

# Lehigh Valley Health Network

## 401(k) and 401(a) retirement plan highlights



The Lehigh Valley Health Network 401(k) and 401(a) retirement plans afford you an opportunity to help accumulate money for a secure retirement. You may contribute pretax dollars automatically by convenient payroll reduction, which might lower current income taxes. You may also make after-tax contributions to a Roth account in the plan by convenient payroll deduction. Lehigh Valley Health Network also contributes to an account in your name in a 401(a) retirement plan. Your accounts benefit from the opportunity for tax-advantaged growth.

This is not your plan document or your Summary Plan Description. The administration of each plan is governed by the actual plan document. If discrepancies arise between this summary and the plan document, the plan document will govern.

### Eligibility

You are immediately eligible to begin contributing to the 401(k) plan. You are eligible for employer matching contributions to the 401(k) plan upon meeting the eligibility requirements listed on page three of this document.

You are eligible for employer contributions to the 401(a) when you reach age 21 and after six months of service. Per Diem employees must complete one year of service.

Eligible employees will receive quarterly employer contributions from Lehigh Valley Health Network into their 401(a) account.

### Enrolling is easy! Here's how ...

Simply decide how much you want to save and how you want to invest contributions to your account. There are three convenient ways to enroll:

- **Online** — Online at [lvhn.aigrs.com](http://lvhn.aigrs.com)
- **By phone** — By phone at our Enrollment Center at 1-888-569-7055

- **In person** — Your financial professional can meet with you and walk you through the enrollment process

Newly hired and rehired employees will be automatically enrolled in the 401(k) plan at a pretax contribution rate of 2% of compensation effective with your third paycheck. You may opt out of the 401(k) plan, change your contribution percentage or change your investment strategy at any time.

If you are not currently contributing to the plan and wish to do so or if you wish to add Roth after-tax contributions, you will need to know your work location's access code to enroll. For new participants who wish to enroll in pretax or Roth after-tax contributions, you will need to use access code 491110350. For existing participants who wish to add Roth contributions, you will need to use access code 491110355.

### Fee disclosure information

Obtain specific fee disclosure and fund performance information by visiting [lvhn.aigrs.com](http://lvhn.aigrs.com) and clicking on "Fee Disclosure" in the dark box at the bottom of the screen.

# Lehigh Valley Health Network

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### Pretax or Roth contributions

You have a choice regarding your elective contributions. You can direct all of your contributions to a traditional pretax account, to a Roth account or to a combination of the two. Contributions to a Roth account are after-tax. Regardless of your election, you are subject to the annual contribution limits detailed on page three of this document.

Like a Roth IRA, a designated Roth 401(k) account offers a way to set aside after-tax money and, when you retire, make tax-free withdrawals of principal, interest and earnings if certain conditions are met. This added benefit allows you to:

- Contribute more than what's allowed to a Roth IRA
- Roll over the account to other Roth accounts or Roth IRAs

Note, employees who select the Roth option within their first 45 days from date of hire will still have the 2% auto enrollment record generated in pretax contributions unless they opt out and select 0% for their pretax contributions.

If you split your contributions between your pretax and after-tax accounts the type of contribution (i.e., percent of pay or dollar amount) must be the same. For example – if you elect a percent of pay in your pretax contribution you must also elect a percent of pay in your after-tax contribution.

### Stop/change contributions

You may change your contribution amount or discontinue contributing to your plan at any time and resume contributing again later, subject to your employer's plan provisions. In the meantime, your account will continue to grow on a tax-deferred basis.

### Vesting

#### 401(k) contributions

You are always 100% vested in your own employee deferrals into the plan. You are vested in any employer contributions, along with any earnings they generate, based on the following schedule:

- **Colleagues coming into the plan on/after 01/01/2022:**
  - ~ Less than three years of service: 0%
  - ~ Three or more years of service: 100%

One (1) year of vesting service is equal to 1,000 hours in a plan year.

