

DISTRICT 1199SEIU - THE JOHNS HOPKINS HOSPITAL
PENSION PLAN

SUMMARY PLAN DESCRIPTION

This is a summary of the District 1199SEIU - Johns Hopkins Hospital Pension Plan (the "District 1199SEIU Pension Plan" or the "Plan") as it applies to employees (and their beneficiaries) of The Johns Hopkins Hospital (the "Hospital"). This summary describes the terms of the Plan, as amended through December 31, 2008.

You are cautioned that this summary does not reflect any future amendments that may be made to the Plan from time to time, and may not reflect all exceptions to the general provisions covered in this summary. Any conflicts between the statements in this summary and the terms of the Plan will be resolved by reference to the full Plan document.

If material changes are made to the Plan, you will receive a written summary description of such changes, which will supersede or supplement this summary. You should attach any written summaries of material changes to this document so that you will always have a current summary of the Plan.

DISTRICT 1199SEIU PENSION PLAN - - TABLE OF CONTENTS

	<u>Page</u>
PLANNING YOUR RETIREMENT	1
The Time for Planning is Now.....	1
What Makes Up Retirement Income.....	1
Your Social Security Benefit	1
Your Pension from the District 1199SEIU Pension Plan	1
Helping You Save for Retirement.....	1
It All Works Together.....	2
DEFINITIONS.....	2
PENSION PLAN PARTICIPATION	4
What Your Pension Plan Can Do.....	4
Prior Participants Take Note.....	4
Who is Eligible for the Plan.....	5
NORMAL RETIREMENT	6
Your Normal Retirement Date.....	6
Normal Retirement Example	6
Your Normal Retirement Benefit.....	6
EARLY RETIREMENT	6
What is Considered Early Retirement.....	6
Early Retirement Date Example	6
Your Benefit if You Retire Early.....	7
DEFERRED RETIREMENT.....	8
Deferred Retirement Benefits	8
DETERMINING YOUR RETIREMENT BENEFIT.....	8
How Your Pension is Determined	8
Average Final Pay.....	8
Benefit Service.....	9
Pension Formula	9
Early Retirement Example.....	11
IF YOU LEAVE THE HOSPITAL	11
Vested Benefits	11
When Benefits are Payable	11
Breaks in Service	12
Your Benefit if You are Disabled.....	13
Survivor Benefits for Your Beneficiary.....	13
HOW BENEFITS ARE PAID	15
Applying for a Pension	15
Payment Methods.....	15
PAYING TAXES ON YOUR BENEFIT	17
ADMINISTRATIVE INFORMATION	19
Plan Insurance.....	19
Assignment of Your Pension	20
Future of the Plan.....	20

YOUR LEGAL RIGHTS.....	21
Your Rights Under ERISA	21
ENFORCING YOUR RIGHTS	22
Claims Procedure	22
Appealing a Denied Claim.....	22
Your Legal Rights.....	23
Questions.....	23
IMPORTANT INFORMATION ABOUT THE PENSION PLAN	24
Plan Name and Number	24
Plan Sponsor	24
Employer Identification Number	24
Plan Year.....	24
Plan Type	24
Plan Administrator	24
Agent for Service of Legal Process	24
Plan Trustee	24
Plan Administration	24
Plan Financing	24
Collective Bargaining Agreement.....	25

PLANNING YOUR RETIREMENT

The Time for Planning is Now

A secure retirement may be something you don't often think about. Perhaps you're focused on today's financial worries and not those that seem far off in the future.

Well, stop a moment and think about the amount of money you may need to retire. How much will that be? And where will all that money come from? These are important questions for both younger people and those approaching retirement.

A good rule of thumb is this – if you plan to maintain your standard of living *after* you retire, you'll need to "shoot for" replacing approximately 70% to 80% of your pre-retirement income. Does this sound like a lot of money? Well, it is. And studies show that many people are counting too heavily on the wrong sources for income after they stop working.

What Makes Up Retirement Income

Most think that Social Security and a pension will be enough to keep them comfortable and secure. These are two sources of retirement income, but a third and very important source is your savings. If you think about it, your pension, Social Security and savings each play a part in supporting you in retirement. And your savings can play a big role in making your retirement years comfortable.

Your Social Security Benefit

Your monthly benefit from Social Security is based on your earnings record. You can find out what that benefit will be by contacting the Social Security Administration at (800) 772-1213 or at its website on the Internet at <http://www.ssa.gov>. The average monthly benefit paid to a retired worker in January 2009 was around \$1,155; for a retired couple it was approximately \$1,725.

Your Pension from the District 1199SEIU Pension Plan

The District 1199SEIU Pension Plan provides a pension benefit, completely paid by the Hospital, that can give you income in your retirement, provided you meet certain requirements explained in this booklet.

