

# WellSpan 403(b) Retirement Savings Plan

## Features & Highlights

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The WellSpan 403(b) Retirement Savings Plan (the Plan) can play an important part in planning for your future.

Please read these highlights to learn more about the details of the Plan.

## Participation

### Who is eligible to participate?

All employees of a WellSpan not-for-profit entity are immediately eligible to make employee contributions to the Plan.

### How do I enroll?

If you are a current WellSpan employee hired before January 1, 2016, to enroll and make employee contributions, log in to your account at [www.wellspansavings.com](http://www.wellspansavings.com) and click on *Change Paycheck Contribution* under the Transactions tile.

The WellSpan 403(b) Retirement Savings Plan will automatically enroll new employees hired on or after January 1, 2016. The automatic enrollment contribution rate is 4%, which ensures new eligible employees are getting the full employer match of 50% up to 4% of their contribution.

You can change your contribution rate as a percentage of your salary, from 0% to 75%, by logging on to your account at [www.wellspansavings.com](http://www.wellspansavings.com) and click on *Change Paycheck Contribution Under the Transaction tile*

You will also need to designate a beneficiary, which can be completed online. Click on *Beneficiary* under the My Profile tile to complete and submit.

## Employee Contributions

### What are my contribution limits?

In 2016, the maximum contribution amount is 75% of your compensation per year or \$18,000 per year (\$24,000 if over age 50), whichever is less.

Participants turning age 50 or older in 2016 may contribute an additional \$6,000 per year. This additional contribution amount for the Age 50+ provision may be indexed for inflation in \$500 increments in subsequent years.

### Before-tax and Roth contributions

You may designate your 403(b) elective deferrals as traditional or Roth contributions, or a combination of the two. Roth contributions are made with after-tax dollars, whereas traditional voluntary contributions are

made on a before-tax basis. To help you determine which type of contribution may be right for you, visit [www.wellspansavings.com](http://www.wellspansavings.com) and click on the About Your Plan link or call our on-site benefits consultant, Katrina Boucher, at (717) 851-2369.

### When do my contributions begin?

Your contributions, along with the WellSpan matching contributions, will begin as soon as administratively feasible upon hire. Subsequent changes to your contributions will begin during the next available pay period after your online change has been submitted.

Your contribution and the matching contribution will be invested in one of the Plan's default funds unless you select your own investment options. Click on *Change Future Investments* under the Transactions tile. Your investment elections will be applied to all of your accounts.

## Employer Contributions

### Who is eligible to receive the WellSpan employer and matching contributions?

All employees of a WellSpan not-for-profit entity, **except for the following employees**, are eligible for the WellSpan employer contribution and matching contribution:

- PRN/weekend employees
- Temporary employees
- Casual, per diem and house staff/resident employees
- All employees who were eligible to make a choice of retirement plans prior to October 28, 2007, and chose to remain in the WellSpan Pension Plan

### What is the WellSpan employer non-elective contribution?

WellSpan will contribute 4% of your compensation to the 403(b) Plan account each pay period.

You do not need to make contributions to the Plan in order to receive the WellSpan employer non-elective contribution.

### What is the WellSpan employer matching contribution?

WellSpan will make a matching contribution of 50% of your contribution, up to 4% of compensation each pay period.

To receive the WellSpan employer matching contribution, you must be actively making your own contribution to the 403(b) Plan each pay period.

## What do I need to do to receive the WellSpan employer non-elective contribution?

If you are eligible and only want to receive the WellSpan employer contribution, log in to your account at [www.wellspansavings.com](http://www.wellspansavings.com) and complete the following:

- *Investments* section under the Transactions tile to choose your investment options
- *Beneficiary* under the My Profile tile to designate your beneficiary(ies)

## When do WellSpan contributions begin?

The WellSpan non-elective employer contributions will begin as soon as administratively feasible upon hire.

The WellSpan employer non-elective contributions will be invested in one of the Plan's default Vanguard Target Date Funds,<sup>3</sup> based on your year of birth, unless you select your investments online.

