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Legacy Health Retirement Guide 2015

About this booklet

This booklet contains the Summary Plan Descriptions for the following Legacy retirement plans:

• 403(b) Savings Plan
• 401(a) Employer Match
• Pension Plan

Keep this booklet in a convenient place and refer to it whenever you have a question about your plan. If you still have questions, contact the HR Answer Center.

The Retirement Program Guide is a comprehensive guide that provides information to help you understand your retirement benefits and how to use them. This Guide serves as the Summary Plan Description (SPD) for the 403(b) Savings Plan, the 401(a) Employer Match and Cash Balance Pension Plan.

Although we’ve made every effort to ensure this document is accurate, provisions of the official plan documents will govern in case of any discrepancy. In addition, this document does not constitute an employment contract or a guarantee to continue employment for any period. While we intend to continue this program, Legacy Health reserves the right to change and/or terminate any portion of the program at any time for any reason with or without notice (subject to any applicable collective bargaining agreement or bargaining requirement).

Important contacts

<table>
<thead>
<tr>
<th>For more information about…</th>
<th>Contact…</th>
</tr>
</thead>
<tbody>
<tr>
<td>• General questions about any of the plans</td>
<td>HR Answer Center 503-415-5100 or 360-487-1031 Monday–Friday, 7 a.m.–6 p.m.</td>
</tr>
<tr>
<td>• Eligibility</td>
<td></td>
</tr>
<tr>
<td>403(b) Savings Plan and 401(a) Employer Match —</td>
<td>Lincoln Financial Group 503-625-3394 or 800-234-3500 <a href="http://www.lfg.com/legacy">www.lfg.com/legacy</a></td>
</tr>
<tr>
<td>• Enrollment in the 403(b) Savings Plan</td>
<td></td>
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<tr>
<td>• Plan specifics</td>
<td></td>
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<tr>
<td>• Applying for benefits</td>
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<tr>
<td>Pension Plan — Plan specifics</td>
<td>Milliman, <a href="http://www.millimanbenefits.com">www.millimanbenefits.com</a></td>
</tr>
<tr>
<td>Applying for benefits</td>
<td>HR Answer Center</td>
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</tbody>
</table>
Your retirement program at a glance

Legacy Health offers a competitive retirement program featuring three different plans that work together to provide you with income during your retirement.

<table>
<thead>
<tr>
<th></th>
<th>403(b) Savings Plan</th>
<th>401(a) Employer Match</th>
<th>Pension Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>Generally, the first day of the month after you begin eligible employment.</td>
<td>If you’re a qualified employee, you’re automatically enrolled on the first of the month after you meet the plan requirements. See page 4 for details.</td>
<td>If you’re a qualified employee, you’re automatically enrolled on the first of the month after you meet the plan requirements. See page 11.</td>
</tr>
<tr>
<td>Who contributes</td>
<td>You</td>
<td>Legacy</td>
<td>Legacy</td>
</tr>
<tr>
<td>How invested</td>
<td>You select from a variety of 403(b) Savings Plan fund options.</td>
<td>You select from a variety of 401(a) Employer Match fund options.</td>
<td>Plan trustees designate investment managers.</td>
</tr>
<tr>
<td>Vesting</td>
<td>Always 100%.</td>
<td>You become vested over 5 years at 20% for each year of vesting service.</td>
<td>You vest 100% after 3 years of vesting service (0% before 3 years).</td>
</tr>
<tr>
<td>Contribution amount</td>
<td>You may contribute 85 percent of pay, up to current IRS limits (2015: $18,000; plus $6,000 if you are age 50 or older). Unless you elect otherwise, you will automatically be enrolled in a contribution rate of 3% of pay after 90 days of employment — which will increase 1% per year up to 10% of pay.</td>
<td>Depending on your vesting service, Legacy matches 50¢, 60¢ or 70¢ for every $1 you contribute (up to 5% of pay).</td>
<td>You receive pay credits and interest credits each year. See page 12.</td>
</tr>
<tr>
<td>Loans</td>
<td>Allowed</td>
<td>Not allowed</td>
<td>Not allowed</td>
</tr>
<tr>
<td>If you leave Legacy before retirement</td>
<td>You can leave your vested benefit in the plan, receive a lump sum, or roll it over into another qualified plan.</td>
<td>You can leave your vested benefit in the plan, receive a lump sum, or roll it over into another qualified plan. If the benefit value is $5,000 or less, it will automatically be paid to you as a lump sum when your employment ends.</td>
<td>You can leave your vested benefit in the plan, receive a lump sum, roll it over into another qualified plan, or, if the lump sum value is over $5,000, receive an annuity.</td>
</tr>
<tr>
<td>Type of distribution at retirement</td>
<td>Lump sum and various annuity types are available.</td>
<td>Lump sum and various annuity types are available.</td>
<td>Lump sum and various annuity types are available.</td>
</tr>
<tr>
<td>When plan is valued</td>
<td>Daily</td>
<td>Annually, on Dec. 31.</td>
<td>Annually, on Dec. 31.</td>
</tr>
</tbody>
</table>
When you participate in the 403(b) Savings Plan and 401(a) Employer Match, there are two different accounts set up in your name:

- **Your 403(b) Savings Plan account** holds your pre-tax contributions, along with any investment gains or losses on those amounts. This account is set up when you are enrolled in and start making contributions to the plan. The plan is valued daily, which means your account balance and investments are updated every day. Your contributions should be invested within two to three days after payday and your account balance should be updated within a week.

- **Your 401(a) Employer Match account** has any amounts Legacy matches on your contributions, plus any investment gains or losses on the matching contributions. This account is set up when you meet the eligibility requirements for matching contributions, provided you're making contributions to your 403(b) Savings Plan. This plan is valued annually on Dec. 31.