Helping You Save for Retirement

In addition to the District 1199SEIU Pension Plan, the Hospital maintains The Johns Hopkins District 1199SEIU 403(b) Plan (the "403(b) Plan") that helps you add to your personal retirement savings on a pre-tax and after-tax (or Roth) basis. The Hospital does not make any contributions to the 403(b) Plan. The Pension Office has full details on the 403(b) Plan.

It All Works Together

By understanding how each of these sources works now, *before* you retire, you'll be better prepared in planning for a secure future.

DEFINITIONS

Throughout this document, certain terms appear in *italics*. These terms have special meanings for purposes of the Plan. Each of the italicized terms is defined below.

“*Average Final Pay*” is one of the components used to calculate your benefit under the Plan. Your *average final pay* is your average annual *regular pay* for the highest 3 consecutive plan years (July 1st to June 30th) of your employment (5 consecutive plan years of employment if you retire or terminate employment prior to July 1, 2001) within the last 10 plan years of employment with the Hospital. See pages 8-9 for a discussion of *average final pay*, as well as an example of the *average final pay* calculation.

“*Computed 1970 Pay*” means your *regular pay* as of July 1, 1970. If you were hired by the Hospital prior to July 1, 1976, your *computed 1970 pay* is one of the components used to calculate your benefit under the Plan. If you were hired prior to July 1, 1976, but after July 1, 1970, your *computed 1970 pay* is the *regular pay* as of July 1, 1970 for the nearest applicable position at which you were initially hired. See pages 9-10 for an illustration of *computed 1970 pay*.

“*Deferred retirement*” refers to your status under the Plan if you choose to remain employed with the Hospital or an affiliate after your *normal retirement date*. See page 8 for more information on *deferred retirement*.

“*Deferred retirement date*” is the first day of the month on or next following the date you retire, if you had chosen to continue working with the Hospital or an affiliate beyond your *normal retirement date*. See page 8 for more information on your *deferred retirement date*.

“*Defined benefit pension plan*” is a type of retirement plan that provides a set monthly benefit at your retirement. The Plan is *defined benefit pension plan*. Since the Hospital funds 100% of the benefits under the Plan, it is the Hospital (and not you) that assumes the investment risk for the Plan.

“*Disability retirement*” refers to your status under the Plan if you become disabled while actively employed by the Hospital or one of its affiliates that participates in the Plan. Your benefit under the Plan will be coordinated with any Social Security disability

benefits that you receive. See page 13 for more information on *disability retirement*.

“*Early retirement date*” is the first day of the month on or next following the date on which you retire after meeting certain service requirements. If you have an *early retirement date*, you will be eligible to begin receiving benefits before your *normal retirement date*. See pages 6-7 for more information on your *early retirement date*.

“*Hour of service*” means any hour that you work and are paid (or for which you were entitled to be paid) by the Hospital or an affiliate. Your *hours of service* are used to determine your *years of eligibility service*, *years of vesting service* and *years of benefit service*. See page 5 for more information on *hours of service*.

“*Level income option*” is an optional form of payment under the Plan where your monthly benefit payments would be coordinated with your Social Security payments to ensure that you receive a level monthly income both before and after your Social Security payments begin. If you are married, you must obtain the written consent of your spouse to elect this form of payment. See page 17 for more information on the *level income option*.

“*Normal retirement date*” is the first day of the month on or next following your 65th birthday. If you retire on your *normal retirement date*, you will receive a normal retirement benefit under the Plan. See page 6 for more information on your *normal retirement date* and your normal retirement benefit.

“*Required beginning date*” is April 1 of the calendar year following the later of the calendar year in which you reach age 70½ or the calendar year in which you terminate employment.

“*Regular pay*” means your base rate of pay on July 1st of each year, excluding overtime, on call pay, night shift differential and any other premium pay. Your *regular pay* is used to determine your *average final pay* which is used to calculate your benefit under the Plan.

“*Single life annuity*” is a form of payment under the Plan where you would receive a monthly benefit for your lifetime. The *single life annuity* is the normal form of payment for single participants under this Plan. If you are married, you may elect to receive your benefit as a *single life annuity*, but you must first obtain the written consent of your spouse. See page 16 for more information on the *single life annuity*.

“*10 year certain annuity*” is an optional form of payment under the Plan where you would receive a reduced monthly benefit for your lifetime. If you die before receiving 10 years of monthly payments, the remaining guaranteed payments would be made to your beneficiary. If you are married, you must obtain the written consent of your spouse to elect this form of payment. See page 16 for more information on the *10 year certain annuity*.

“*Year of benefit service*” means a year in which you complete at least 1,000 *hours of service* as an eligible employee with the Hospital. See page 9 for more information on *years of benefit service*.

“*Year of eligibility service*” means a year in which you complete at least 1,000 *hours of service* with the Hospital or an affiliate in order to become a participant in the Plan. See page 5 for more information on *years of eligibility service*, as well as an example of how a *year of eligibility service* is calculated.

