

DB PLAN OR DC PLAN

Cedars-Sinai is one of the few employers that allow employees to choose between two different types of retirement plans: a traditional pension plan (DB Plan) or an account-based plan (DC Plan). Eligible employees have the opportunity to elect to participate in one of the plans the quarter after completing a year of service (with a minimum of 1,000 paid hours) at Cedars-Sinai.

Choice Retirement Program: DB Plan or DC Plan				
	Defined Benefit (DB Plan)		Defined Contribution (DC Plan)	
Benefit	Monthly annuity at retirement		Lump-sum payment	
How the plans work	You receive a monthly benefit for life when you retire; the amount is based on your pay while you participate in the DB Plan, your age when you start receiving payments and the type of annuity payment you choose.		<ul style="list-style-type: none">Each quarter you participate in the DC Plan, Cedars-Sinai deposits a contribution in your DC Plan account; the contribution is based on your pay and years of eligible service.You choose how your account is invested.When you leave Cedars-Sinai, you receive a lump-sum payment of your vested DC Plan account.	
Plan formula	Your monthly retirement benefit starting at age 65 will equal:		DC Plan Contribution Schedule	
	The sum of your pay* while you participate in the DB Plan (after 7/1/2003)		Years of Eligible Service	Contribution Rate
	Multiplied by 1.7%		1–4	3.0% of pay*
	Divided by 12		5–9	4.0% of pay*
	(plus any DB Plan benefit earned before 12/31/1990)		10–14	5.5% of pay*
			15–19	8.0% of pay*
		20 or more	11.0% of pay*	
*IRS rules limit compensation used to calculate qualified plan benefits (\$330,000 in 2023); this limit is updated based on inflation rates.				
Vesting <i>When benefits are yours to keep</i>	Years of Eligible Service	Percent Vested	Years of Eligible Service	Percent Vested
	1	0%	Less than 2	0%
	2	0%	2	25%
	3	0%	3	50%
	4	0%	4	75%
	5	100%	5	100%
Investments	Your DB Plan benefit is based on the plan formula (above), regardless of the plan trust fund's investment results.		<ul style="list-style-type: none">Your account is invested in funds that you select through Voya Financial.Your account balance will increase or decrease based on investment results.	
When benefits can be paid	<ul style="list-style-type: none">Age 65 (even if still with Cedars-Sinai)Age 55 with 10 years of eligible service, upon leaving Cedars-Sinai employment (five years of eligible service if a participant before 1991)Monthly benefit reduced if starting payments before age 65		<ul style="list-style-type: none">Age 65 (even if still with Cedars-Sinai)After your Cedars-Sinai employment ends**Benefits not reduced because of early retirementTax penalties if lump sum received before age 59-1/2 <p>**Be aware that you might be eligible to receive DC Plan contributions that will not be deposited into your Voya account for up to six months after you leave Cedars-Sinai.</p>	
Early retirement	If you start payments before age 65, they're reduced (because paid over a longer period) by 6-2/3% per year from ages 60–65 and 3-1/3% per year from ages 55–60.		No matter what your age, when you leave Cedars-Sinai you can take your vested account balance with you.	
If you leave Cedars-Sinai before retirement	Your vested benefit stays in the plan until you retire and start monthly payments; see When benefits can be paid and Early retirement above.		When you leave, you may choose to: <ul style="list-style-type: none">Have your account balance paid to youLeave your money in the plan and continue deferring taxes on this money until you retireRoll this account into an IRA or a new employer's retirement plan	
Loans	Not permitted		Not permitted	

Choice Retirement Program: DB Plan or DC Plan (continued)

	Defined Benefit (DB Plan)	Defined Contribution (DC Plan)
Survivor benefits <i>Before retirement</i>	<p>Your spouse/domestic partner or beneficiary is eligible if your death occurs either:</p> <ul style="list-style-type: none"> While you are still employed at Cedars-Sinai (even if not yet vested) After you are vested (even if no longer with Cedars-Sinai) <p>Spouse: May start receiving lifetime monthly payments (an annuity) at your earliest retirement age. Monthly payments equal the amount you would have received if you retired on your date of death and elected a joint and 100% survivor annuity.</p> <p>Beneficiary/Domestic Partner: Receives lump sum equal to the value of the benefit that would have been payable to your spouse if you were married.</p>	<ul style="list-style-type: none"> Account balance is paid to your beneficiary. If married, your spouse is your beneficiary unless your spouse waives that right in writing.
How benefits are paid	<p>Variety of monthly payment options (annuities), which start when you retire and last for your lifetime; you can select an option that continues payments to the person you designate:</p> <ul style="list-style-type: none"> Single life annuity: Monthly payments for your lifetime only. Single life annuity with 60 or 120 months guaranteed: Monthly payments for your life; if you die before 60 or 120 payments are made, the remainder goes to the person you designate. Joint and 50%, 75% or 100% survivor annuity. Monthly payments for life; if you die before the person you designate, the elected percentage of your monthly payment continues to that person for their life. 	<p>Lump-sum payment of your vested account balance, which you can:</p> <ul style="list-style-type: none"> Have paid to you (subject to income taxes and possible penalties) Have rolled over to a new employer's plan, an IRA or the Cedars-Sinai 403(b) Plan*, allowing you to continue saving for retirement and deferring taxes until later <p><small>* Only after leaving Cedars-Sinai employment or if age 65 and still working at Cedars-Sinai.</small></p> <ul style="list-style-type: none"> Leave in the DC Plan; although you won't get new contributions, you can continue to direct your account's investments.
Working past age 65	If you are 65 or older and still working at Cedars-Sinai, you will continue to earn DB Plan or DC Plan benefits (even if you are collecting Social Security); you are not required to take your money from the plan until you leave Cedars-Sinai.	

DB PLAN ANNUITY EXAMPLES

Age 65 Example

If you retire at age 65 with a \$1,000/month benefit (using the DB Plan formula), the monthly payment would be:

Early Retirement Example

If you retire at age 55 with a \$1,000/month benefit, reduced for early retirement to \$500/month (using the DB Plan formula), the monthly payment would be:

Type of Annuity	Monthly Payment to You	Monthly Payment to Your Survivor	Monthly Payment to You	Monthly Payment to Your Survivor
Single life annuity	\$1,000.00	\$0.00	\$500.00	\$0.00
Single life annuity with 60-month guarantee	\$987.60	\$987.60 Remaining payments until 60 total payments are made	\$498.50	\$498.50 Remaining payments until 60 total payments are made
Single life annuity with 120-month guarantee	\$955.70	\$955.70 Remaining payments until 120 total payments are made	\$493.95	\$493.95 Remaining payments until 120 total payments are made
Joint and 50% survivor annuity	\$929.30	\$464.65	\$478.35	\$239.18
Joint and 75% survivor annuity	\$897.50	\$673.13	\$468.20	\$351.15
Joint and 100% survivor annuity	\$867.90	\$867.90	\$458.45	\$458.45