008	2,080	1
Total Credited Service		9.298 Years

How is my CG Plan Benefit Calculated?



What goes into calculating this piece?

Final Average
Pay Formula
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Dec 31 2008

1. Final Average Pay = highest 5 years of pay of your last 10 years. Does not have to be consecutive years.

\$51,171

2. Credited Service = You earn 1 Year of Credited Service for each Year you had 2,080 hours. Partial credit is give for years with a least 1,000 hours.

9.298

3. Benefit Percentage = Formula based on Years of Credited Service.

How is my CG Plan Benefit Calculated?



Benefit Percentage

Up to 20 Years of Credited Service = $0.9\% \times \text{Years of Credited Service}$

Next 10 Years of Credited Service = $1.2\% \times \text{Years of Credited Service}$

Next 5 Years of Credited Service = $0.5\% \times \text{Years of Credited Service}$

Maximum Benefit Percentage = 32.5%

The total Years of Credited Service, 9.298, is multiplied by 0.9% resulting in a benefit percentage of 8.368%

For 30 Years of Credited Service the Benefit Percentage would equal $(20 \times 0.9\%) + (10 \times 1.2\%) = 30\%$

How is my CG Plan Benefit Calculated?



Final Average
Pay Formula
for
Service up to
Dec 31 2008

What goes into calculating this piece?

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\$51,171

2. Credited Service = You earn 1 Year of Credited Service for each Year you had 2,080 hours. Partial credit is give for years with a least 1,000 hours.

9.298

3. Benefit Percentage = Formula based on Years of Credited Service.

8.368%

How is my CG Plan Benefit Calculated?



Final Average
Pay Formula
for
Service up to
Dec 31 2008

Annual Accrued Benefit as of Dec 31, 2008 =
 $\$51,171 \times 9.298 \times 0.9\% = \$4,282$



8.368% Benefit Percentage

$\$4,282 / 12 \text{ months} = \357 a month for life payable at
Normal Retirement Date (Age 65).

How is my CG Plan Benefit Calculated?



Two formulas added together -



How is my CG Plan Benefit Calculated?



Career Average
Formula
for
Service
beginning
Jan 1 2009

What goes into calculating this piece?

Your Annual Plan Compensation (“Pay”) for each year you have at least 1,000 hours beginning Jan 1, 2009 multiplied by 1.85%.

If you elected the CG Plan, you continue to earn future retirement benefits under this formula for each year you have at least 1,000 hours.

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

Let's see an Example...

How is my CG Plan Benefit Calculated?



$\$566,000 \times 1.85\% = \$10,471$
Annual Accrued Benefit
payable at Normal
Retirement Date.

$\$10,471 / 12 \text{ months} = \mathbf{\$872}$
a month for life payable at
Normal Retirement Date.

Year	Hours	Pay
2009	2,080	\$ 55,900
2010	2,080	\$ 57,600
2011	2,080	\$ 59,300
2012	2,080	\$ 61,100
2013	2,080	\$ 62,900
2014	2,000	\$ 64,800
2015	2,080	\$ 66,800
2016	2,080	\$ 68,600
2017	2,080	\$ 69,000
Total		\$ 566,000

How is my CG Plan Benefit Calculated?



Two formulas added together -



When can I receive my benefits from the Plan?

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.

However, there are several situations when you could begin receiving benefits from the Plan before your Normal Retirement Date.

When can I receive my benefits from the Plan?

Early Retirement

If you complete at least 10 years of Vesting Service (a calendar year in which you have 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 earlier than your Normal Retirement Date.

The reduction is 6% a year for each year you retire prior to your Normal Retirement Date.

Let's see an example of Early Retirement...

When can I receive my benefits from the Plan?

Early Retirement

Peter decides he is going to work until his Earliest Retirement Date of January 1, 2018 (Age 55 with at least 10 Years of Vesting Service) and retire.

Assume his monthly accrued benefit as of January 1, 2018 is **\$1,229** a month for his lifetime payable at his Normal Retirement Date of January 1, 2028 (Age 65).

We need to reduce this Monthly Accrued Benefit for the fact Peter intends to take his benefit early.

When can I receive my benefits from the Plan?

Reduction for Early Retirement:

Peter is age 55

65-55 = 10 years

6% annual reduction = 10 years * 6% = 60%

\$1,229 a month

less \$1,229 x 60% = \$737

\$492 a month payable as of January 1, 2018 (Age 55)

(i.e. Since his benefit is being reduced 60%, he'll receive 40% of \$1,229)

When can I receive my benefits from the Plan?