“*Year of vesting service*” means a year in which you complete at least 1,000 *hours of service* with the Hospital or an affiliate. Once you have completed 5 *years of vesting service*, you have a vested (or nonforfeitable) right to receive benefits under the Plan. See page 11 for more information on vesting and *years of vesting service*.

PENSION PLAN PARTICIPATION

What Your Pension Plan Can Do

One way to build your future financial security is through the District 1199SEIU – The Johns Hopkins Hospital Pension Plan. Your Plan is a type of plan that's known as a *defined benefit pension plan*. It provides a set monthly payment at retirement. This monthly benefit is your pension, and it's calculated by a formula using your earnings and years of service. Your benefit will generally increase with every year you continue to work for the Hospital.

When you retire, you will receive your pension, along with benefits from Social Security. Your personal savings (including any money you've saved through the 403(b) Plan) will be an additional source of income. These three sources can help provide the income you'll need to retire.

Prior Participants Take Note

If you terminated your employment with the Hospital before January 1, 2006, the rules of the Plan may be different for you. Please contact the Pension Office if you have questions

regarding your periods of service prior to January 1, 2006.

Who is Eligible for the Plan As a bargaining employee of the Hospital who is in a unit represented by the National Union of Hospital and Health Care Employees (AFL-CIO) and District 1199SEIU, United Healthcare Workers East, you become a Plan participant when one of the following is true.

- You are at least age 21 and have completed one year of service; or
- You are under age 21, but have completed three years of service.

Once you satisfy the above requirements, you will be an "eligible employee," and you will participate in the Plan on the first day of the month after you complete a "*year of eligibility service*."

You will earn a *year of eligibility service* if you complete at least 1,000 *hours of service* with the Hospital or an affiliate during your first year of employment (beginning on your date of hire) or in any *plan year* (July 1st to June 30th) beginning after your date of hire.

An *hour of service* is any hour that you work and are paid (or for which you are entitled to be paid) by the Hospital or an affiliate. You may earn *hours of service* during periods that you are not at work but are still paid, such as vacations, holidays, sick time, disability, approved leave of absence, layoff or jury duty. You will not earn *hours of service* for hours which you are paid by the Hospital, directly or indirectly, for the sole purpose of complying with workers' compensation, unemployment compensation or disability insurance laws. You also may earn *hours of service* during certain unpaid leaves of absences. (See page 12-13 for a discussion of service credit during a leave of absence).

Eligibility Example

Assume that Bill, a bargaining employee of the Hospital who is in a unit represented by District 1199SEIU, United Healthcare Workers East, was hired on April 4, 2008 when he was 27 years old. In his first year of employment (April 4, 2008 through April 3, 2009), Bill completes at least 1,000 *hours of service* with the Hospital. Therefore, Bill becomes a participant in the Plan on May 1, 2009 (assuming he is still employed by the Hospital as an eligible employee on that date).

If Bill does not complete at least 1,000 *hours of service* in his first year of employment (April 4, 2008 through April 3, 2009), he cannot become a participant on May 1, 2009. Instead, Bill will become a participant in the Plan on the July 1st following any *plan year* (July 1st to June 30th) in which he completes at least 1,000 *hours of service*. So, for example, if Bill does not complete at least 1,000 *hours of service* by April 3, 2009, but he completes at least 1,000 *hours of service* with the Hospital during the period of July 1, 2008 through June 30, 2009, he will become a participant in the Plan on July 1, 2009.

NORMAL RETIREMENT

Your Normal Retirement Date

You are eligible for a normal retirement benefit if you retire on your *normal retirement date*, which is the first day of the month on or next following your 65th birthday. However, you may remain employed past this date. If you choose to remain employed past your 65th birthday, this is called *deferred retirement* and is described on page 8.

Normal Retirement Example

Assume that Linda, a Hospital employee and a participant in this Plan, was born on May 11, 1955. Linda will attain age 65 on May 11, 2020. Linda's *normal retirement date* under the Plan is June 1, 2020.

Your Normal Retirement Benefit

Your normal retirement benefit is calculated using a formula that provides you with an annual benefit, payable in 12 monthly payments, beginning on your *normal retirement date*. The formula is based on your *average final pay* and your *years of benefit service* (to a maximum of 40 years). A description of the formula appears later under the section "Determining Your Retirement Benefit."

EARLY RETIREMENT

What is Considered Early Retirement

You are eligible to retire on the first day of the month on or next following your 55th birthday, provided you have completed at least 5 *years of vesting service*. You may retire early at any time from this date to your *normal retirement date*. If you do retire early, the date on which you retire is called your *early retirement date*.

Early Retirement Date Example

Using the above example, Linda will attain age 55 on May 11, 2010. If Linda decides to retire on August 22, 2010, her *early retirement date* will be September 1, 2010 (assuming she has at least 5 *years of vesting service* when she retires).

