

**SUMMARY OF MATERIAL MODIFICATIONS  
TO  
INTERMOUNTAIN HEALTHCARE PENSION PLAN  
Changes to Rules Relating to Lump Sum Distribution Option  
(4-14-2022)**

The Intermountain Healthcare Pension Plan (the Plan) offers various optional forms of distribution. The optional forms of distribution include numerous annuity options. Additionally, the Plan has historically made distributions available in a lump sum form of payment only if an application for a lump sum distribution is submitted timely within a limited election period after the event triggering a person's distribution right occurs. For example, historically, a vested Participant who terminates employment before Normal Retirement Age (age 65) was required to elect a lump sum distribution generally within 120 days after Termination of Employment.

We are pleased to inform you that Intermountain Health Care, Inc. recently amended to the Plan to expand and liberalize the circumstances in which the lump sum form of payment is available under the Plan to Participants, surviving spouses and alternate payees. The amendment and the changes were generally effective as of September 1, 2021.

A summary of further details follows below. Every effort has been made to describe the new provisions of the Plan with accuracy and clarity. However, this is only a summary, and it omits some of the detail found in the Plan document itself. If any discrepancy exists between the Plan and this summary, the official Plan is the controlling document and is binding upon all parties. Capitalized terms not otherwise defined in this summary have the meaning contained in the official Plan document.

If you have any questions about these changes, please contact Ask HR at 1-833-442-7547 or AskHR@imail.org.

**1. Participants**

The provisions described below apply to a Participant if the actuarial equivalent of the benefit otherwise payable to the Participant exceeds \$5,000.

1.1 Vested Terminated Participants Younger Than Age 65. If you are a Participant who has a Termination of Employment after you have become vested (which generally requires the completion of five Years of Vesting Service) and before you reach Normal Retirement Age (age 65), you may elect to receive payment of your deferred vested benefit in the form of a lump sum:

(a) as of the first day of the calendar month coincident with or next following the date of your Termination of Employment, or

(b) as of the first day of any subsequent calendar month prior to when you reach age 65.

In order for you to be able to elect the lump sum payment be paid as of the first

day of a particular month, you must notify the Plan Administrator sufficiently in advance of the first day that month. The reason is that you are required to receive certain notices, make your election and, if you are married, obtain your spouse's consent to the payment of a lump sum distribution before the selected date. If you do not provide sufficient advance notice, you will be permitted to elect the first day of a later calendar month as of which your lump sum distribution will be paid that is far enough in the future to permit the required notices to be provided and appropriate elections and consents to be made by you and your spouse (if applicable).

If you have timely submitted a complete and valid application for a lump sum distribution to be paid as of a selected date, the lump sum will be paid as soon as administratively feasible on or after the selected date.

You are able to elect a lump sum distribution under these provisions on or after September 1, 2021 and prior to when you reach age 65, regardless of whether your Termination of Employment occurs before or after September 1, 2021. For example, if your Termination of Employment occurred on January 1, 2021 and you will reach age 65 on April 30, 2024, you are eligible to elect a lump sum distribution to be paid on or after September 1, 2021 and before April 30, 2024.

## 1.2 Participants Who Reach Normal Retirement Age (Age 65) On or After September 1, 2021 and Then Retire.

1.2.1 If you reach Normal Retirement Age (age 65) on or after September 1, 2021 and retire when you reach age 65, the lump sum form of payment will be available to you along with the various optional annuity forms of payment payable as of your Normal Retirement Date (the first day of the month on or after when you reach Normal Retirement Age).

1.2.2 If you reach Normal Retirement Age (age 65) on or after September 1, 2021, continue working past age 65, and then have a Termination of Employment after your Normal Retirement Date, the lump sum form of payment will be available to you along with the various optional annuity forms, subject to the following rules and limits:

(a) Subject to (b) below, you may elect a lump sum to be paid as of the first day of the first, second, third or fourth calendar month following your Termination of Employment (in other words, if you defer the start of your retirement benefits past these months, the Plan's annuity options will be available at the later start date but the lump sum form of payment will not be).

(b) If you have a Termination of Employment prior to the calendar month in which you attain the age of 70½, you may not elect a single lump sum to be paid later than the first day of the calendar month prior to the calendar month in which you attain the age of 70½

1.2.3 **IMPORTANT NOTES:** If the Plan provides required notices about your distribution options (including the lump sum option) in accordance with applicable Plan rules and you fail to timely elect the lump sum form of payment when otherwise available to you as described under 1.2.1 and 1.2.2 above, the lump sum form of payment will not be available to you. If, on the other hand, the provision of the required notices to you by the Plan is delayed for administrative reasons other than the inability to locate you after reasonable efforts or that are caused by you, you will be offered a limited opportunity to elect a lump sum form of payment.

1.3 **Effective and Applicability Dates.** These changes are generally effective as of September 1, 2021 and apply with respect to an application by a Participant to commence or be paid a distribution with an Annuity Starting Date on or after September 1, 2021. These changes do not apply to any Participant who is already in pay status as of September 1, 2021 or whose Annuity Starting Date was supposed to have occurred under applicable Plan terms prior to September 1, 2021.

## 2. **Death Benefits**

If you are the surviving spouse of a Participant who is entitled to receive a pre-retirement surviving spouse death benefit under the Plan whose lump sum value exceeds \$5,000, the Plan has been amended to permit you to apply for the payment of the death benefit to commence as of the first day of any month after the date of the Participant's death but not later than the date as of which benefits would have been required to commence to be paid to the Participant under the Plan if the Participant had not died. Instead of the Plan specified annuity form of payment, you may also apply for the applicable pre-retirement surviving spouse death benefit to be paid in the form of a lump sum payment as of the first day of any permitted month described above.

These changes are generally effective as of September 1, 2021 and apply with respect to an application by a surviving spouse to commence or be paid a distribution with an Annuity Starting Date on or after September 1, 2021. These changes do not apply to any surviving spouse who is already in pay status as of September 1, 2021 or whose Annuity Starting Date for the surviving spouse death benefits was supposed to have occurred under applicable Plan terms prior to September 1, 2021.

## 3. **Lump Sum Estimates and Application Process via PensionConnect**

If you wish to start your benefit now, you need to log into the online system at <https://intermountain.ehr.com/ESS> to request your payment. The system will provide benefit amounts, a description of the pension payment options available to you, their financial affect and their relative value, the information needed to apply for your benefits, a notice of your right to defer payment of your benefit, and information to guide you through the benefit election process. You may wish to consult with a financial professional prior to making a decision regarding the form of payment option you elect to receive from the Plan.

Please be aware the lump sum option is only available until age 65.

You can also access this notice as well as the Annual Funding Notice and guides on how to request your pension benefit at

<https://intermountainhealthcare.org/careers/intermountain-retirees/>.