Different plan provisions apply to each of these accounts, including eligibility requirements, vesting, available investment options, plan loans, and distribution rules.

### Who's eligible

**To contribute to the 403(b) Savings Plan**

You’re eligible to contribute to the 403(b) Savings Plan on the first of the month on or after the date you are hired (or transferred) into a qualified job status. If you decline enrollment when you first become eligible, you may enroll at the beginning of any future pay period, as long as you’re in a...
qualified job status. You are not in a qualified job status if you are employed at a for-profit operating unit.

**To receive matching contributions**
You must contribute to the 403(b) Savings Plan to receive any matching contributions. Once you have met the participation requirements and are enrolled in the 403(b) Savings Plan, you are eligible to receive employer matching contributions if:

- You are a qualified employee
- You are at least age 21
- You have completed at least 1,000 hours of service in the 12-month period after you begin employment — or in a calendar year that begins during or after that 12-month period — and you have not lost that service through a break in service
- You work at least 1,000 hours and are employed on Dec. 31 for any calendar year in which you receive a match, and
- You contribute to the 403(b) Savings Plan.

Legacy matches your eligible 403(b) Savings Plan contributions once per year as of Dec. 31.

**Contributions**

**Your pre-tax contributions**
When you first become eligible for the plan, you may enroll and begin making contributions. If you do not enroll and choose a contribution rate, you will automatically be enrolled at a contribution rate of 3 percent of your pay after 90 days of employment. The plan also has an automatic increase feature. At the beginning of any calendar year in which you are contributing less than 10 percent to your 403(b) account, this feature will automatically increase your salary deferral contribution by 1 percent with your first paycheck (on or around Jan. 5), until your contribution rate reaches 10 percent. If at any time you disenroll in the plan or change your contribution rate, you will not be subject to future automatic increases.

You may opt out of automatic enrollment or automatic increase at any time by contacting the Lincoln Financial Group at:

- 503-625-3394 or 800-234-3500, 5 a.m.–5 p.m. PT
- www.lfg.com/legacy

You may contribute up to current IRS limits (2015: $18,000; plus $6,000 if you are age 50 or older). This annual limit applies to the combination of all contributions you made to any employer’s 403(b) and 401(k) plan and other applicable qualified plans in which you participated.

Pay means your total wages reported on your Form W-2 before salary reductions (such as your 403(b) Savings Plan contributions). Reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation and welfare benefits are not included in this definition of pay.

**Catch-up contributions**
You may contribute an additional amount ($6,000, adjusted annually for inflation) to your 403(b) Savings Plan on a pre-tax basis if you are age 50 or older (or will turn age 50) during the calendar year. These additional pre-tax contributions are called catch-up contributions. If your 403(b) Savings Plan contributions exceed IRS limits, your contributions will automatically stop for the remainder of the calendar year.

**Rollover contributions**
If you have benefits in another employer’s tax-qualified retirement plan, you may be able to transfer the money into the 403(b) Savings Plan. Contact Lincoln Financial Group at 503-625-3394 or 800-234-3500 for more information.

There are two kinds of rollovers:

- An indirect rollover distribution paid directly to you from your previous plan, then contributed by you to the 403(b) Savings Plan within 60 days, or
- A direct rollover distribution transferred directly to this Plan from your previous plan (without your receiving the distribution).

Indirect or direct rollovers cannot include any property other than cash. Through a direct rollover, you can avoid having taxes withheld from the distribution. No Legacy matching contributions will be made on your indirect or direct rollover.

You are always 100 percent vested in your rollover contributions.

Here are the basic rules for rolling over money from another plan:

- It must be a distribution from your eligible employer’s plan (see Rollover Contributions above); you may roll over part or all of the amount that otherwise would be taxable upon distribution.
• If your rollover is a distribution from a tax-qualified retirement plan, it must be verified that it came from a qualified plan.

On behalf of Legacy, Lincoln may require more details to determine that a rollover contribution is acceptable or may reject a rollover for any reason.

The advantages of saving with pre-tax dollars

Your contributions, Legacy’s matching contributions, and any investment earnings on those amounts accumulate tax-deferred — in other words, you do not pay taxes on your savings until you withdraw them, usually at retirement. This means while you are investing money, you’re also reducing your current federal and state taxes. At the same time, your contributions will be subject to Social Security taxes and to most other payroll taxes, which means you don’t lose your Social Security or other earnings-based benefits by participating in the plan.

Let’s say you earn $45,000 a year, have two years of vesting service, and save 5 percent of your pay. Here’s how it would work:

<table>
<thead>
<tr>
<th>Employee saves 5%</th>
<th>plus</th>
<th>Legacy match 2.5%</th>
<th>equals</th>
<th>Employee’s total savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,250 + $1,125</td>
<td></td>
<td>= $3,375</td>
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</tbody>
</table>

How to enroll

If you initially decline enrollment, you may enroll in the 403(b) Savings Plan at any time by contacting Lincoln Financial Group at 503-625-3394 or 800-234-3500. Once you begin contributing to the 403(b) Savings Plan, no action is required from you for the 401(a) Employer Match to begin.

Naming a beneficiary

Please complete the designation of beneficiary form and return it to Lincoln Financial Group. You may change your beneficiaries at any time. Forms are available at www.lincolnalliance.com or by calling 503-625-3394 or 800-234-3500.

At the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid in the following order of priority to:

• Your surviving spouse
• Your children, including adopted children, in equal shares (if a child is not living, that child’s share will be distributed to that child’s living descendants)
• Your estate.