Your Benefit if You Retire Early

Your early retirement benefit is calculated just like your normal retirement benefit. (See "Determining Your Retirement Benefit"). When you retire early, you may choose to postpone the start of your pension until you reach your *normal retirement date*, or you may choose to receive your benefit at your *early retirement date* or on the first day of any month between your *early retirement date* and your *normal retirement date*. See page 11 for an example of an early retirement benefit calculation.

If you postpone the start of your pension until your *normal retirement date*, you will receive the full amount of your benefit, based on your *average final pay* and *years of benefit service* at your *early retirement date*.

If you choose to begin receiving your benefit before your *normal retirement date* (and you have not attained age 62 with 35 years of vesting service, as described below), your benefit will be permanently reduced (as shown in the chart below), since you will receive it over a longer period of time. The reduction is ½% for each month (6% per year) that you start benefit payments before your *normal retirement date*. The chart below shows the percentage of your full (age 65) benefit that you would receive if your benefit begins before your *normal retirement date*:

AGE BENEFITS COMMENCE	PERCENTAGE OF YOUR FULL BENEFIT THAT YOU WOULD RECEIVE
65	100%
64	94%
63	88%
62	82%
61	76%
60	70%
59	64%
58	58%
57	52%
56	46%
55	40%

If you choose to begin receiving your benefit before your *normal retirement date*, but after attaining age 62 and completing at least 35 years of vesting service, your benefit will not be reduced. In other words, you will receive the same monthly amount that you would have received if you had postponed the start of your pension until age 65.

DEFERRED RETIREMENT

Deferred Retirement Benefits

You may continue working after your *normal retirement date*, in which case your benefit will not begin until the first day of the month on or next following the day you actually retire. This date is called your *deferred retirement date*.

Generally, your deferred retirement benefit is calculated just like your normal retirement benefit. (See "Determining Your Retirement Benefit.")

DETERMINING YOUR RETIREMENT BENEFIT

How Your Pension is Determined

In general, the Hospital uses three factors in the pension formula:

- *average final pay*;
- *years of benefit service*; and
- *computed 1970 pay* (if you had service before December 1, 1976).

Average Final Pay

Average final pay is the average of your *regular pay* for the highest 3 consecutive plan years (July 1st to June 30th) of employment during your last 10 years of employment with the Hospital (5 consecutive plan years if you retired or terminated employment prior to July 1, 2001). For this purpose, your *regular pay* means your base rate of pay on July 1st of each year.

Average Final Pay Example

Suppose your annual *regular pay* during your last 10 plan years of employment with the Hospital looks like this:

July 1, 1999	\$29,300
July 1, 2000	\$30,500
July 1, 2001	\$32,000
July 1, 2002	\$33,400
July 1, 2003	\$35,000
July 1, 2004	\$36,700
July 1, 2005	\$38,100
July 1, 2006	\$40,000
July 1, 2007	\$41,100
July 1, 2008	\$43,200

Of these 10 final years, the highest-paid three consecutive plan years would be:

July 1, 2006	\$40,000
July 1, 2007	\$41,100
July 1, 2008	<u>\$43,200</u>
Total	\$124,300

Your *average final pay* would be **\$41,433.33** (\$124,300/3).

Benefit Service

You are credited with a full *year of benefit service* for each plan year (July 1st to June 30th) in which you are an eligible employee and complete at least 1,000 *hours of service*. (If you worked for the Hospital prior to December 1, 1976, your *years of benefit service* also include your most recent period of uninterrupted service with the Hospital prior to that date.) The maximum number of *years of benefit service* used to determine your retirement benefit is 40.

Note: If you previously participated in this Plan and took a single sum payment of your benefit, your prior *years of benefit service* will not be counted again.

Pension Formula

The annual amount of your retirement benefit can be calculated using the following formula. Part #1 of the formula calculates your benefit for *years of benefit service* after November 30, 1976. If you also had *years of benefit service* before that date, Part #2 of the formula calculates your benefit for that earlier service. In that case, your retirement benefit is the sum of the result obtained in Part #1 and the result obtained in Part #2.

PENSION FORMULA	
Part #1	Service after November 30, 1976
Step 1	1.4% of your <i>average final pay</i>
	<i>TIMES</i>
Step 2	your <i>years of benefit service</i> after November 30, 1976
Part #2	Service through November 30, 1976
Step 1	2% of your <i>computed 1970 pay</i>
	<i>TIMES</i>
Step 2	your <i>years of benefit service</i> through November 30, 1976

To make it easier to understand how this formula works, let's look at two examples.

EXAMPLE #1

Assume that Sue, an employee with 20 years of benefit service after November 30, 1976 (but no service before that date), has average final pay of \$36,000 when she retires at age 65. For this example, Sue's pension is being paid as a single life annuity, which means she will be paid for the remainder of her life, with no benefits payable after her death. Here's how Sue's pension is determined.