Disability Retirement

Eligibility Requirements:

- Complete at least **10 years of Vesting Service** (a calendar year in which you have at least 1,000 hours)
- Are at least 40 years old
- Have **qualified for disability benefits under Social Security**
- **Terminate employment** from Upstate Medical University due to disability

Note, you can file for disability benefits under the CG Plan if you meet the criteria above, even if you elected to earn future benefits under one of the NYS/SUNY retirement plans (i.e. if you have a “frozen” CG Plan benefit).

When can I receive my benefits from the Plan?

Disability Retirement

Amount:

Your disability pension will be the pension benefit that you could receive beginning at Normal Retirement Date, **unreduced regardless of whether or not you are 65.**

Conversion to a Retirement Pension at age 65:

Your disability pension ends at the earlier of your Normal Retirement Date, the date in which you are no longer determined disabled by Social Security or your death. Prior to your Normal Retirement Age you must complete a benefit election to **convert your disability benefit to a service retirement benefit** if you wish to continue receiving an annuity uninterrupted. Your CG Retirement Support Team at BPAS will be in contact with you 90 days prior to your Normal Retirement Date to discuss the conversion process.

When can I receive my benefits from the Plan?

Disability Retirement

Timing of application:

A Participant must file a written application with the Plan Administrator within the designated time frames.

If an application for disability retirement benefits is submitted later than 120 days after the date that the Social Security Administration determines that the Participant is entitled to Social Security Disability Benefits, disability retirement benefits will be paid prospectively only and will commence within 90 days of the date of the application.

When can I receive my benefits from the Plan?

Termination, Small \$10,000 Benefit Cash-Out

If you complete at least 5 years of Vesting Service (a calendar year in which you have at least 1,000 hours), cease employment with Upstate and the total lump sum value of your benefit at that time is less than \$10,000, then the entire value of your Plan benefit will be paid to you in a single lump sum.

What if I die before I begin receiving my benefits from the Plan?

Pre-Retirement Death Benefit

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 have at least 1,000 hours) than 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 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.

What if I die before I begin receiving my benefits from the Plan?

Pre-Retirement Death Benefit

The death benefit payable is equal to the pension 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.



How is my benefit paid?

Your Accrued Benefit is payable as monthly **Life Annuity** for your lifetime only. However, you may elect one of the following forms of payment in lieu of the Life Annuity. In case of the Joint & Survivor Annuities and the 10 Year Certain & Continuous Annuity, the portion you receive for your lifetime is reduced to provide your beneficiary with payments after your death. In the case of the Age 62 Level Income Option, your monthly payment under the Life Annuity is adjusted in a manner that is intended to provide you with approximately equal monthly income before and after you begin receiving Social Security benefits at age 62, taking those benefits into account.

Optional Forms of Payment

- **Joint & Survivor Annuity (50%, 75% & 100%)**
- **10 Year Certain & Continuous Annuity**
- **Age 62 Level Income Option**

Retirement Planning



Tools & Resources



Preparing for Retirement

Retirement Planning



Tools & Resources

- **Your Annual Benefit Statement**
- **Online Estimator & Pension Documents**
- **Retirement Support Line**
- **Community Campus Human Resource Department**

Retirement Planning: Tools & Resources

Annual Benefit Statement

Your current accrued monthly benefit earned as of December 31, 2016 and payable at your Normal Retirement Date:

\$1,123

Your current accrued & projected monthly benefits under the Plan:

Your current accrued monthly benefit earned as of December 31, 2016 and payable at your Normal Retirement Date: \$1,123

You are currently 100% vested in your accrued benefit shown above. Vesting is the attainment of nonforfeitable rights that entitles you to a benefit at retirement even if you terminate employment prior to your Normal Retirement Date. You earn a year of vesting credit for each year in which you work 1,000 or more hours, and you are 100% vested after attaining 5 such years.

The above benefits is payable at your Normal Retirement Date of March 1, 2027 under a Single Life Annuity payment option. Plan benefit amounts may differ for forms of payment other than the Single Life Annuity option.

Estimated monthly benefit under this Plan if you continue in service to your Normal Retirement Date: \$2,181

The estimated benefit shown on this Statement is a Single Life Annuity that assumes you will continue to earn credited service

Estimated monthly benefit under this Plan if you continue in service to your Normal Retirement Date:

\$2,181

About Your Statement / Definitions:

Pension Plan Formula: Effective January 1, 2009 the benefit formula is 1.85% of compensation for each year you work at least 1,000 hours.

