



RETIREMENT GUIDE



Carolinan HealthCare System

Your Health and
Retirement
at CHS

GETTING STARTED

We appreciate all of the contributions you have made to our patients and your fellow teammates throughout your career with Carolinas HealthCare System. As you begin your journey toward retirement, we want to ensure you have the information you need to appropriately prepare for your next chapter of life.

The process of preparing for retirement is not as complex as it may seem. In this guide, you will find the seven essential steps to take and the information you need to complete them.

It is important for you to know that all of the steps will not apply to you at the same time. Get started early with your planning and you will have the opportunity to prepare at your own pace.

SEVEN STEPS TO RETIREMENT

STEP 1: Start the retirement process by:

- a. Reading this guide
- b. Reviewing your retirement plan benefits
- c. Determining your retirement date

STEP 2: Consider your distribution options for your 401(k) Plan, ADVANTAGE account and Pension Plan, if applicable.

STEP 3: Request a pension distribution payment packet from Empower Retirement.
(teammates hired before 12/31/2013 are eligible for pension benefits)

STEP 4: Make your Pension Plan payment elections.

STEP 5: Review your life insurance, medical, dental and/or vision options.

STEP 6: Review your Flexible Spending Account (FSA) and Health Savings Account (HSA) balances, if applicable.

STEP 7: Review your Social Security and Medicare options.

YOUR RETIREMENT TIMELINE

We recommend starting the retirement process outlined in this guide six months before your retirement date. This will give you enough time to get everything in place for a smooth transition.

Here is an overview of the benefits you will be eligible for, depending on your age and timeline to retirement, as well as the forms you'll need to complete and the materials you'll receive along the way:

WHEN YOU REACH THIS AGE OR STAGE IN THE RETIREMENT PROCESS...	HERE'S WHAT YOU SHOULD KNOW AND DO...
BEFORE YOU RETIRE	<p>Age 55+ with at least 5 years of service</p> <p>KNOW: You are eligible for a Pension Plan distribution if you leave employment.</p>
	<p>Age 59½+</p> <p>KNOW: You are eligible for an in-service withdrawal and rollover from the Carolinas HealthCare System 401(k) Plan without penalty.</p>
	<p>1 year before retirement date</p> <p>DO: Review your retirement accounts at CarolinasHealthCare.org/Retirement.</p>
	<p>6 months before you retire</p> <p>DO: To help you plan, request a pension distribution packet from Empower Retirement. Your estimated pension benefit will be included. DO: Learn about the types of retirement payment options; choose how and when you want to take money out of the plan.</p>
	<p>90 days before you retire</p> <p>DO: Complete the applicable form(s) in your pension election packet and return to Empower Retirement. DO: Visit your local Social Security Administration office regarding Medicare and your Social Security benefit if you or your spouse will be 62+ at retirement.</p>
	<p>30 days before you retire</p> <p>DO: <i>Confirm your retirement date with your manager. If your retirement date has changed, this may impact the timing and amounts of your retirement benefits.</i></p> <p>KNOW: You have up to 60 days following your retirement to make a one-time election to continue your Carolinas HealthCare System medical, dental and vision coverage under COBRA. Election forms must be submitted to continue coverage. DO: Update and review your beneficiary information with Empower Retirement and Bank of America (HSA). DO: Update your address through YourHRLink or call HR Records Management at 704-631-0261. This will ensure your benefits are not delayed. DO: Contact Hartford Life no later than 30 days after your last day of employment if you want to continue term life coverage.</p>