## Vesting

### When am I vested in the Plan?

Vesting refers to the percentage of your account you are entitled to receive from the Plan upon the occurrence of a distributable event. Your employee contributions to the Plan and any earnings they generate are always 100% vested (including rollovers from previous employers).

WellSpan employer non-elective and matching contributions to the 403(b) Plan, plus any earnings they generate, are vested as follows:

Years of Service*	Vested Percentage of Contributions
1 year	0%
2 years	0%
3 years	100%

\* Beginning from your hire date.

A Year of Service for vesting purposes is a year in which you work at least 500 hours.

## Investment Options<sup>1</sup>

A wide array of core investment options is available through your Plan. Each option is explained in further detail in your Plan's fund data sheets. Investment option information is also available through the website at [www.wellspansavings.com](http://www.wellspansavings.com) and the voice response system<sup>®</sup> toll free at (877) SAV-WELL (728-9355). The website and voice response system are available to you 24 hours a day, 7 days a week.<sup>2</sup>

**Important Note:** Initially, your contributions to your WellSpan account are automatically invested in one of the Vanguard Target Retirement Funds based on your year of birth as shown in the following table:

Investment Fund	Participant Birth Year
Vanguard Target Retirement Income Fund	1942 or earlier
Vanguard Target Retirement 2010 Fund	1943-1947
Vanguard Target Retirement 2015 Fund	1948-1952
Vanguard Target Retirement 2020 Fund	1953-1957
Vanguard Target Retirement 2025 Fund	1958-1962
Vanguard Target Retirement 2030 Fund	1963-1967
Vanguard Target Retirement 2035 Fund	1968-1972
Vanguard Target Retirement 2040 Fund	1973-1977
Vanguard Target Retirement 2045 Fund	1978-1982
Vanguard Target Retirement 2050 Fund	1983-1987
Vanguard Target Retirement 2055 Fund	1988-1992
Vanguard Target Retirement 2060 Fund	1993 or later

\* The date in a target date fund represents an approximate date when an investor would expect to retire. The principal value of the funds is not guaranteed at any time, including the target date.

The investments in a target date fund will gradually shift their emphasis from more aggressive to more conservative based on the target date.

This is the default option. You can move all or a portion of your existing balances between investment options and change how your contributions are invested by visiting the website at [www.wellspansavings.com](http://www.wellspansavings.com) or by calling the voice response system, at (877) SAV-WELL (728-9355).<sup>1,2</sup> Until you change how your future contributions are allocated, your money will continue to be invested as shown above.

*Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain prospectuses for mutual funds, any applicable annuity contract and the annuity's underlying funds and/or disclosure documents from your registered representative. For prospectuses related to investments in your Self-Directed Brokerage (SDB) account, contact your SDB provider. Read them carefully before investing.*

## Do I have any investment choices outside of the core investments?

In addition to the core investment options, a self-directed brokerage (SDB) account is available. The SDB account allows you to select from numerous mutual funds for additional fees. These securities are not offered through GWFS Equities, Inc. Brokerage services are provided by TD Ameritrade. The SDB account is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDB account.

# Managing Your Account

## How do I manage my account?

Empower Retirement will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance, move all or a portion of your existing balances among investment options, and change how any contributions are invested by using the Plan website or by calling the voice response system toll free at 877-SAV-WELL (728-9355).<sup>1,2</sup> Representatives are available Monday through Friday from 9:00 a.m. to 8:00 p.m. ET. Or you may call our on-site benefits consultant, Katrina Boucher, at (717) 851-2369.

*Employees of Empower Retirement or WellSpan cannot give investment, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.*

You will also receive quarterly statements for your SDB account from TD Ameritrade. TD Ameritrade will send you a monthly statement if you have account activity.

## How do I make contribution changes?

Log in to your account at [www.wellspansavings.com](http://www.wellspansavings.com). Click on Change Paycheck Contribution under the Transactions tile and follow the steps.

# Distributions

## May I take a loan from my account?

Yes, your Plan allows you to borrow the lesser of \$50,000 or 50% of your elective deferral account balance. The minimum loan amount is \$1,000, and you have up to five years to repay your loan—up to 15 years if the money is used to purchase your primary residence. There is a \$50 origination fee for each loan, plus an ongoing annual fee of \$25, which is deducted from your account in increments of \$6.25 each quarter. You may only have two outstanding loans at any given time. Loan repayment is made directly to Empower via monthly coupon repayments.