Investment options

You may invest your contributions and account balances in one or more of the investment options offered under the 403(b) Savings Plan. You may choose the investment options that best meet your personal and financial goals. Your enrollment kit will explain your investment options in more detail.

When you are initially enrolled in the plan, if you do not select investment options of your choice, your contributions will be directed into the moderate asset allocation model portfolio. You may redirect them into investments of your choice at any time. For more information, contact Lincoln Financial.

Making changes

Your current election will remain in effect until you change it or your participation in the plan ends.

To make changes by phone call 800-234-3500, or on the website at www.lfg.com/legacy. To make changes online, you will need your Social Security number and PIN. If you do not have a PIN, call 800-234-3500.

Changing your contribution amount

You may change the amount you contribute to the 403(b) Savings Plan every pay period. Your change will be effective as of the next possible paycheck.

Changing your investment options

You may change the way your future contributions are being invested as you like. Your change will be effective as of the next possible paycheck.

Rearranging existing balances

You may move money from one fund to another as often as you like. Your change will be effective as of the next business day.

Stopping your contributions

You may stop your contributions at any time. Your change will be effective as of the next possible paycheck. You may start contributions again at any time.
Vesting

Being vested means you have a right to your account when you retire or otherwise leave Legacy. Remember, even if you’re vested, your account balance may increase or decrease, depending on investment performance.

• 403(b) Savings Plan — You are always 100 percent vested in the 403(b) Savings Plan.

• 401(a) Employer Match — You vest in the 401(a) Employer Match 20 percent each year you work at least 1,000 hours. You are 100 percent vested after five years. See the exceptions below.

Regardless of your years of vesting service, you automatically become 100 percent vested in your 401(a) Employer Match on the earliest of the following dates — provided you are still working for Legacy on that date:

• Your normal retirement date (the later of your 65th birthday or the second anniversary of the date you met the eligibility waiting period for matching contributions);

• The date you become totally and permanently disabled (see If You Become Disabled, page 7), or

• The date you die.

Forfeitures

If you leave Legacy before you become 100 percent vested in your 401(a) Employer Match, you will forfeit — or lose your right to — the funds not yet vested. The forfeiture will occur the earlier of:

• The date you have a one-year break in service and have received a full distribution of the vested portion of your matching contribution account; or

• The date you have a five-year break in service.

Any part of your account that has been forfeited will be applied as an offset against Legacy’s future contributions to restore lost benefits or to pay plan expenses.

See the Glossary for a definition of break in service.

When benefits are paid

You may receive the value of your account balances if you:

• Terminate your employment with Legacy

• Reach age 59½ (403(b) Savings Plan) or age 70½ (401(a) Employer Match) while still employed by Legacy (see the following sections for more details)

• Become disabled

• Die

• Retire

If you are married, you may need your spouse’s consent to receive your benefit. Your withdrawal election form will contain information about any spousal consent rules that may apply to you.

You may withdraw certain 403(b) Savings Plan amounts that have remained in an annuity account since Dec. 31, 1988 (with spousal consent, if required), even if one of the above events has not yet occurred, but only if the terms of your annuity contract allow the withdrawal. If you make this withdrawal, you must take out your entire Dec. 31, 1988 balance (excluding later earnings) at one time.

If you leave Legacy

If you terminate employment, your contributions to the 403(b) Savings Plan and the 401(a) Employer Match will be discontinued as of your last paycheck. You may receive all of your 403(b) Savings Plan account and the vested portion of your 401(a) Employer Match account when you end employment with Legacy. Your benefit may be paid to you in a single lump sum or rolled over to an IRA or another employer’s eligible plan.

• If your vested balance is $5,000 or less, you cannot leave your money in the plan. However, you can roll over your eligible balance to an IRA or another employer’s eligible retirement plan or receive a full distribution. If you do not act within 60 days from the time you receive notification, and your balance is less than $1,000, Lincoln will send you a check for the balance, less the 20 percent mandatory federal tax withholding, as soon as it is administratively feasible. If you do not act within 60 days from the time you receive the information from Lincoln, and your balance is between $1,000 and $5,000, regulations require your vested balance to be automatically rolled over into an IRA. In this case, your vested balance will be moved into an IRA with Lincoln Financial Group.
• If your vested balance is more than $5,000, and you prefer to leave your money in the plan, no action is required. If you decide, at any time, to roll over your balance to an IRA or another employer’s eligible retirement plan, call Lincoln Financial Group at 503-625-3394 or 800-234-3500.

If you delay your distribution
If you ended employment with Legacy and did not receive a distribution of your accounts, you must begin receiving payments no later than the April 1 following the calendar year in which you turn age 70½ and have ended your employment. If you do not begin receiving payments as required, the Internal Revenue Service will impose a 50 percent penalty tax on the amount you did not receive by the required distribution date. This penalty is in addition to ordinary income tax due.

While employed with Legacy
If you are younger than age 59½, you may not withdraw benefits from either the 403(b) Savings Plan or the 401(a) Employer Match while you are working for Legacy. See below for more information on hardship withdrawals.
If you are age 59½ or older or you are disabled, you may withdraw all or part of your 403(b) Savings Plan balance, even while you are still employed, without a penalty.
If you are still actively employed with Legacy when you reach age 70½, you may begin receiving payments from the 401(a) Employer Match account.