Part #1: Service after November 30, 1976

Step 1

$$\begin{array}{r} \$36,000.00 \text{ (Sue's average final pay)} \\ \underline{\quad \times .014 \text{ (1.4\%)}} \\ \$504.00 \end{array}$$

Step 2

$$\begin{array}{r} \$504.00 \\ \underline{\quad \times 20 \text{ (Sue's years of benefit service after 11/30/76)}} \\ \$10,080.00 \text{ (Sue's annual retirement benefit)} \end{array}$$

Sue will receive \$10,080.00 annually (or \$840.00 per month) for her lifetime. (Note: In Sue's case, there is no Part #2 calculation because she had no service with the Hospital before December 1, 1976.)

EXAMPLE #2

Let's look at Harold, an employee who also has 20 years of benefit service after November 30, 1976 and average final pay of \$36,000 when he retires at age 65. In addition, Harold has 10 years of benefit service through November 30, 1976. His base pay on July 1, 1970 (and thus his "computed 1970 pay") was \$5,000. Here's how Harold's pension is determined.

Part #1: Service after November 30, 1976

Step 1

$$\begin{array}{r} \$36,000.00 \text{ (Harold's average final pay)} \\ \underline{\quad \times .014 \text{ (1.4\%)}} \\ \$504.00 \end{array}$$

Step 2

$$\begin{array}{r} \$504.00 \\ \underline{\quad \times 20 \text{ (Harold's years of benefit service after 11/30/76)}} \\ \$10,080.00 \text{ (Harold's annual retirement benefit from Part #1)} \end{array}$$

Part #2: Service through November 30, 1976

Step 1

$$\begin{array}{r} \$5,000.00 \text{ (Harold's computed 1970 pay)} \\ \underline{\quad \times .02 \text{ (2\%)}} \\ \$100.00 \end{array}$$

Step 2

$$\begin{array}{r} \$100.00 \\ \underline{\quad \times 10 \text{ (Harold's years of benefit service through 11/30/76)}} \\ \$1,000.00 \text{ (Harold's annual retirement benefit from Part #2)} \end{array}$$

Harold will receive \$11,080.00 annually (or \$923.33 per month) for his lifetime (assuming that his pension is paid as a single life annuity). This is the sum of the amounts determined in Steps 1 and 2.

Early Retirement Example

As explained under "Early Retirement," your benefit will be permanently reduced if you retire and take your benefit early, because the benefit is paid over a longer period of time.

Let's look at Sue's benefit – \$10,080 per year paid over her lifetime beginning at her *normal retirement date* (age 65). What would that benefit have been if Sue had retired at age 62, 60 or 55?

Retirement Age	Benefit Reduction	Sue's Annual Benefit*
62	18%	\$8,265.60
60	30%	\$7,056.00
55	60%	\$4,032.00

**This example shows the effect of the benefit reduction, but does not take into account the fact that if Sue retired earlier, she may have fewer years of benefit service and/or lower average final pay. Due to these factors, her actual benefit would be less.*

IF YOU LEAVE THE HOSPITAL

Vested Benefits

If you terminate employment with the Hospital (and its affiliates) for any reason other than retirement, death or disability, you will still be entitled to a benefit under the Plan if you are "vested." You will have a vested (or nonforfeitable) right to a benefit if, as of the date you terminate employment, you have completed at least *5 years of vesting service*. As a general rule, if you leave your employment with the Hospital (and its affiliates) prior to completing 5 years of *vesting service*, no benefit will be paid to you under the Plan. (However, if you are still employed by the Hospital (or an affiliate) when you reach your *normal retirement date*, you will be fully vested at that time, even if you do not yet have 5 years of *vesting service*.)

You are credited with a full *year of vesting service* for each *plan year* (July 1st to June 30th) in which you complete at least 1,000 *hours of service*.

When Benefits are Payable

You will normally begin receiving your benefit at age 65, although you may choose to begin receiving it as early as age 55.

If you terminate your employment and the single sum value of your benefit is more than \$5,000, but the amount of your monthly benefit would be less than \$100, you may elect to receive your benefit as an immediate single sum, or you may choose to begin receiving your benefit immediately as an annuity (payable monthly).

You may elect to receive your pension benefit under the Plan as of the first day of the month that is on or next following your 55th birthday, or at a later date that you choose, but not later than the first day of the month on or next following your 65th birthday. If you elect to receive a monthly benefit prior to age 65, it will be permanently reduced because it will be paid out over a longer period. If you begin to receive your benefit between the ages of 55 and 65, the reduction is ½% for each month (6% per year) that you take benefit payments early – before your *normal retirement date*. (See the chart on page 11 for an illustration.)

Breaks in Service

If you complete fewer than 500 *hours of service* during a *plan year*, you will have a “break in service.” Normally, this happens when you stop working for the Hospital (and its affiliates).

Break-in-service rules are important if you return to work at the Hospital (or a Hospital affiliate).