## When can I receive a distribution from my account?

Qualifying distribution events are as follows:

- Retirement
- Disability
- Financial hardship (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code)
- Death (your beneficiary receives your benefits)

Ordinary income tax will apply to each distribution, except for distributions from a Roth account. Distributions received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty.

## What are my distribution options?

- 1) Leave the value of your account in the Plan until a future date
- 2) Receive:
  - A lump sum
  - A periodic payment
- 3) Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or to an Individual Retirement Account (IRA)

## May I roll over my account from my former employer's plan?

Yes. However, only approved balances from an eligible 401(k), 403(b), 401(a) or governmental 457(b) plan or an IRA may be rolled over to the 403(b) Plan, depending on the terms of your Plan. You may be subject to the 10% early withdrawal federal tax penalty. Please check with your Great-West Financial representative regarding any applicable fees on the rollover account.

## May I roll over my account if I leave employment with WellSpan?

If you sever employment with WellSpan, you may roll over your account balance to another eligible 401(k), 403(b), 401(a) or governmental 457(b) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA. Please contact our on-site benefits consultant, Katrina Boucher, at (717) 851-2369 for more information.

## What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact an Empower representative to request a distribution.

# Taxes

## How does my participation in the Plan affect my taxes?

With the exception of Roth, your contributions are taken out of your paycheck before federal taxes are calculated so you pay less in current income tax. Please consult your tax professional for treatment of Pennsylvania state tax. You do not report any current earnings or losses on your before-tax account on your current income tax return either. Your traditional account is tax-deferred until you withdraw money, usually at retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies). A 10% early withdrawal federal tax penalty may also apply to distributions taken before age 59½.

## Fees

### **Are there any fees for the investment options?**

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading and other management expenses. This fee is expressed as the Expense Ratio on the Fund Overviews posted on [www.wellspansavings.com](http://www.wellspansavings.com).

### **Are there any recordkeeping or administrative fees to participate in the Plan?**

Each investment option may have a recordkeeping fee that varies by investment option to help pay for the administrative and maintenance costs associated with the Plan. This fee is in addition to the investment management fee and will be assessed on a quarterly basis to participants who are invested in each investment option. This fee can be found on the Fund Overviews posted on [www.wellspansavings.com](http://www.wellspansavings.com).

There is an additional annual fee of \$60 per account to participate in the SDB option. This fee is deducted from your account in increments of \$15 each quarter.

Funds may impose redemption fees on certain transfers, redemptions or exchanges.

### **Are there any distribution fees?**

There are no charges for distributions other than loans.

## Regulatory Compliance

### **Is the Plan 404(c) compliant?**

The Plan intends to qualify as a 404(c) plan. Section 404(c) relieves plan fiduciaries of liability for investment losses when a plan participant or beneficiary exercises independent control over the investments of his or her individual account.

### **Is there any reason why I should not contribute to the Plan?**

Contributing a portion of your own compensation may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or if you expect to be in a higher tax bracket during retirement.

### **How can I get more information?**

Visit the website at [www.wellspansavings.com](http://www.wellspansavings.com) or call the voice response system toll free at 877-SAV-WELL (728-9355) for more information.<sup>2</sup> The website provides information regarding your Plan, financial education information, financial calculators and other tools to help you manage your account. You may also call our on-site benefits consultant, Katrina Boucher, at (717) 851-2369.

1 All information contained on the website, in prospectuses and other investment option documents is offered in English. Please have this information translated for your understanding.

2 Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

3 Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

If there are any discrepancies between this document, the Plan Document or the Summary Plan Description, the Plan Document will govern.

Katrina Boucher is a Participant Service Associate at Strategic Retirement Group. Strategic Retirement Group is not affiliated with GWFS Equities, Inc.

**Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.**

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Core investment options offered through a group fixed and variable deferred annuity issued by GWL&A, and mutual funds. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

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