Hardship withdrawals
If you qualify for a financial hardship withdrawal (as defined by IRS Safe Harbor regulation), you may apply for a withdrawal from your 403(b) Savings Plan while you are still working at Legacy. Under the IRS regulations, hardship withdrawals must be the result of heavy financial need resulting from one of the following situations:
• Purchase of your principal residence, excluding mortgage payments
• Payment of amounts necessary to prevent eviction from your principal residence or foreclosure on the mortgage of your principal residence
• Payment of tuition and related education fees for the next 12 months of postsecondary education for you, your spouse, your children, your other dependents or your beneficiary

• Payments for burial or funeral expenses for your deceased parent, spouse, children, dependents or beneficiary
• Un-reimbursable health care expenses (including expenses necessary to obtain medical care) previously incurred by you, your spouse, your children, your other dependents or your beneficiary and not covered by insurance
• Expenses for repair of damage to your principle residence that qualifies for the casualty deduction under code 165 (without regard to whether the loss is more than 10 percent of your adjusted gross income)

To qualify for a hardship withdrawal, you must first exhaust all amounts that are reasonably available. If you are married, a withdrawal requires spousal consent. You may withdraw only your contributions — the withdrawal cannot include any earnings on your contributions, as required by tax laws.
Contact Lincoln Financial Group at 503-625-3394 or 800-234-3500 for more information about financial hardship withdrawals.

Loans
You can take a loan from your 403(b) Savings Plan. The maximum loan amount is 50 percent of the balance in your 403(b) Savings Plan account. Your loan amount must be at least $1,000 and cannot be more than $50,000. If you are married, you must have your spouse’s consent with a notarized signature.

The amount you borrow, plus interest, must be repaid in equal amounts, monthly, over five years. However, if your loan is used toward the purchase of your primary residence, your repayment period can be 10 years. You must repay your loan with after-tax money. Loan repayments cannot be made through payroll deductions. Your interest rate will be determined when you apply for the loan.
To apply for a loan, contact Lincoln Financial Group at 503-625-3394 or 800-234-3500.
Loans are not available from your 401(a) Employer Match.

If you become disabled
If your employment with Legacy ends because of disability (as defined by the plans), you will become 100 percent vested in the 401(a) Employer Match. You may be entitled to receive payment from your 403(b) Savings Plan and 401(a) Employer Match on
the first of the next month following your termination date. Contact the HR Answer Center for more information on receiving benefits in the event of your disability.

**If you die**

If you die while actively employed with Legacy, your 403(b) Savings Plan contributions will stop and any matching contributions from the 401(a) Employer Match will be made. The balance in the 401(a) Employer Match is considered 100 percent vested and the full value of your accounts will be paid to your beneficiary. A spouse beneficiary can defer payment, or roll over the distribution to an IRA or to another qualified plan. Non-spouse beneficiaries have the option to roll over the distribution only to an IRA.

**If you retire**

If you retire from Legacy, you may receive the value of your 403(b) Savings Plan and 401(a) Employer Match. You receive your vested account in your 401(a) Employer Match.

You are considered retired as follows:

- **403(b) Savings Plan** — You are at least age 55 when you terminate employment with Legacy.

- **401(a) Employer Match** — You are at least age 55 and have 10 vested years of vesting service when you terminate employment with Legacy or you terminate your employment after the later of your 65th birthday or the second anniversary of the date you met the eligibility waiting period for matching contributions.

  - In your year of retirement you will be eligible for a prorated match based on your 403(b) contributions through your date of retirement. In order to receive the prorated match, at the time of retirement you must have been working at the rate where you would have worked 1,000 eligible hours in the calendar year.

If you are planning to retire, contact the HR Answer Center at least 90 days before your retirement date for more details about this process.

**Benefit payment options**

How you receive your benefit depends on the plan:

- **403(b) Savings Plan** — Your available payment options depend on the investments you have chosen in your 403(b) Savings Plan. Refer to your quarterly statement or contact Lincoln Financial Group at 503-625-3394 or 800-234-3500.

- **401(a) Employer Match** — Your benefit is paid by lump sum.

**If you do not elect a payment option**

If you are single and do not elect a benefit payment option, benefits from your 401(a) Employer Match contributions account are paid as a single life annuity. If you are married and do not elect a benefit option, your benefits will be paid in the form of a joint and survivor 50 percent annuity.

**Spousal consent rules**

If you are married as of the date you apply to receive your benefits, you will need the consent of your spouse to receive certain forms of payment. The plans are federally qualified and follow federal guidelines that define a spouse as a person of the opposite sex who is a husband or wife in a marriage valid in the state the participant lives. Contact the HR Answer Center for more information about the spousal consent rules that apply to your 403(b) Savings Plan.

**After payments begin**

If you die or become disabled after benefit payments begin, benefits will be paid according to the payment option you selected.

**Applying for benefits**

Contact Lincoln Financial Group at 503-625-3394 or 800-234-3500 to receive the appropriate distribution forms.

**Special situations**

**Break in service**

If you have a one-year break of service, generally, you will lose all your years of vesting service under the 401(a) Employer Match (except for eligibility purposes) on Dec. 31 of the year in which you have a break in service, unless you are fully vested.

Lost service will be reinstated if you earn at least 1,000 hours in the 12-month period following re-employment or in a calendar year ending after that, and either:
• You do not have five consecutive years with 500 hours or less (applies after 1984), or
• The years with less than 500 hours are fewer than your prior years of service, or you were already partly vested.

A one-year break in service is a calendar year in which you earn 500 hours of service or less. You will have a five-year break in service at the end of your fifth consecutive one-year break in service. A maternity or paternity leave of absence will not cause you to have a one-year break in service until the second calendar year after the maternity or paternity absence began.

If you die before payments begin
If you die before you begin receiving benefit payments, either your 403(b) Savings Plan account balance or a death benefit will be paid to your beneficiary. The payment of your 403(b) Savings Plan account benefit is governed by the terms of the investment option(s) you selected.