RETIREMENT TIMELINE

CONTINUED

	WHEN YOU REACH THIS AGE OR STAGE IN THE RETIREMENT PROCESS...	HERE'S WHAT YOU SHOULD KNOW AND/OR DO...
BEFORE YOU RETIRE	Last day of employment	<p>KNOW: Your medical, vision and dental benefits end on the last day of the pay period in which you end employment.</p> <p>KNOW: If you select COBRA, benefits will begin the day following your last day of coverage. (see "Other Carolinas HealthCare System Benefit Options" section for more information.)</p>
AFTER YOU RETIRE	15 to 30 days after you retire	<p>KNOW: If you elect to receive your pension benefit following your retirement, your benefit will be paid in the form of a check (review payment options on page 6). If elected, direct deposit of monthly pension payment will start with your first scheduled payment.</p>
	30 to 45 days after you retire	<p>KNOW: 30 to 45 days after your retirement, you may request a distribution of your Carolinas HealthCare System 401(k) and ADVANTAGE plan.</p>
	Each October	<p>KNOW: If you elect to continue your Carolinas HealthCare System medical, dental and/or vision benefits under COBRA, Carolinas HealthCare System will provide annual enrollment options (if applicable) for the coming year.</p>

WHEN CAN I RETIRE?

THREE SIMPLE QUESTIONS

Once you have decided that retiring is a lifestyle decision you want to make, then you should ask yourself three questions to gauge how financially ready you are:

1. How much money do I need?
2. Where will the money come from?
3. How can I make it last?

Most of us are living longer and may need our retirement savings to last for 20 years or more, based on a retirement age of 65 and current life expectancy estimates.

A retirement calculator gives you an estimate of how much you'll be able to spend each year in retirement based on:

- Your starting balance
- How many years you may spend in retirement
- An assumed rate of return over that time. The more your investments earn, the longer they will last in retirement

Not sure your savings will last through retirement? Consider delaying retirement for a few years to give your money time to grow. Be sure to review your current investment election(s) once a year to make sure it continues to reflect the risk you are comfortable with and your investment strategy. Working part-time after you retire is another way to ensure you do not outlive your savings. Don't forget to include your Social Security benefits in your calculation.

UNDERSTANDING YOUR RETIREMENT BENEFITS

As part of the retirement process outlined in this guide, you'll be asked to choose a payment option for the Carolinas HealthCare System Pension Plan, 401(k) Savings Plan and ADVANTAGE plan. Note: Because these rules are very complex, consider talking with a qualified financial advisor about your personal situation. Once you have chosen your payment option, it cannot be changed.

CAROLINAS HEALTHCARE SYSTEM PENSION PLAN

How do I determine my pension benefit?:

Teammates hired before 12/31/2013 are eligible for pension benefits.

Access your account online at CarolinasHealthcare.org/Retirement to run a benefit estimate and determine your benefit amount.

How is my pension benefit paid?

Here are the types of payment options and some things to consider as you think about what option(s) might be best for you. You have various payment options available to you, including waiting to take your pension benefit. Please see the table below for details.

PAYMENT OPTION	THINGS TO CONSIDER...
<p>Deferred payment</p>	<ul style="list-style-type: none"> • Pension payments will begin no later than April 1 of the following year that you retire or 6 months after your 70th birthday. • Ask yourself if you can live comfortably if you defer your pension benefit. Will your personal savings and other sources of income meet your needs until that time?
<p>Lump-sum payment</p>	<ul style="list-style-type: none"> • Your payment will be considered ordinary income, and will be subject to federal (and possibly state) income taxes. • Your payment will be reduced by 20% for federal income tax withholding (and possibly state income tax withholding for your state of residence). • <i>This form of payment is not available for all plans. Please refer to your plan's Summary Plan Description or call Empower Retirement at 866-CHS-0970 (866-247-0970), for options available to you.</i>
<p>Rollover to an Individual Retirement Account (IRA) or other qualified plan</p>	<ul style="list-style-type: none"> • You have two rollover options: <ol style="list-style-type: none"> 1) A direct rollover that transfers your benefit directly to the receiving plan or IRA; or 2) A 60-day rollover in which the benefit check is sent to you and you have you 60 days to deposit the money into an eligible plan account or IRA (money not rolled over within 60 days will be considered a distribution, subject to taxes and possible penalties). Your payment will be reduced by 20% for federal and possibly state income tax withholding for your state residence. • Consider whether the continued tax-deferred growth of rolling over the lump sum directly into an IRA will improve your retirement security since you may be in a lower tax bracket by the time you take withdrawals. • <i>This form of payment is not available for all plans. Please refer to your plan's Summary Plan Description or call Empower Retirement at 866-CHS-0970 (866-247-0970), for options available to you.</i>