- If you have a one-year break in service, your vesting service prior to such one-year break in service will not be recognized for any purpose under the Plan until you complete a *year of vesting service* after your return.
- If you were vested when you left and you return to work, then your *years of vesting service* (including years counted for eligibility for early retirement) will be reinstated; your *years of benefit service* will be reinstated as long as you did not receive a single sum payment of your benefit when you left.
- If you were not vested when you left and you return to work in less than 5 years (i.e., have less than 5 consecutive one-year breaks in service), then your years of service for all purposes under the Plan will be reinstated once you return to work. If you return to work after five or more years, then you lose your years of service prior to your break in service for all purposes under the Plan.

You will not have a break in service during any paid or unpaid authorized leave of absence (provided you return to work at the end of your leave period). You will earn *hours of service* during these leaves for all purposes under the Plan. To the extent required by federal law, an absence for service in the armed forces will also be counted as service for all purposes under the Plan.

DISABILITY AND SURVIVOR BENEFITS

Disability Retirement

If you have at least 10 *years of vesting service* and you become “disabled,” you are eligible for a *disability retirement* benefit under the Plan. You are “disabled” for purposes of the Plan if you suffer a disability while in the active service of the Hospital for which you are eligible for and receiving Social Security disability benefits.

Your Benefit if You are Disabled

Your *disability retirement* benefit is calculated using the standard pension formula. Unlike early retirement, there is no reduction in your disability retirement benefit for payments that start before age 65. Your *years of benefit service* and *average final pay*, as of the date of your disability retirement, will be used to calculate your benefit. The benefit will begin as of the date your Social Security disability benefit begins.

To continue receiving your benefit prior to age 65 you may be required to submit evidence from time to time of your continued disability.

Survivor Benefits for Your Beneficiary

The availability and amount of a survivor benefit, payable upon your death, depends on several factors, including whether or not you are vested, whether or not you are married and whether or not you are receiving benefit payments under the Plan when you die.

You may designate any person to receive benefits after your death. If you are married, you may designate a beneficiary other than your spouse only with your spouse’s written consent. You may change your beneficiary designation at any time by completing a new beneficiary designation form and filing it with the Pension Office.

If you are not vested when you die, no survivor benefits are payable under the Plan.

If you die after you are vested and you have not yet begun to receive your pension, the following conditions apply:

- If you die before your *early retirement date*, your beneficiary will receive a benefit equal to one-half of the reduced amount you would have received had you retired at age 55 with a *joint and 50% survivor annuity* form of payment in effect (but based only on the benefit you had earned at the date of your death or earlier termination of employment). The benefit will continue for your beneficiary's lifetime.
 - If your beneficiary is your spouse, the benefit will be payable as of the date you would have been eligible for early retirement. Your surviving spouse may defer commencement of benefits by notifying the Plan Administrator that he or she would like to do so, but benefits must commence no later than the date on which you would have turned 65.
 - If your surviving beneficiary is not your spouse, your beneficiary must begin to receive the monthly survivor benefit by the end of the year following the year of your death (*e.g.*, if you die on November 15, 2009, your beneficiary must begin to receive the survivor benefit by December 2010).

- If you die at or after your *early retirement date*, your beneficiary will receive a survivor's benefit equal to one-half of the reduced amount that you would have received had you retired on the first day of the month coinciding with or immediately preceding your date of death with a *joint and 50% survivor annuity* form of payment in effect. The benefit will continue for your beneficiary's lifetime.
 - If your beneficiary is your spouse, the benefit will be payable on the first day of the month coincident with or next following your date of death. Your surviving spouse may defer commencement of benefits by notifying the Plan Administrator that he or she would like to do so, but benefits must commence no later than the date on which you would have turned 65.

- If your surviving beneficiary is not your spouse, your beneficiary must begin to receive the monthly survivor benefit by the end of the year following the year of your death (*e.g.*, if you die on November 15, 2009, your beneficiary must begin to receive the survivor benefit by December 2010).

Your beneficiary can receive the single sum value in one payment, provided that the monthly amount of your beneficiary's benefit would be less than \$100.

Whether you are single or married, if you are receiving benefit payments when you die, your surviving spouse or beneficiary will receive whatever survivor benefits (if any) are payable under the form of benefit payment you had elected to receive.

Note: If you elect a *single life annuity* or if you receive all the guaranteed payments under a *10 year certain annuity*, no payments will be made after your death.

HOW BENEFITS ARE PAID

Applying for a Pension

You must apply for your pension on the forms provided by the Pension Office. When you apply, you'll receive details about the financial effect of each payment method, so you can choose the one that is best for you. You can request more information about the options before you make your choice.

You must make your choice in writing before payments begin. After payments start, you cannot change your election.

Payment Methods

You may elect that your Plan benefit be paid in one of the following ways:

- **Single Sum** – You can receive the single sum value of your benefit in one payment, provided that the monthly amount of your benefit would be less than \$100.

- **Single Life Annuity** – You will receive a lifetime monthly pension. When you die, no further payments will be made.