Upon your death, the vested portion of your 401(a) Employer Match will be paid to your beneficiary, as follows:
• If your vested balance is over $5,000 as of the date of your death
• If your beneficiary is your surviving spouse, your spouse may elect to receive a lump sum
• If your beneficiary is not your spouse, the death benefit will be paid in a lump sum.

If your vested 401(a) Employer Match is $5,000 or less as of the date of your death, a lump sum will be made to your beneficiary as soon as practicable.

Circumstances that may affect your benefits
Certain situations can have an impact on plan benefits, such as:
• If you end employment before you become vested, your benefits may be forfeited
• If you fail to make proper application for benefits, provide necessary information or keep Legacy informed of your current address, your benefits could be delayed
• Because the plans’ investment funds cannot guarantee a positive return on your contributions, your account value may increase or decrease depending on your investment choices and investment fund performance
• If a qualified domestic relations order (QDRO) applies to your interest under the plans, all or a portion of your benefits may be payable to the alternate payee named in the QDRO
• Nondiscrimination tests required by federal tax law may require that some elective deferral amounts be returned to participants; you will be notified if you are affected
• No contributions can be made to the plans that exceed limits set by federal law.

Qualified Domestic Relations Orders (QDROs)
Your benefits generally cannot be assigned, sold, transferred, or encumbered. Nor can your benefits be used as collateral for a loan. Benefits generally are not subject to attachment, garnishment, or any other legal process. However, the plan administrator must honor qualified domestic relations orders (QDROs). A domestic relations order is a judgment, decree, or order that relates to child support, alimony payments, or marital property rights. A QDRO is a domestic relations order that satisfies certain requirements. If you begin divorce proceedings, contact the HR Answer Center for more information about a QDRO and procedures the plans will follow if presented with a QDRO. The plans’ QDRO procedures are available to participants and beneficiaries free of charge.

Plan termination
If the plan is terminated while you are a participant, you will immediately be 100 percent vested in the value of your 401(a) Employer Match (adjusted for investment gains, losses, fees and expenses) as of the termination date. Remember, you are always 100 percent vested in your 403(b) Savings Plan contributions. Legacy would not make any further matching contributions unless required by federal law. Legacy may either liquidate the 401(a) Employer Match or continue to pay benefits as they mature. If it is liquidated, the remaining assets (after payment of expenses) will be allocated among the participants and beneficiaries in proportion to their interests.

The 403(b) Savings Plan and 401(a) Employer Match are not insured by the Pension Benefit Guaranty Corporation (PBGC).
Glossary — Savings Plan and Employer Match

The following are terms referenced in the previous pages that may be unfamiliar to you. Review these definitions for a better understanding of how the 403(b) Savings Plan and 401(a) Employer Match work. However, not all plan terms are defined here. More definitions are found in the plan documents, which are available upon request.

401(a) Employer Match — The account that holds the matching contributions made entirely by Legacy when you contribute to the 403(b) Savings Plan. The matching percentage is based on your pay, and increases with your years of vesting service.

403(b) Savings Plan — A voluntary, tax-deferred retirement savings plan; when you participate, a portion of your paycheck is contributed to the plan before taxes are deducted.

Break in service — (applies to the 401(a) Employer Match only):

• One-year break in service — a calendar year in which you earn 500 hours of service or less. (A maternity or paternity leave of absence will not cause you to have a one-year break in service until the second calendar year after the maternity or paternity absence began.)

• Five-year break in service — at the end of your fifth consecutive one-year break in service.

Disabled — A disabled participant is one who is eligible to receive benefits for total, permanent disability under the Federal Social Security Act.

Forfeiture — Any unvested part of your 401(a) Employer Match that you give up when you leave Legacy.

Hours of service — Hours of service include any hours you work for Legacy, as well as your Legacy paid hours for vacation, holidays, authorized leave, reduction in force, jury duty and certain other paid hours. Certain unpaid hours while on Family Medical Leave of Absence or military duty may also count as hours of service. Generally, hours or earnings under workers’ compensation or unemployment compensation are not counted. To receive credit for an unpaid Family Medical Leave of Absence or military service during your career with Legacy, your absence must qualify under applicable law, and your employment with Legacy must be resumed directly after the end of your leave or discharge from duty.

Joint and survivor annuity — Paid for the lifetime of the retiree and then for the lifetime of the spouse if the spouse is still alive when the retiree dies.

Legacy, or Legacy Health — For the purposes of the 403(b) Matching Plan and 401(a) Employer Match, Legacy or Legacy Health means Legacy Health and any affiliate of Legacy Health who adopts the plans.

Lump sum — A single payment of the total value of the benefit.

Pay — Your total wages reported on your Form W-2 before salary reductions (such as your 403(b) Savings Plan contributions). Reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation and welfare benefits are not included in this definition of pay.

Qualified Domestic Relations Order (QDRO) — A judgment, decree, or order that relates to child support, alimony payments, or marital property rights and satisfies certain requirements.

Retire, Retirement —

• 403(b) Savings Plan — You are at least age 55 when you terminate employment with Legacy.

• 401(a) Employer Match — You are at least age 55 and have 10 years of vesting service when you terminate employment with Legacy or you terminate your employment after the later of your 65th birthday or the second anniversary of the date you met the eligibility waiting period for matching contributions.

Vesting — Your right to a plan benefit.

• 403(b) Savings Plan — You are always 100 percent vested in your own contributions.

• 401(a) Employer Match — You become vested over five years at 20 percent for each year of vesting service.

