Retirement Income Plan (Pension Plan)

As a resident, you become 100% vested in your Retirement Income Plan benefit when you complete 7 years of full-time service as a Parkland House Staff member. If you leave Parkland and are:

- **Vested in the Retirement Income Plan**, your benefit will be paid as a monthly annuity when you are retirement-eligible (starting as early as age 55 with 7 years of vesting service). As a House Staff member, you vest in your Retirement Income Plan account when you have 7 years of vesting service. See the Summary Plan Description for a full description of the payment options for a vested participant. A lump sum is not a payment option.

- **Not vested in the Retirement Income Plan**, you will receive a refund of your contributions only as a lump sum.

If you are not vested, within 60 days after Milliman receives your date of separation of employment from Parkland, Milliman will automatically send paperwork to your address on file at MillimanBenefits.com. This paperwork will allow you to request a refund of your contributions made to the Retirement Income Plan while you worked as a Parkland House Staff member. Distribution of paperwork typically takes two to three weeks after your supervisor enters your termination information in the Parkland system.

If you do not return the paperwork from Milliman, you will be cashed out of the Retirement Income Plan within 60 days. If your contributions are:

- **$1,000 or less**, a check will be sent to your most current address on file at MillimanBenefits.com.

- **Greater than $1,000**, an Individual Retirement Account (IRA) will be set up in your name with Charles Schwab. Your contributions will transfer automatically to the account. Charles Schwab will mail a Welcome Packet to your most current address on file at MillimanBenefits.com after the transfer occurs. Schwab will invest your rollover funds in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity (for example, an interest-bearing account, a certificate of deposit or a money market fund). Schwab will charge your account for any expenses associated with the IRA and its investments. You may transfer the IRA funds at any time to an IRA of your choice.

Turn the page to read about distribution options related to your account in the Supplemental Retirement Plan.
Supplemental Retirement Plan (Savings Plan)

RETIREMENT DISTRIBUTION AND PAYOUT OPTIONS

When you terminate your employment with Parkland, you may select the form of payment you would like from the options below.

- **Direct Rollover To An Individual Retirement Account (IRA) Or Qualified Plan.** You can transfer some or all of your vested account balance directly to another qualified plan or to an Individual Retirement Account (IRA). Taxes will not be withheld from the amount directly rolled over and the distribution check for such amount will be made payable to the qualified plan or IRA.

- **Roth After-Tax And After-Tax Rollover Information:** If your distribution contains Roth after-tax or after-tax contributions, you should verify with the recipient of the rollover that Roth after-tax and after-tax contributions can be accepted. If you terminate and roll over your Roth account to a Roth IRA before meeting your 5-year clock, the 5-year clock is based on the effective date of the Roth IRA.

- **Lump Sum.** You receive a single payment for the total amount of your vested account balance, as opposed to a series of periodic payments. Under this option, an automatic 20% federal income tax withholding will apply. If you have not reached age 55 at the time you stopped working for Parkland, your benefit payment will be ordinary income and will be subject to an additional nondeductible penalty tax of 10%.

- **Leave Money In The Plan.** You may leave your money in the plan if you have a vested account balance greater than $1,000 and defer your benefits distribution until a later date. By leaving your money in the plan, your account is still considered “active” and you will continue to access your account through the Milliman telephone hotline and website. You will also receive ongoing plan information, account statements and any required minimum distribution of benefits checks after the age of 70½.

  - **Partial Payments.** You may request a partial distribution of your vested account two times a year. If not rolled over to an IRA or eligible retirement plan, an automatic 20% withholding will apply.

  - **Ongoing Installments.** With a vested account balance of $20,000 or more, you may also request ongoing monthly, semi-annual or annual cash installments from the plan for up to 30 years. When you choose an ongoing installment, you will also elect whether to withhold 10% from your installment for payment of taxes.

If you request a partial payment or ongoing installments and stop working at Parkland before age 55, a 10% additional nondeductible penalty tax will also apply.

- **Automatic Cash Out If Balance Is $1,000 Or Less.** If your vested account balance in the Parkland Supplemental Retirement Plan is $1,000 or less, you are required to take a distribution of your vested benefits. You can roll over your balance to an IRA or another qualified plan, or the distribution will be made directly to you.

VESTING OF PARKLAND MATCHING CONTRIBUTIONS

You own (meaning you are 100% vested in) your contributions (before-tax, Roth after-tax, after-tax, rollover and part-time mandatory contributions) immediately. You gradually become vested in the Parkland matching contributions each year as shown in the vesting chart below.

<table>
<thead>
<tr>
<th>Years Of Vesting Service</th>
<th>Vested Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2</td>
<td>0%</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>40%</td>
</tr>
<tr>
<td>4</td>
<td>60%</td>
</tr>
<tr>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>6 or more</td>
<td>100%</td>
</tr>
</tbody>
</table>

Regardless of your service, you become 100% vested in the matching contributions and associated earnings upon total or permanent disability, death while employed or retirement on or after your normal retirement date (age 65).

This communication summarizes the information found in the legal documents that govern the plan. If there are any differences between the information in this summary and the official plan documents, the terms of the plan documents govern. Copies of the official plan documents are posted on the Parkland Intranet and the Milliman website, www.MillimanBenefits.com.