PAYMENT OPTION	THINGS TO CONSIDER...
<p>Single-life annuity</p>	<ul style="list-style-type: none"> • You will receive 100% of your benefit calculated as of your benefit commencement date in equal monthly payments for the rest of your life; payments will end upon your death and no benefit is payable to anyone after your death. • If you are married or have dependents, consider whether choosing this option may hurt their financial security after your death. Do you have life insurance or other income/savings to support them? • Annuity payments cannot be rolled over to another qualified plan or IRA.
<p>Joint and survivor annuity</p>	<ul style="list-style-type: none"> • You will receive a monthly payment for the rest of your life. • When you die, your beneficiary will receive a percentage of your monthly benefit for his or her lifetime; you can choose to provide 50% or 100% of your benefit to your beneficiary. • Your monthly benefit will be lower than the amount you would receive with a single-life annuity to reflect payments made to your beneficiary. • Your benefit amount depends on your age, your beneficiary's age and the percentage of the benefit that will be paid to the beneficiary when you die. • Annuity payments cannot be rolled over to another qualified plan or IRA.
<p>10- or 15-year certain and life annuity</p>	<ul style="list-style-type: none"> • You will receive a monthly payment for the rest of your life. • If you die before the benefit has been paid for 10 or 15 years, your beneficiary will receive payments for the remainder of the 10- or 15-year period. • Your monthly benefit will be lower than the amount you would receive with a single-life annuity to reflect payments made to your beneficiary. • The benefit amount depends on your age. • Annuity payments cannot be rolled over to another qualified plan or IRA.

How do I start my pension benefit?

Initiate your Carolinas HealthCare System Pension Plan payment by accessing your account online at CarolinasHealthCare.org/Retirement or by calling **Empower Retirement** at **866-CHS-0970 (866-247-0970)**.

Payment of your benefit will generally occur within 30 days of the last of:

1. Receipt of your completed election package
2. Your termination of employment
3. Your benefit commencement date (the date you elected to receive your first pension payment)

To receive a payment on the first day of the following month, completed forms must be received by Empower Retirement no later than the fourth business day of the month. Other factors can delay your first payment.

YOU CAN MAKE CHANGES TO YOUR FEDERAL OR STATE TAX WITHHOLDING FOR YOUR PENSION PAYMENTS

Use Empower Retirement's Retirement Income Control Panel to see how different tax withholding amounts might change your pension payment. Access your account online at CarolinasHealthcare.org/Retirement or call **Empower Retirement** at **866-CHS-0970 (866-247-0970)**. You will need your username and password.

CAROLINAS HEALTHCARE SYSTEM 401(k) AND ADVANTAGE PLANS

HOW DO I DETERMINE MY 401(k) AND ADVANTAGE ACCOUNT BALANCE?

Access your account online at CarolinasHealthCare.org/Retirement or by calling **Empower Retirement** at **866-CHS-0970 (866-247-0970)** to view your account balance.

Note: *Your account balance may vary based on market conditions.*

1. How much money do I need?
2. Where will the money come from?
3. How can I make it last?

HOW ARE MY 401(k) AND ADVANTAGE ACCOUNTS PAID?

Various payment options are available to you, depending on your account balance. Payment options and things to consider to help you determine which option(s) best suits your needs are listed below.

If your account balance (including rollover contributions) is more than \$5,000, you may elect to:

- a. Leave your money in the plan until age 70 ½, at which time you will receive a required minimum distribution paid directly to you. Once this has been paid, you must indicate whether the remaining portion of your account will be rolled over to another qualified plan or IRA or if a lump-sum payment is to be made directly to you
- b. Roll your money over to another qualified plan or IRA
- c. Have your account balance paid directly to you in a single lump-sum payment

If your account balance is between \$1,000 and \$4,999.99 (including rollover contributions), you may elect to:

- a. Have your account balance paid directly to you in a single lump-sum payment
- b. Have a rollover that transfers your balance directly to another qualified plan or IRA

Note: *If you do not make an election, an IRA will be opened on your behalf and your account transferred into the IRA. You will receive paperwork from the IRA provider about how to access the IRA account.*

If your account balance is less than \$1,000 (including rollover contributions), you may roll your money over to another qualified plan or IRA.