- **Colleagues in the plan prior to 01/01/2022<sup>1</sup>:**
  - ~ 100% vested in employer contributions

<sup>1</sup> This includes participants that were originally hired before 01/01/2022 and rehired on/after 01/01/2022.

#### 401(a) employer contributions

Vesting in the 401(a) plan is 0% for the first two years of service and 100% after the completion of three or more years of service.

**401(k) and 401(a) plans:** You may become 100% vested upon death, disability (as defined by the plan), normal retirement or early retirement (as defined by the plan).

Please refer to the Summary Plan Description document for more information on the years of service calculation. This document can be found on the LVHN plan participant website ([lvhn.aigrs.com](http://lvhn.aigrs.com)).

### Investment flexibility

You decide how to invest all contributions among the mutual funds offered under the Lehigh Valley Health Network retirement plans.

Remember, this plan represents a long-term investment. Investment values of the mutual funds you choose will fluctuate, and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than the original cost. Bear in mind that investing involves risk, including possible loss of principal.

### Guided Portfolio Services<sup>®</sup>

Guided Portfolio Services (GPS) offers two approaches to help you achieve your retirement goals. One approach, GPS Portfolio Advisor, is for do-it-yourselfers and is available at no cost. The other, GPS Portfolio Manager, is great for those who prefer to have someone else do it for them. Both approaches deliver objective advice from independent financial expert, Morningstar Investment Management LLC, including how much to save, which investments to choose and how much to invest in each.

GPS Portfolio Manager is offered through VALIC Financial Advisors, Inc. and is available for an additional fee. For more information, contact your local financial professional.

# Lehigh Valley Health Network

## 401(k) and 401(a) retirement plan highlights

401(k) Plan	401(a) Plan
<b>Your contributions (subject to plan terms)</b>	
As much as 100% of your annual includible compensation up to \$20,500 in 2022. You may increase or decrease the amount you contribute to the plan as often as the plan allows.	Not applicable.
<b>Catch-up contributions</b>	
You might be eligible to contribute up to an additional <ul style="list-style-type: none"><li>\$6,500 in 2022 if you are age 50 or older</li></ul>	Not applicable.
<b>Employer contributions</b>	
Employer matching contributions shall be made at a rate equal to 50 percent of the elective deferrals up to 4% of compensation. The employer shall have discretion to vary the rate of employer matching contributions. The contribution will be made on a payroll basis. <b>Colleagues who become eligible for the plan hired on/ after 01/01/2022<sup>2</sup>:</b> In order to become eligible for employer match contributions, participants must work 1,000 hours in the 12-month period following their hire date. If 1,000 hours is not achieved, then they will become eligible after completing 1,000 hours of service at the end of any following plan year. Once eligibility is achieved, participants will begin receiving matching contributions on the next payroll date. <b>Colleagues who become eligible for the plan hired prior to 01/01/2022:</b> Participants are immediately eligible to receive employer match contributions. <b>All participants:</b> In order to receive any matching contributions, participants must be employed on the last day of the plan year. Participants who terminate due to normal retirement, early retirement, death or disability (as defined by the plan), will not be required to satisfy the work last day requirement.	Employer non-elective contributions based on the following years of service: 0-4 years of service = 2% employer contribution 5-9 years of service = 4% employer contribution 10 or more years of service = 6% employer contribution
<b>Withdrawal restrictions — Subject to plan provisions</b>	
Your plan was established to encourage long-term savings, so withdrawals prior to age 59½ may be subject to federal restrictions and a 10% federal early withdrawal tax penalty. You must begin taking distributions once you reach age 72 (age 70½ if born before July 1, 1949) or you retire, whichever is later.	
<b>Distribution events</b>	
Generally, depending on plan provisions, you may withdraw your vested account balance if you meet one of the following requirements: <ul style="list-style-type: none"><li>Reaching age 59½<sup>3</sup></li><li>Retirement or separation from service</li><li>Your death</li><li>Hardship withdrawals (employee contributions only)</li></ul> In addition, you must begin taking distributions once you reach age 72 (age 70½ if born before July 1, 1949) or you retire, whichever is later. The following are some events upon which you may withdraw vested amounts without incurring a 10% federal early withdrawal tax penalty: <ul style="list-style-type: none"><li>Reaching age 59½<sup>3</sup></li><li>Severance from employment on or after age 55</li><li>Your death or total disability</li><li>Taking substantially equal payments for a period of five years or reaching age 59½, whichever is later</li></ul> Bear in mind that income taxes may be payable upon withdrawal depending on the type of contributions that were made.	Generally, depending on plan provisions, you may withdraw your vested account balance if you meet one of the following requirements: <ul style="list-style-type: none"><li>Retirement</li><li>Separation from service</li><li>Your death</li></ul> Bear in mind that income taxes are payable upon withdrawal.