Normal Retirement Date: Later of age 65 or 5th anniversary of Date of Participation.

Early Retirement Date: Anytime after reaching age 55 with 10 or more years of Vesting Service

Early Retirement Reduction: Your current accrued monthly benefit is reduced ½ of 1% (0% per year) for each month your early retirement date precedes your Normal Retirement Date.

Upstate Medical University Retirement Plan
for Former Employees of Community General Hospital

UPSTATE
MEDICAL UNIVERSITY

Statement of Benefits as of December 31, 2016 for
Parker, Peter

For more information on your benefits visit:
<https://www.myperibenefits.com/Default.aspx?co=upstate>
User ID: PA92507
Your User ID is case sensitive. For a password reset please contact
BPAS Actuarial & Pension Services by phone or by email at:
Phone: 1 (866) 221-8780 Email: Pension@bpas.com

Personal Data used in your accrued benefit calculation:

Your current accrued monthly benefit earned as of December 31, 2016 and payable at your Normal Retirement Date: \$1,123

Your current accrued & projected monthly benefits under the Plan:

Your current accrued monthly benefit earned as of December 31, 2016 and payable at your Normal Retirement Date: \$1,123

You are currently 100% vested in your accrued benefit shown above. Vesting is the attainment of nonforfeitable rights that entitles you to a benefit at retirement even if you terminate employment prior to your Normal Retirement Date. You earn a year of vesting credit for each year in which you work 1,000 or more hours, and you are 100% vested after attaining 5 such years.

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The estimated benefit shown on this Statement is a Single Life Annuity that assumes you will continue to earn credited service

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Normal Retirement Date: Later of age 65 or 5th anniversary of Date of Participation.

Early Retirement Date: Anytime after reaching age 55 with 10 or more years of Vesting Service

Early Retirement Reduction: Your current accrued monthly benefit is reduced ½ of 1% (0% per year) for each month your early retirement date precedes your Normal Retirement Date.

Retirement Planning: Tools & Resources

Online Estimator & Pension Documents

www.mypensionbenefit.com



View Latest Benefit Statement



Benefit Calculation

Prepare you
own estimates.



Pension Documents

View Important
Pension Documents
such as your
Summary Plan
Description.



Participant Data

View your historical
data used to prepare
your calculations.

Retirement Planning: Tools & Resources

User: Smith, John A. (Participant) Contact Us (866) 221-8780 Logout

Upstate University Hospital UPSTATE UNIVERSITY HOSPITAL COMMUNITY CAMPUS

Upstate University Hospital at CGH Smith, John A

Benefit Calculation ⊗

Your final benefit payable from the Plan will be calculated at your final retirement date which may differ from the results of this estimator. The results shown in this estimate are for informational purposes only and the amounts are not guaranteed.

To Request to Begin your Pension Benefits, please complete a Request to Begin form located under the Documents menu.

What is your actual or expected last day of employment? ?

Termination Age/Date: Fixed Age Fixed Date

When do you want to begin receiving pension benefits? ?

Pension Start Age/Date: Fixed Age Fixed Date

Who do you plan to designate as your beneficiary, where applicable? ?

Relationship to you:

If calculating after today, assume the following:

Expected Annual Pay Increases: % ?

Retirement Planning: Tools & Resources

Upstate Medical University Retirement Plan for
Former Employees of Community General Hospital



Estimate of Monthly Retirement Benefits Commencing on
January 1, 2027
For
Peter Parker

Our records indicate you have elected to continue to participate in the Upstate Medical University Retirement Plan for Former Employees of Community General Hospital effective July 7, 2011.

The estimate below is based on your Monthly Accrued Benefit at January 1, 2017 of \$1,123 payable as a Single Life Annuity at your Normal Retirement Date of January 1, 2027 and the following data and assumptions:

Date of Termination from Employment:	December 31, 2026
Date of Retirement:	January 1, 2027
2016 Plan Compensation:	\$66,800.00
2016 Hours:	2,080
Rate of Annual Pay Increases until Termination:	No
Hours worked per Year until Termination:	Greater than or equal to 1,000 hours (based on your most recent hours available as shown above)
Projected Vesting Service:	28 years

This estimate used recent pay and hours figures as illustrated above in calculating the benefit amounts, however, please note that your most current rate of pay may not yet be present in this system.