Note: *If you don't make an election, your account balance will automatically be paid to you in a single lump-sum payment.*

Your Health and Retirement at CHS

HOW CAN I ACCESS MY 401(k) AND ADVANTAGE ACCOUNT?

You can access your account online at CarolinasHealthCare.org/Retirement or by calling **Empower Retirement** at **866-CHS-0970 (866-247-0970)** to view your account balance and request a distribution.

THINGS TO KNOW ABOUT A LUMP-SUM PAYMENT

If you elect to receive a lump-sum payment, 20% will be deducted from your payment for mandatory federal income tax withholding (and possibly state income tax withholding for your state of residence).

Consider the benefits of rolling over the lump sum directly into an IRA, including being in a lower tax bracket when you take withdrawals from an IRA, thus reducing your taxes.

Depending on your age, you may owe an extra 10% tax penalty in addition to regular income taxes.

BENEFICIARY DESIGNATIONS

Pension beneficiary rules may vary based upon if you have a traditional or cash-balance pension, age and marital status. Please view the CHS retirement Plans FAQs for more details at HealthandRetirement.CarolinasHealthCare.org/Retirement.

To review or make changes to your beneficiaries visit CarolinasHealthCare.org/Retirement or call **866-CHS-0970 (866-247-0970)**.

Note: *Beneficiaries cannot be changed once you begin receiving payments.*

DO YOU HAVE AN OUTSTANDING 401(k) LOAN?

You can continue to make loan repayments by authorizing Empower Retirement to debit your saving or checking account. If you do not repay the loan, the unpaid balance will be considered a taxable distribution and may be subject to tax and penalties. To set up the ACH debit process, please call **Empower Retirement** at **866-CHS-0970 (866-247-0970)**.

OTHER CAROLINAS HEALTHCARE SYSTEM BENEFIT OPTIONS

In addition to your Carolinas HealthCare System retirement benefits, there is plenty you should know and do when it comes to your medical, dental and vision coverage and other Carolinas HealthCare System benefits (both before and after you retire). Take a look ...

BENEFIT	COVERAGE ENDS	CONTINUED COVERAGE/ DISTRIBUTION OPTIONS	WHAT TO EXPECT	ACTION NEEDED (YOUR RESPONSIBILITY)
HEALTH & WELLNESS				
Medical insurance/ Prescription drug plan	Ends at midnight on your last pay period worked	18 months COBRA coverage available for all covered persons	Information regarding how to continue coverage and cost, mailed from MedCost within 30 days of last day of coverage Alternatively, you may also contact 800-318-2596 or Healthcare.gov for information on the federal healthcare marketplace insurance plans	Return completed COBRA election form to: MedCost Benefit Services Attn: COBRA Department P.O. Box 24042 Winston-Salem, NC 27114 Phone: 844-864-1956
Dental insurance	Ends at midnight on your last pay period worked	18 months COBRA coverage available for all covered persons	Information regarding how to continue coverage, and cost, mailed from MedCost within 30 days of last day of coverage	Return completed COBRA election form to: MedCost Benefit Services Attn: COBRA Department P.O. Box 24042 Winston-Salem, NC 27114 Phone: 844-864-1956
Vision insurance	Ends at midnight on your last pay period worked	Available through Community Eye Care	Information regarding how to continue coverage mailed upon request	Contact Community Eye Care to enroll: CommunityEyeCare.net or 888-254-4290
Healthcare Savings Account (HSA)	Always yours to keep, even after you retire, some fees may apply		Continue to use this account for eligible medical expenses and medicare premiums	Contact Bank of America for balance information and to view a list of eligible expenses at BankofAmerica.com or by calling 866-731-4206