## Account consolidation

You might be able to transfer your vested retirement account balance from a prior employer's plan to your Lehigh Valley Health Network 401(k) retirement plan. This may be a way to simplify your financial profile and to ensure your overall investments are suitably diversified and consistent with your investment preferences. However, before moving funds, check with your other provider to determine if your account has any restrictions, imposes a withdrawal penalty or provides favorable terms.

## In-plan Roth conversions

If you currently have a vested pretax account balance (employee contributions only), you are able to convert the account to a Roth account if you wish to do so. You do not need to meet the eligibility criteria for distributions in order to do this. Please note though that you can only move money that is fully vested. In converting to Roth, you will need to include this amount in your gross income for the year in which the conversion occurred. Switching from pretax to Roth has tax implications that are unique to your current and expected future financial situation in retirement. It is recommended that you consult with a financial professional or a tax advisor to see if this is a good strategy for you.

## Tax-free loans

Tax-free loans make it possible for you to access your 401(k) account, subject to certain limitations, without permanently reducing your account balance. Defaulted loan amounts (not repaid on time) will be taxed as ordinary income and may be subject to a 10% federal early withdrawal tax penalty if you are under age 59½. Loans are not permitted on your 401(a) account. If you borrow from the account, you will be charged an interest rate equal to 1% above the prime rate. The interest rate will be fixed for the duration of the loan. In addition, each loan from a mutual fund account is assessed:

- A one-time \$50 loan processing fee.
- A \$30 annual maintenance fee, which is deducted on a quarterly basis and processed pro-rata against all investment options in your account.

<sup>2</sup> Please refer to the Summary Plan Description document for more information on the years of service calculation. This document can be found on the plan documents page of the LVHN retirement plan participant website (lvhn.aigrs.com).

<sup>3</sup> This only applies to employee deferrals. This does not apply to any vested employer contributions.

# Lehigh Valley Health Network

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### Distribution options

Your plans offer many distribution options, allowing you to tailor your benefits to meet your individual needs. Depending on plan provisions, your withdrawal options include:

- Transferring or rolling over your vested account balance to another tax-advantaged plan that accepts transfers of rollovers
- Taking a lump-sum distribution
- Deferring distributions until the later of age 72 (age 70½ if born before July 1, 1949) or severance of employment, and allowing your account to continue to grow on a tax-deferred basis

Generally, income taxes must be paid on all amounts you withdraw from your plan. A 10% federal early withdrawal tax penalty may apply to distributions taken prior to reaching age 59½.

Consult your financial professional for more specific information.

### Administrative fee

The annual administrative fee charged to participants quarterly will be determined by multiplying one-fourth of the per-participant fee (\$33.40 per participant, per plan) by the number of participants participating in one or more of Lehigh Valley Health Network's plans. This amount will be allocated to the plans based on plan assets and then to participant accounts pro rata based on the value and allocations of their accounts at the time. The plan may incur charges or fees outside of the investment alternative product(s) that may be deducted from participant accounts as directed or authorized by the Plan Administrator. Additionally, Fund Annual Operating Expenses apply depending on the mutual fund chosen and are described in the prospectus.