Vesting service — For calendar years after 1994, you earn a year of service for vesting for each calendar year in which you have worked at least 1,000 eligible hours of service (at any Legacy operating unit) even if you do not remain employed to the end of the year. Different years-of-service crediting rules apply for service in 1994 and earlier years.
Introduction

Effective Jan. 1, 2010, the Pension Plan was revised. Before 2010, plan participants generally accrued benefits under a traditional benefit. That traditional benefit accrued in the form of an annuity payable at the Pension Plan’s normal retirement age of 65. As of Dec. 31, 2009, the traditional benefit was frozen, and no participants accrued any additional benefit under the traditional benefit after 2009.

This Summary Plan Description describes the features of the revised Pension Plan in effect beginning Jan. 1, 2010. Participants with sufficient service on and after Jan. 1, 2010, participate in and accrue benefits under a cash balance benefit. The cash balance benefit accrues in the form of an accumulated cash balance account, as described in this booklet.

A participant in the Pension Plan on Dec. 31, 2009, could have an accrued benefit under both the traditional benefit and the cash balance benefit. For information about the traditional benefit, refer to the previously provided Summary Plan Description in effect on Dec. 31, 2009, or contact the Legacy Benefits Department. The Summary Plan Description in effect through Dec. 31, 2009, can also be found on www.millimanbenefits.com under Communications > Plan Documents and Forms in the Legacy Health Employees Retirement Plan — Traditional Benefit section of the website.

Highlights

The Pension Plan, together with your 403(b) Savings Plan and 401(a) Employer Match, help you prepare for your retirement. Here are a few key features of the Pension Plan:

• Fixed, predictable benefit

• Your benefit is calculated using a cash balance formula and grows through annual pay and interest credits

• You are 100 percent vested in plan benefits after three years of service (in which you have worked 1,000 hours for each year) or upon reaching your normal retirement date while employed by Legacy (0 percent vested before that)

• Plan benefits are funded 100 percent by Legacy

• Legacy bears the investment risk

• The Pension Benefit Guaranty Corporation federally insures plan benefits

• Your benefits are tax-deferred; you do not owe any federal or state income taxes until you receive plan benefits.

Who’s eligible

You automatically become a participant in the Pension Plan on the first day of the month that coincides with or follows the date you meet all of the following requirements:

• You are a qualified employee of Legacy (see Glossary for definition)

• You are at least age 21, and

• You have completed one year of eligibility service.

A year of eligibility service is a year in which you have 1,000 or more hours of service, starting with the 12 consecutive months beginning with your first day of work and, after that, each calendar year (starting with the calendar year following your year of hire). For a definition of hours of service, see the Glossary.
Vesting

Being vested means you have a guaranteed right to the pension benefit even after ending employment with Legacy. You will be vested 100 percent in the pension benefit upon completion of three years of vesting service, becoming totally and permanently disabled or reaching your normal retirement date while employed with Legacy. Your normal retirement date is the later of age 65 or the second anniversary of your participation date in the Pension Plan. Before completing three years of vesting service or satisfying one of the other vesting requirements, you are 0 percent vested. You will earn a year of vesting service for each calendar year you have 1,000 hours of service.

How the pension benefit is calculated

Your pension benefit is a hypothetical account that grows through two types of credits funded by Legacy: an annual pay credit and an interest credit (annual after the first year). This type of a pension benefit is called a cash balance benefit.

Pay credit

You’ll receive a pay credit from Legacy — from 3 to 7 percent of pay — to your pension account for each year you earn benefit service. Because it’s equal to a percent of your pay, the pay credit keeps pace with your pay increases. Because the pay credit percentage increases with service, it rewards longer service with Legacy. The pay credit is based on your years of benefit service as of the end of the calendar year for which the credit is being made. The IRS limits the amount of pay used to calculate pay credits. The 2015 annual limit is $265,000.

<table>
<thead>
<tr>
<th>Years of benefit service</th>
<th>Pay credit</th>
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<tr>
<td>1–5</td>
<td>3% of pay</td>
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<tr>
<td>6–10</td>
<td>4% of pay</td>
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<td>11–15</td>
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<td>16–20</td>
<td>6% of pay</td>
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<tr>
<td>21+</td>
<td>7% of pay</td>
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Excess pay credit

If your pay for a year is in excess of the Social Security Taxable Wage Base (SSTWB), you will also receive an excess pay credit. If you have fewer than 16 years of benefit service, your excess pay credit is 2 percent of your excess pay. If you have 16 or more years of benefit service, your excess pay credit is 3 percent of your excess pay. Your excess pay is the amount by which your pay up to the IRS limit for a year exceeds the SSTWB for that year.

Benefit service

Generally, you earn a year of benefit service for each calendar year in which you have at least 1,000 hours of service. (See the Glossary for more detail.) Each year, you will receive a personalized benefit statement showing your balance and how many years of benefit service you have.

Interest credit

You’ll also receive an interest credit of 4 percent* every year on your pension account balance at the end of the prior year. Because your balance grows each year, this credit is applied to a larger and larger sum as your employment with Legacy continues.

*The interest credit is the lesser of 4 percent and a long-term bond yield (defined as the third segment rate published by the IRS for pension plan funding purposes). Based on historical interest rates, you will likely receive a 4 percent interest credit each year.

Transition credit

If you were an eligible employee under the Pension Plan on Dec. 31, 2009, you will also receive a transition credit. The transition credit is an additional 1 percent of pay for each year of benefit service you earn after Dec. 31, 2009, until your first termination date. If you leave Legacy your transition credit will stop. If you are rehired, you will not receive the transition credit after you return to Legacy employment.