Note: An unmarried participant who does not designate a specific optional form in which to receive benefits will receive benefits in this form.

- **Joint and Survivor Annuity** – You will receive reduced monthly benefit payments during your life so that after your death, benefit payments continue to another person for the remainder of his or her life. The amount of the continued monthly payments will be equal to a percentage of your reduced monthly payment (which you elect before your pension begins).

Note: A married participant who does not designate a specific optional form in which to receive benefits will receive benefits in the form of a joint and 50% survivor annuity with his or her spouse as the survivor annuitant.

- **10 Year Certain Annuity** – You will receive reduced payments during your life in order to guarantee payments for a total of 10 years (120 monthly payments). If you die before receiving all 120 payments, the remaining guaranteed payments will be made to your beneficiary. If your beneficiary dies before all the payments are made, any remaining guaranteed payments will be made to the beneficiary's estate, unless you have designated another beneficiary to receive those payments. If you die after receiving at least 120 monthly payments, no death benefits will be payable to your beneficiary.

- **Level Income Option** – You may elect the *level income option* if you begin to receive your pension before you start receiving your old-age Social Security benefits. Under this option, you will receive an increased amount of benefit from the Plan until your Social Security benefits begin, and a correspondingly lower amount of benefit from the Plan after your Social Security benefits begin. The goal of the *level income option* is to provide you with a steady monthly retirement income both before and after you begin to receive Social Security benefits.

If you or your beneficiary will be receiving a single sum payment of your benefit, you or your beneficiary may elect to receive the single sum directly or, if it qualifies as an eligible rollover distribution, you or your beneficiary may ask the Plan trustee to have the single sum directly transferred to another employer's retirement plan, a traditional IRA, or a Roth IRA. If your beneficiary is not your spouse, he or she may only directly roll over a Plan distribution to a traditional or Roth IRA.

If you are married, you must have written consent from your spouse in order to receive benefits in any form other than a joint and survivor annuity with your spouse as the survivor annuitant (where your spouse's monthly benefit would be at least 50% of the monthly amount that you will receive during your lifetime).

PAYING TAXES ON YOUR BENEFIT

Generally speaking, if you choose an annuity form of benefit with monthly payments, each payment will be fully taxable as ordinary income for Federal income tax purposes in the year in which you receive it (special rules and adjustments may apply if you made voluntary contributions to the Plan prior to July 1, 1992). You will be asked to make an election about income tax withholding.

If any portion of your benefit under the Plan is paid in a single sum, that portion will be fully taxable as ordinary income for Federal income tax purposes when you receive it, unless you roll it over to a traditional IRA or another employer's eligible retirement plan. If you receive a single sum payment before age 59½, your payout (if not rolled over) may be subject to an additional 10% penalty tax. However, the penalty tax may not apply if you receive the single sum payment:

- upon your retirement at age 55 or later;
- upon disability or death; or
- as a result of a qualified domestic relations order (see page 20 for a discussion of qualified domestic relations orders).

If you elect to receive a portion of your benefit in a single sum payment, government regulations require that 20% of the payment be withheld automatically for Federal income tax, unless you directly roll over the amount to a traditional IRA or another employer's eligible retirement plan. The withheld amount will be applied toward your Federal income taxes for the year in which you receive the payment.

You must provide your written election to the Pension Office to have your single sum payment rolled over directly to a traditional IRA (or another eligible retirement plan that accepts rollovers) to avoid 20% withholding. You will not pay Federal income taxes until you take the money out of the IRA or other plan, at which time you will pay ordinary Federal income tax (and, if applicable, the additional 10% penalty tax for premature distributions) on the money you receive. If you die and you have a surviving spouse who will receive a single sum payment of all or a portion of your benefit, he or she may roll it over to an IRA or another employer's eligible retirement plan. If you die and your designated beneficiary is someone other than your spouse, he or she may directly roll over a single sum payment to an IRA.

You (and your beneficiary) also may roll over your single sum payment to a Roth IRA. Such rollovers are subject to federal income tax when made. You are solely responsible for the income tax withholding and reporting to a Roth IRA, although you may enter into a voluntary tax withholding agreement with the Hospital prior to the distribution.

Note: This option may not be available to you during the 2009 calendar year if your adjusted gross income exceeds certain limits.

Because tax laws are complex and subject to change, this information is intended only as a general guideline based on our understanding of the Federal income tax law in effect at the beginning of 2009. State and local tax laws may also apply. For your own protection, you should consult a tax specialist before you receive any Plan money that is subject to taxation. All Plan benefits will be paid to you (or your beneficiary) minus any income tax withholding that may be required by Federal, state or local laws.