Single Life Annuity Your estimated monthly benefit for your lifetime only: \$ 2,181	This estimated benefit will be paid to you during your lifetime and may include a reduction for payments beginning before your Normal Retirement Date of 01/01/2027. No benefits will be paid after your death.
Joint & 50% Survivor Annuity Your estimated monthly benefit for your lifetime: \$ 1,869 Estimated monthly benefit to your surviving beneficiary: \$ 934	Based on your beneficiary's date of birth of 05/01/1963. The estimated benefit provides for a reduced monthly benefit to the participant starting on their retirement date and ending upon their death. One half of this reduced benefit is payable for the lifetime of the named beneficiary.
Joint & 75% Survivor Annuity Your estimated monthly benefit for your lifetime: \$ 1,745 Estimated monthly benefit to your surviving beneficiary: \$ 1,308	Based on your beneficiary's date of birth of 05/01/1963. The estimated benefit provides for a reduced monthly benefit to the participant starting on their retirement date and ending upon their death. Three quarters of this reduced benefit is payable for the lifetime of the named beneficiary.

If you are legally married, the Plan requires your benefit to be paid in a Joint & Survivor form of benefit, with your spouse as the named beneficiary. Within certain guidelines, your spouse may waive this benefit right at the time payments are to commence.

Please be advised these are ESTIMATED amounts that are based on the current Plan Document and your individual data. Actual amounts will be based on your individual data and the Plan in effect at the date you leave service with the Company and may differ significantly from these estimates.

You should notify your human resources department at least 90 days before actual retirement so that required retirement process may be initiated.

Estimate calculated on October 4, 2016

Upstate Medical University Retirement Plan for
Former Employees of Community General Hospital



Estimate of Monthly Retirement Benefits Commencing on
January 1, 2027
For
Peter Parker

Joint & 100% Survivor Annuity
Your estimated monthly benefit for your lifetime:
\$ 1,638
Estimated monthly benefit to your surviving beneficiary:
\$ 1,638

Ten-Year Certain & Life Annuity
Your estimated monthly benefit for your lifetime with 10 years of guaranteed payments:
\$ 1,995

Level Income Option
(Estimated using a estimated monthly payment from Social Security at 62 or N/A)

Your estimated monthly benefit to the lesser of your lifetime or your age 62: N/A

Your estimated monthly benefit commencing at age 62 for your lifetime: N/A

Based on your beneficiary's date of birth of 05/01/1963. The estimated benefit provides for a reduced monthly benefit to the participant starting on their retirement date and ending upon their death. The same reduced benefit is payable for the lifetime of the named beneficiary.

This estimated benefit will be paid to you during your lifetime with 10 years of guaranteed payments and may include a reduction for payments beginning before your Normal Retirement Date of 01/01/2027. After your death if the 10 year guaranteed period has not expired, payments will continue to your named beneficiary until the end of the 10 year guarantee period.

This estimated benefit is available if you retire prior to age 62. The monthly payment under the estimated Life Annuity is adjusted in a manner that is intended to provide you with approximately equal monthly income before and after you begin receiving Social Security benefits at age 62, taking those benefits into account. Upon retirement, in order to calculate this option, you must provide your Social Security age 62 estimated benefit amount. Under this form of payment, no benefits are payable to your spouse or other beneficiary following your death, even if you only received benefits for a short period of time.

If you are legally married, the Plan requires your benefit to be paid in a Joint & Survivor form of benefit, with your spouse as the named beneficiary. Within certain guidelines, your spouse may waive this benefit right at the time payments are to commence.

Please be advised these are ESTIMATED amounts that are based on the current Plan Document and your individual data. Actual amounts will be based on your individual data and the Plan in effect at the date you leave service with the Company and may differ significantly from these estimates.

You should notify your human resources department at least 90 days before actual retirement so that required retirement process may be initiated.

Estimate calculated on October 4, 2016



Retirement Planning: Preparing for Retirement

90 days before submit your "Request to Begin"

Receive your Benefit Election Packet 2 to 3 weeks following your Request

Review your options, visit your Tax Advisor and/or Financial Planner over the next few weeks

Submit your completed Benefit Election Packet at least 15 days prior to your Retirement Date.

Enjoy your Retirement . Your 1st Direct Deposit is made (or paper check mailed) on the 1st of month.



In order to start your pension as the first of month you have requested (your "Annuity Starting Date"), it is important that your request is received 90 days before your Annuity Starting Date in order for your pension to begin timely.

Retirement Planning: Preparing for Retirement

Example using July 1, 2018 as the date you wish to start your pension.



Retirement Planning

Contact Information:

Upstate CG Plan Retirement Support
1.866.221.8780 | Pension@bpas.com
8 am to 5 pm, business days

Community Campus HR Office
315.492.5561