For example, let’s say you were initially eligible for the transition credit and you end Legacy employment on Oct. 15, 2015. You are then rehired one month later on Nov. 15, 2015, and earn at least 1,000 hours of service through Dec. 31, 2015. You will receive the transition credit through Oct. 15, 2015, only, but after that you will not be eligible for the transition credit.

Any employee hired or rehired on or after Jan. 1, 2010, will not receive a transition credit.
**Break in service**

A one-year break in service is a calendar year in which you earn 500 hours of service or less.

Generally, you will lose all your years of service on Dec. 31 of a year in which you have a break in service, unless you are fully vested. However, lost service will be reinstated if you earn at least 1,000 hours in the 12-month period following re-employment or in a calendar year ending after that, and either:

- You do not have five consecutive years with 500 hours or less (applies after 1984), or
- The years with 500 hours or less are fewer than your prior years of service or you were already partly vested before your first year with 500 hours or less.

You will have a five-year break in service at the end of your fifth consecutive one-year break in service. A maternity or paternity leave of absence will not cause you to have a one-year break in service until the second calendar year after the maternity or paternity absence began.

**An “account-based” benefit**

You can easily see how much your pension benefit is worth at any given time in terms of a balance in current dollars like the 403(b) Savings Plan. As a result, information about your pension benefit occasionally refers to a hypothetical "account." Your hypothetical account is used to determine your pension benefits. The formula that is used to determine your “account” is typically referred to as a cash balance formula.

**When benefits are paid**

Your vested Pension Plan benefit is portable. That means, when your employment with Legacy ends you may receive your vested benefit at any age, subject to certain tax rules (for details, see Income Taxes on page 14).

If you terminate employment with a vested benefit, you may defer starting benefits up to (but no later than) age 65, the plan’s normal retirement age.

After your employment with Legacy ends, your vested cash balance account will continue to be credited with interest credits, but not pay credits, until the end of the month preceding your distribution date.

If you continue to work for Legacy:

- You may receive your benefit as early as age 62 while continuing to work.
- If you choose a lump sum and accrue additional benefit, you will not be eligible for a second distribution until after you terminate employment.
- You must begin receiving your benefit no later than April 1 following the year in which you turn age 70½.

The date you choose to receive or begin your benefit is your “benefit starting date,” which must be the first day of a calendar month.

**Benefit payment options**

**At retirement**

If you receive your benefit on or after becoming eligible for early or normal retirement, the Pension Plan offers a variety of payment options to choose from. You become eligible for early retirement at or after age 55 if you have at least 10 years of vesting service, or at age 62 if you continue to work at Legacy.

Each payment option is equal in value, but the amount is adjusted to reflect different alternatives, such as the retirement benefit continuing to your spouse or beneficiary upon your death.

Here are your options:

- **Single life annuity** — Monthly benefit payable for your lifetime with payments ending upon your death.
- **50, 75 or 100 percent joint and survivor annuity** — Monthly benefit payable for your lifetime; upon your death, if your spouse is alive, the monthly benefit will continue to your spouse for his or her lifetime in an amount equal to 50, 75 or 100 percent (depending on your election) of the benefit paid to you before your death.
- **Single life annuity with 5 or 10 years guaranteed** — Monthly benefit payable for your lifetime; if you die before 5 or 10 years of monthly payments (depending on your election) have been made, your beneficiary will receive the remaining payments (up to and ending at 5 or 10 years).
- **Single lump sum** — If you wish to elect any type of payment other than a 50, 75 or 100 percent
Before retirement
If you leave Legacy before retirement, the payment options upon termination of employment are:

- For single participants, a lump sum or a 60-month certain and life annuity
- For married participants, a lump sum, a 50 percent joint and survivor annuity, or a 75 percent joint and survivor annuity. If you elect the lump sum, your spouse must consent in writing, witnessed by a notary public.

If you do not elect a payment option
If you have terminated employment and do not actively choose a payment option at your normal retirement date, Legacy may pay your vested account balance as follows:

- If you are married on your benefit starting date, you will receive a 50 percent joint and survivor annuity with your spouse as beneficiary.
- If you are not married on your benefit starting date, you will receive a single life annuity with 5 years guaranteed.

Income taxes
All benefits under the Pension Plan are subject to federal income tax and any applicable income tax withholdings when you receive them from the Pension Plan. If you receive a single lump sum distribution, the Internal Revenue Service (IRS) requires that 20 percent of your distribution be withheld for federal income tax purposes. Keep in mind, this withholding is just a prepayment of potential taxes: your actual tax liability for the calendar year could result in tax rates that are actually higher or lower than 20 percent.

In addition, if you receive a distribution from the Pension Plan before age 59½, you may be required to pay a 10 percent tax penalty to the IRS. This penalty applies unless the distribution is due to:
- Death
- Permanent disability
- Separation from service with Legacy and its affiliates in the year you reach age 55 or later
- Commencement of lifetime annuity payments under the Pension Plan after separation from service
- Payments made directly to the government to satisfy a federal tax levy
- Medical expenses that are deductible on your federal income tax return
- Qualified Domestic Relations Order

Rollover distributions
Regardless of your age, you may postpone federal taxes on all or part of an eligible lump sum distribution by choosing a direct or indirect rollover to an Individual Retirement Account (IRA) or other eligible retirement plan. Under a:

- **Direct rollover** — Your distribution check will be made out to the trustee or custodian of the IRA or other eligible retirement plan and sent to the address you provide. No federal income taxes will be withheld from direct rollovers.
- **Indirect rollover** — Your distribution check, minus 20 percent withheld for federal income tax purposes, is made out in your name and sent to you. You have 60 days to roll over all or a portion of your distribution. The portion of your payment that is rolled over should not be reported as taxable income. That amount will not be taxed until you withdraw it from the IRA or other eligible retirement plan. Any portion that you do not roll over (including the 20 percent withheld for federal income tax withholding) is considered taxable income and may also be subject to the 10 percent early withdrawal penalty. If you want to, you can add to your rollover an amount equal to the 20 percent withheld for federal tax withholding (deferring the income tax on that portion), then apply that withholding as a credit when you pay your federal income taxes.