ADMINISTRATIVE INFORMATION

Plan Insurance

Your benefits under the 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 the 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) benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set forth by law for the year in which the Plan terminates; (2) some or all of the benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Hospital; (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 your Plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, Pension Benefit Guaranty Corporation, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). 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. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

Assignment of Your Pension

Your pension is not subject to the claims of your creditors or the creditors of your spouse or other beneficiaries. However, federal law permits payment of all or a portion of your benefit to another person, provided such payment is made in order to comply with a "qualified domestic relations order" relating to child support, alimony or marital property rights payments. The Plan Administrator will contact you in the event it receives a domestic relations order that could affect your Plan benefits.

The Plan has procedures for determining whether a domestic relations order must be honored (that is, whether your pension legally must be paid to a third party). You may obtain copies of these procedures, as well as other information relevant to processing qualified domestic relations orders, without charge from the Pension Office.

Future of the Plan

The Hospital expects to continue the Plan, but has the right to change or terminate it at any time, subject to the terms of the collective bargaining agreement. No decision to change or end the Plan will deprive you of your vested benefits earned up to the date of change or termination, but projected benefits (benefits that would have been earned had the Plan not been changed or terminated) will not be protected. If the Plan is terminated, all employees will become fully vested in their accrued (not projected) pension to the extent funded. You'll be told how the change affects your benefits, if at all.

YOUR LEGAL RIGHTS

Your Rights Under ERISA 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:

- Examine (without charge) at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including collective bargaining agreements 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 all documents governing the operation of the Plan, including collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for copies.
- Obtain, upon written request to the Plan Administrator, a copy of the Plan's procedures for determining whether a domestic relations order received by the Plan is a "qualified" order. The Plan must provide this information free of charge.
- Receive a summary of the Plan's annual funding notice. The Plan Administrator is required by law to furnish each participant with a copy of this notice.
- Receive a pension benefit statement at least once every three years telling you whether you have a right to receive a pension at normal retirement age (age 65), and if so, what your benefits under the Plan would be at normal retirement if you stop working 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 this right. You may request this statement not more than once every twelve (12) months. The Plan must

provide this statement free of charge.

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 retirement income or exercising your rights under ERISA.

ENFORCING YOUR RIGHTS

Claims Procedure

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.

Appealing a Denied Claim

If your claim for benefits from the Plan is denied in any way, the Plan Administrator will notify you in writing within 90 days of receipt of the claim. The notice will tell you:

- why the claim was denied;
- the Plan provisions on which the denial is based;
- what other material is needed to correct your claim and why it is needed; and
- how you can get your claim reviewed again.

If you disagree with what the notice says, you may file a written request for reconsideration, no later than 60 days after receiving the notice, with the Plan Administrator.

The Plan Administrator will review your appeal within 60 days, unless special circumstances require an extension. In that case, the Plan Administrator may take up to 120 days, if you are notified of the delay before the end of the first 60-day period. If you don't hear from the Plan Administrator in the first 60 days, you may assume your appeal has been denied. If the Plan Administrator notifies you that an extension is needed, and you don't get a final decision within 120 days, you may also assume your appeal has been denied. While your appeal is pending, you have the right to review Plan documents and to submit issues and

comments in writing. You may have a lawyer or other representative present your case.

Your Legal Rights

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials 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.

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 (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, EBSA, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210. You may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-800-998-7542. You may also seek assistance with the Plan by calling EBSA toll-free at 1-866-444-EBSA or by directing electronic inquiries to EBSA's website at www.askebsa.dol.gov

IMPORTANT INFORMATION ABOUT THE PENSION PLAN

Plan Name and Number	District 1199SEIU – The Johns Hopkins Hospital Pension Plan (No. 003)
Plan Sponsor	The Johns Hopkins Hospital 600 North Wolfe Street Baltimore, MD 21287
Employer Identification Number	52-0591656
Plan Year	July 1 to June 30
Plan Type	Defined benefit pension plan
Plan Administrator	Administrative Committee Johns Hopkins Health System Corporation c/o Senior Vice President of Human Resources, Johns Hopkins Health System Corporation 600 North Wolfe Street Baltimore, MD 21287 (410) 955-6208
Agent for Service of Legal Process	Senior Vice President of Human Resources, Johns Hopkins Health System Corporation 600 North Wolfe Street Baltimore, MD 21287 Service of legal process may also be made upon the plan trustee.
Plan Trustee	State Street Bank & Trust Company State Street Financial Center One Lincoln Street Boston, MA 02111
Plan Administration	The Johns Hopkins Hospital sponsors the Plan and has appointed the Plan Administrator to administer it. The Plan Administrator resolves any questions that arise about the Plan, administers the Plan in a uniform way and sets the rules for operating the Plan.
Plan Financing	The Hospital pays the full cost of any benefits that you earn under the Plan. Each year, the amount of the Hospital's contributions is determined with the advice of the Plan's actuaries.

**Collective Bargaining
Agreement**

The Pension Plan is maintained pursuant to the collective bargaining agreement between the Hospital and District 1199SEIU, AFL-CIO. You may obtain a copy of it by contacting the Employee Relations Office.