Your Health and Retirement at CHS

BENEFIT	COVERAGE ENDS	CONTINUED COVERAGE/ DISTRIBUTION OPTIONS	WHAT TO EXPECT	ACTION NEEDED(YOUR RESPONSIBILITY)
HEALTH & WELLNESS				
Flexible Spending Accounts (FSA)	Contributions stop at last pay period	Available via COBRA through current year end	File claims through April 30 of the year following your employment end date for expenses incurred through employment end date	Contact Bank of America for balance information: BankofAmerica.com/benefitslogin or 866-731-4206
LIFE/LONG-TERM DISABILITY INSURANCE				
Group life insurance and Long-Term Disability	End of employment date	Can be converted to an individual plan	Forms mailed to you from Hartford Life Insurance Company to convert this policy	Return completed forms or contact The Hartford with questions: 877-320-0484
OTHER				
Additional benefits	Employment end date	Options to continue coverage vary	Information regarding how to continue coverage mailed from benefit providers	Contact benefit providers directly. Refer to "Who to Call" list at HealthandRetirement.CarolinasHealthCare.org
Paid Time Off (PTO)	Ends on your last week worked	N/A	Eligible earned PTO hours paid the pay period following your last paycheck, provided your manager notifies Human Resources Employed less than 2 years, payout equals 50%	N/A

SOCIAL SECURITY AND MEDICARE

SOCIAL SECURITY:

Depending on your birth date, you'll receive a full benefit between ages 65 and 67. You may begin receiving a reduced benefit as early as age 62.

Important: Apply for Social Security benefits three months before your retirement date to ensure your benefits will begin when you need them. Go online to SSA.gov, visit your local Social Security Administration office, or call 800-772-1213.

MEDICARE:

Medicare is a federal health insurance program for people who are age 65 and older or disabled at retirement. It has three parts:

Part A, covers hospital stays, care in skilled nursing facilities, home healthcare, hospice care and blood transfusions. Everyone who's eligible for Medicare gets Part A at no charge.

Note: You are automatically enrolled in Medicare Part A when you sign up for Social Security benefits, unless you elect otherwise.

Part B, covers doctors' services, outpatient hospital care and some medical supplies and equipment. It also covers some services that Part A doesn't cover, such as certain physical and occupational therapy and home healthcare services. Part B, which is optional, has a monthly premium that's deducted from your monthly Social Security benefits.

Note: Enroll in Medicare Part B within three months before you reach age 65. If you wait, you may have to pay a premium penalty.

Part D, covers prescription drugs. Part D is optional.

You may also want to research Supplemental Medicare plans offered in your area. These plans coordinate with Medicare to assist with items not fully covered by Medicare. For more information, go online to Medicare.gov and browse the information listed under "Supplements & Other Insurance," or call **800-MEDICARE (800-633-4227)**.

- Carolinas HealthCare System has determined that the prescription drug coverage offered by the CHS LiveWELL Health Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay, and is considered Creditable Coverage.
- You can't have both Medicare Part D coverage and Carolinas HealthCare System prescription drug benefits. If you enroll in Medicare Part D and elect to continue your medical benefits under COBRA, you will be unable to utilize the prescription drug benefit under the Carolinas HealthCare System medical plan.

Important: Be sure to enroll three months before your retirement date to ensure that your benefits will begin when you need them to, and to avoid possible premium penalties.

For information about Medicare, go online to Medicare.gov, visit your local Social Security Administration office or call **800-MEDICARE (800-633-4227)**.

RETURNING TO WORK AFTER YOU RETIRE

After retirement, you may decide to return to work with Carolinas HealthCare System. People decide to return to work after retirement for many reasons – to try a new career, for a sense of belonging or for financial reasons.

If you decide to return to work with Carolinas HealthCare System after you retire, it is important to understand how your retirement benefits may be affected. In most cases, IRS regulations require that you stop your employment in order to receive your retirement benefits. In addition, you must have a “bona fide severance from employment.” This means you may not discuss or enter into a pre-arranged agreement to return to work before you retire, and you must be retired for a reasonable amount of time – generally not less than three months.