### Fee transparency

We provide fee transparency by outlining all revenue sources and plan fees in the Fee Disclosure document.

### Fee equalization

Administrative fees for plan services if applicable are assessed to each participant in the plan.

These fees are structured in proportion to each participant's account balance so that expenses are equitably distributed among participants. This method of fee equalization includes revenue sharing from some mutual funds and reimburses the applicable portion to participants who are invested in those funds.

### Here's how it works:

Administrative fees are charged to individual participants in proportion to their account balance each quarter. For investments where the fund company provides reimbursements, amounts are credited each quarter to individual participants with active accounts that had assets in those funds during the quarter. The amount credited is based on a daily average balance in that fund. Therefore, participants will see a charge for the administrative fee and a credit for their reimbursement, if applicable.

### Account statement

We send all participants a comprehensive account statement every calendar quarter. This account statement documents all activity for the preceding period, including total contributions and transfers among investment options.

You can choose to "go paperless" if you wish. Receive secure, paperless, electronic notification when your retirement account statements, transaction confirmations and certain regulatory documents are available online through our secure connection, Personal**Deliver**-@®. Managing these items electronically is faster and more secure than paper mail. Simply log in to your account at [lvhn.aigrs.com](http://lvhn.aigrs.com) to sign up for this free service.

### Account access

Once enrolled, you can access account information 24 hours a day, seven days a week:

- **Online** — Online at [lvhn.aigrs.com](http://lvhn.aigrs.com)
- **By phone** — 1-800-448-2542

Access account information on your mobile device.

- **AIG Retirement Services Mobile for iPad®, iPhone® or Android™-based phones**

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## Personal service

For assistance, please visit [lvhn.aigrs.com](http://lvhn.aigrs.com), call our Client Care Center at 1-800-448-2542 or contact your financial professional(s):

### Carbon County

Brandee Lusch – cell: 484-408-5426

### Cedar Crest

Michael Ryan – office: 610-402-8801

Jeff Hoffman – cell: 717-719-2954

Vicki Moliken – cell: 610-256-5177

### Coordinated Health

Brad Boandl – office: 484-602-7145

### Dickson City

Brandee Lusch – cell: 484-408-5426

### Health Network Labs

Kevin Gertz – cell: 484-280-7101

Anna Jacoby – cell: 267-454-4042

### Hazleton

Brandee Lusch – cell: 484-408-5426

### Hecktown Oaks

Anna Jacoby – cell: 267-454-4042

### Lehigh Valley Hospital – 17th Street

Tim Schroyer – cell: 717-673-2748

### Lehigh Valley Health Network – Off Campus Locations

Brandee Lusch – cell: 484-408-5426  
(Northern tier)

Vicki Moliken – cell: 610-256-5177  
(Southern tier)

### Mack Boulevard

Michael Ryan – office: 610-402-8801

Tim Schroyer – cell: 717-673-2748

### Muhlenberg

Kevin Gertz – cell: 484-280-7101

Anna Jacoby – cell: 267-454-4042

### One City Center

Michael Ryan – office: 610-402-8801

Brandee Lusch – cell: 484-408-5426

### Pocono Medical Center

Ike Pius – cell: 484-619-5605

Jeff Hoffman – cell: 717-719-2954

### Schuylkill Health

Ike Pius – cell: 484-619-5605

### District Office

AIG Retirement Services District Office

Penn Center West 3, Suite 220

Pittsburgh, PA 15276

Office: 412-494-7302

### Connections (new hire orientation)

Brad Boandl – cell: 484-602-7145

Vinny Marfisi – cell: 484-523-6449

### Important considerations before deciding to move funds either into or out of an AIG Retirement Services account

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or at [lvhn.aigrs.com](http://lvhn.aigrs.com). You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.

**CLICK [lvhn.aigrs.com](http://lvhn.aigrs.com) CALL 1-800-426-3753 VISIT your financial professional**

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

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