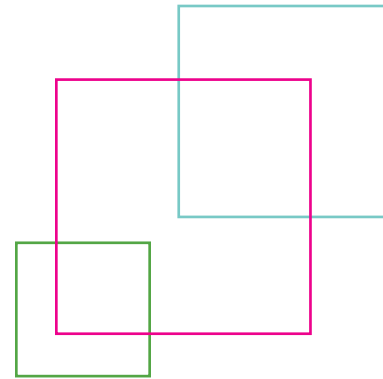




## KEEPING TABS ON YOUR BENEFIT

- You can get information about your DB Plan benefit from the Cedars-Sinai Retirement Plans website: [Cedars-Sinai-MyRetirement.com](http://Cedars-Sinai-MyRetirement.com), at the DB Pension Plan Center.
- Keep your current address on file with the DB Plan Pension Center so you continue to receive an Annual Funding Notice each year. (The Annual Funding Notice is a report on the financial status and other important information about the DB Plan.)
- Keep your beneficiary information up to date and on file with the DB Plan Pension Center. Take a few minutes to designate or update your beneficiaries to avoid the risk of having your accrued benefit go to an unintended person or get tied up in legal or estate complications. You can update your beneficiary(ies) at any time.\* Go online to [Cedars-Sinai-MyRetirement.com](http://Cedars-Sinai-MyRetirement.com), select the DB Pension Plan Center, then the “Forms” link in the left navigation, click the “Beneficiary Designation Change Form” button to designate a beneficiary, or add or change your beneficiary designation.
- For assistance with any aspect of your DB Plan call the Retirement Program Helpline at 866-296-5034.

\* Your spouse has a legally-protected right to be your retirement plan beneficiary. Your spouse must consent to your designation of another person by signing the waiver on the beneficiary form, with the signature witnessed by a Notary.



### IF YOU LEAVE CEDARS-SINAI

If you reach age 65 after you have left employment with Cedars-Sinai and you have not started your DB Plan pension by that date, you are required to start your pension on the first of the month following your 65<sup>th</sup> birthday.

## YOU ASKED US... PENSION BENEFITS AFTER AGE 65

Life expectancy in the United States has reached an all-time high, according to an October 2014 report by the U.S. Centers for Disease Control and Prevention.\* With this good news in mind, it’s not surprising that many people are now deciding to work longer than the traditional retirement age of 65.

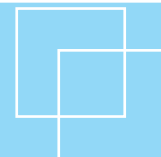
If you’re one of the people who has made this decision, you may be wondering, **“What happens to my Cedars-Sinai pension benefits if I work past age 65?”**

If you have earned pension benefits under the Cedars-Sinai Health System Defined Benefit Retirement Plan (the “DB Plan”), the answer to that question depends on two things:

1. Are you currently earning a benefit in the DB Plan or have you switched to the Defined Contribution Retirement Plan (the “DC Plan”)?  
*and*
2. Do you want to begin receiving your pension while you continue to work for Cedars-Sinai?

Review the scenarios in this document to see which one best fits your own situation.

\* <http://abcnews.go.com/Health/life-expectancy-united-states-reaches-time-high/story?id=26035925>





SCENARIOS...

# PENSION BENEFITS AFTER AGE 65



KIM

- Currently participating in the DB Plan
- Doesn't want to start her pension yet

Kim's pension will continue to grow after age 65. It will increase as she earns more pay. See below for the pension formula.

In addition, Kim's monthly payment will be increased to reflect that her pension start date is later than her normal retirement date. This is called an "actuarial increase." It ensures that the *value* of Kim's pension remains the same, even though payments will be made over a shorter period of time.



LUCIANA

- Currently participating in the DC Plan, but also has a prior DB Plan benefit
- Doesn't want to start her pension yet

Luciana previously participated in the DB Plan but now participates in the DC Plan. That means her DB Plan pension will be based on her pay up to the point that she stopped participating in the DB Plan and her service after age 65 will not increase her DB Plan pension.

When Luciana decides to start her pension, her monthly payment will be increased to reflect that her pension start date is later than her normal retirement date. This is called an "actuarial increase." It ensures that the *value* of Luciana's pension remains the same, even though payments will be made over a shorter period of time.

Keep in mind that Luciana will continue to participate in the DC Plan while she continues to work for Cedars-Sinai, so she will continue to accumulate contributions to her account under that plan.

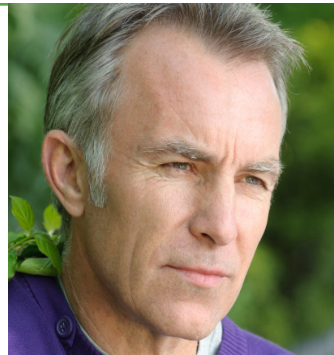


JULIO

- Currently participating in the DC Plan, but also has a prior DB Plan benefit
- Wants to start his pension at age 65 (but continue working at Cedars-Sinai)

Julio's DB Plan pension is based on his pay up to the point he stopped participating in the DB Plan – just like Luciana's situation.

If Julio decides to start his pension from the DB Plan at age 65 while he is still working, he will be starting a normal retirement pension just as if he had left Cedars-Sinai. That pension will continue for his lifetime. He will not earn any *additional* DB Plan pension for his service after his pension begins because he will be participating in the DC Plan and continuing to accumulate his account under that plan instead.



PHILIP

- Currently participating in the DB Plan
- Wants to start his pension at age 65 (but continue working at Cedars-Sinai)

Unlike Kim's pension, Philip's pension that starts at age 65 will not have an actuarial increase because he will start it at his normal retirement age.

However, Philip will continue to participate in the DB Plan while he continues to work. His pension will be recalculated at the end of each quarter to account for his additional pay during that period. The updated payment will begin three months later and will include a catch-up amount to cover the three-month delay. For example, Philip's additional pay in Q1 will result in an updated payment starting in Q3, and a catch-up amount for Q2 will also be paid at that time.

## MONTHLY DB PLAN PENSION FORMULA

$$\left[ \text{The sum of your pay* while you participate in the DB Plan} \right] \times \left[ 1.7\% \right] \div \left[ 12 \right] + \left[ \text{Any DB Plan benefit earned before December 31, 1990} \right]$$

\* To calculate your accrued benefit, the DB Plan uses your total wages (as reportable on your W-2 form) plus any pretax contributions you make – for instance, pretax healthcare premiums, 403(b) Plan contributions or transportation benefits – up to IRS limits (\$260,000 in 2014; adjusted periodically for inflation). Effective January 1, 2009, pay also includes differential wage payments for qualified military service.