Some things to consider before deciding to return to work:

- In order to begin receiving your pension, you must be terminated from employment. If you return to work at Carolinas HealthCare System before you begin receiving your Carolinas HealthCare System pension benefit, you will not be able to apply for benefits until after you end employment.
- Social Security has limitations on earnings. Your Social Security benefits could be reduced or eliminated if you exceed certain income limits. Contact the Social Security Administration for additional information.

ONLINE TOOLS AT YOUR FINGERTIPS

The Empower Retirement website is a convenient way to manage your Carolinas HealthCare System Pension Plan, 401(k) Savings Plan and ADVANTAGE retirement account. The website provides decision-making support and real-time transactions to help you prepare for retirement and other life events. To access your account, go to CarolinasHealthCare.org/Retirement or call **Empower Retirement at 866-CHS-0970 (866-247-0970)** to view your account balance in the Carolinas HealthCare System 401(k) Savings Plan or ADVANTAGE plan.

Bank of America is our partner for your Health Savings Account (HSA) and Flexible Spending Account (FSA). The Bank of America website is a resource for all your questions about these accounts. To access your account, go to MyHealth.BankofAmerica.com. If you have questions about your new account(s), call **Bank of America at 866-731-4206**.

REMEMBER YOUR USERNAME AND PASSWORD

For your security purposes, you'll need your username and password to work with an Empower Retirement or a Bank of America representative. Be sure to keep this information in a safe place. You'll also need it to access your information after you've retired.

If you ever forget your information, just click “Forgot Username or Password” on the website and follow the instructions.

REMEMBER TO UPDATE US!

After you retire, don't forget to let Carolinas HealthCare System know if your address changes. To update, call **Carolinas HealthCare System Data Management at 704-631-0261** and Empower Retirement at **866-CHS-0970 (866-247-0970)**.

KEY RESOURCES

KEY RESOURCES	CALL	CLICK
Empower Retirement (401(k), ADVANTAGE and Pension Plan)	866-247-0970	CarolinashHealthCare.org/Retirement
Bank of America (HSA and FSA)	866-731-4206	MyHealth.BankofAmerica.com
MedCost	800-795-1023	Medcost.com
Delta Dental	800-662-8856	DeltaDental.com
Community Eye Care	888-254-4290	CommunityEyeCare.net
Carolinash HealthCare System Benefits Administration	704-631-0263	N/A
Carolinash HealthCare System Data Management	704-631-0261	N/A
Social Security	800-772-1213	SSA.gov
Medicare	800-MEDICARE (800-633-4227)	Medicare.gov

KEEP THIS LIST HANDY!

This guide provides a summary of Carolinash HealthCare System retirement benefits. It does not supersede the description of benefits contained in the plan documents. In the event of any discrepancy between this guide and the plan documents, the plan documents will govern. Carolinash HealthCare System retains the right to make changes to the plan at any time.

MY CHECKLIST

We recommend starting the retirement process outlined in this guide six months before your retirement date. This will give you enough time to get everything in place for a smooth transition.

Here's an overview of the benefits you will be eligible for, depending on your age and timeline to retirement, as well as the forms you'll need to complete and the materials you'll receive along the way:

DONE	TASK	NOTES
	Read this guide.	
	Determine your retirement date.	
	Consider your distribution options for your 401(k) and/or ADVANTAGE account.	
	Request a pension distribution payment packet from Empower Retirement.	
	Make your Pension Plan payment elections by completing the distribution payment packet.	
	Review your life insurance, medical, dental and/or vision options under COBRA and Medicare options.	
	Complete necessary forms for selected medical, dental and/or vision plans.	
	Complete necessary forms for Social Security.	
	Review your HSA and FSA account balance.	
	Review beneficiary designations for your benefit plans.	
	Request 401(k) and/or ADVANTAGE distribution.	

THIS CHECKLIST SHOULD BE USED AS AN ADDITIONAL RESOURCE TO PLANNING FOR RETIREMENT.