When you receive your Pension Plan application, the package will include a Special Tax Notice, which will explain your distribution options — and the corresponding tax implications — in greater detail. This is only a summary of some of the tax rules that apply to retirement plan distributions based on current tax law at the time of publication. Before you receive a distribution from the Pension Plan, you should consult a tax advisor for information about current federal and state tax laws and their effect on your individual situation. Tax laws are subject to change without notice.
Applying for benefits

Plan benefits are not paid automatically; you must apply for them. When you are preparing to retire, you should start the application process at least three months before your anticipated retirement date to ensure your retirement benefits start on time.

The following steps will help guide you through the application process:

• Call the Legacy HR Answer Center at 503-415-5100 and an HR representative will ask you for the information necessary to begin your benefit application, including the date you plan to end employment and when you want retirement benefits to begin. You may also request benefit application forms at www.millimanbenefits.com.

• Legacy will send you an information packet that includes benefit amounts under the various payment options.

• Mail your application to the Legacy Benefits Department, 1919 N.W. Lovejoy St., Portland, OR 97209, at least 30 days before your desired benefit starting date. Benefits always start on the first day of the month. So, for example, if you want your benefits to start on June 1, you would need to mail your application to Legacy by the end of April.

• After you return all of the necessary paperwork, Legacy will send you a letter confirming your benefit election details.

If your benefit is denied

Your application for benefits is considered a claim for plan benefits. If your claim is wholly or partially denied, the plan administrator will normally notify you in writing within 90 days after receiving your claim (45 days if your claim is due to disability). If extra time is needed to process your claim, you will be notified within the initial 90 days (45 days for a disability-related claim) of the reason why the extension is needed and when you can expect a decision. In this case, the decision will be made within 180 days (75 days for a disability-related claim) after your claim is received.

If your application for benefit payment is denied, you will receive a notice that includes:

• The specific reason(s) for the adverse determination
• Reference to the specific plan provisions on which the determination is based
• A description of any additional material or information needed from you and an explanation of why such material or information is necessary
• Appropriate information as to the steps to be taken if you or your beneficiary wants to submit your claim for review
• In the case of disability benefits where disability is determined by a physician:
  — If an internal rule, guideline, protocol or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
  — If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to your medical circumstances or a statement that such explanation will be provided to you free of charge upon request.

If your claim has been denied and you want to submit your claim for review, you must follow the claims review procedures.

Claims review procedures

Within 60 days (180 days for disability-related claims) after receiving a denial, you or your representative may appeal the decision by requesting a review by writing the plan administrator at:

Benefits Department
Legacy Health
1919 N.W. Lovejoy St.
Portland, OR 97209

In connection with your appeal, you should submit written comments, documents, records and other information relating to your claim for benefits, and review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the plan administrator.
You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. Your claim for review will be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If your claim is for disability benefits, in addition:

- Your claim will be reviewed without deference to the adverse benefit determination and conducted by an appropriate named fiduciary of the plan who is neither the individual who made the initial decision nor their subordinate.

- In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; this person will not be the same individual who was consulted regarding the initial adverse benefit determination nor his/her subordinate.

- The plan will identify any medical or vocational experts whose advice was obtained in connection with your adverse benefit determination, without regard to whether the advice was relied upon in making the decision.

A decision on your appeal will normally be given to you within 60 days of receipt of your request for a review. If circumstances make an extension necessary, you will be notified in writing within the original 60-day period, and the decision will be made no later than 120 days (105 days in the case of disability benefits where disability is determined by a physician) after your appeal was originally received.

The notification will include:

- The specific reason or reasons for the adverse determination.

- Reference to the specific plan provisions on which the benefit determination is based.

- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

- In the case of disability benefits where disability is determined by a physician:
  - If an internal rule, guideline, protocol, or other similar criterion (collectively “rule”) was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
  - If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If you have a claim for benefits that is denied, you may file suit in a state or federal court, as long as you do so no later than 180 days after the date of the plan administrator’s final determination denying your claim.

**Special situations**

**If you leave mid-year**

If you leave Legacy employment during the year and you have at least 1,000 hours of service, you will earn a pay credit based on the pay you earned that year. If you did not have at least 1,000 hours of service, you will not earn a pay credit unless your employment termination was due to retirement, death or total and permanent disability.

**If you leave before you retire**

The pension benefit has an important and beneficial feature — it’s portable. This means, when you leave Legacy before retirement age, you can take your vested pension benefit as a lump sum, regardless of the amount. The lump sum can be rolled over or taken in cash. If your lump sum benefit is more than $5,000, you may elect an annuity in lieu of a lump sum payment. Before you make any arrangements to receive your pension benefit, be sure you consult a tax advisor; depending on the payment option and your age, you may be required to pay penalties or additional taxes.
If your employment with Legacy ends before you’re fully vested, you will forfeit your right to your unvested Pension Plan benefits. If you return to work, your benefit may be restored. See Break in Service, page 13.

If you retire early
Eligibility for early retirement requires that you are at least age 55 and have at least 10 years of vesting service. If you qualify, you may retire at age 55, begin receiving plan benefits, and not be subject to the 10 percent IRS penalty (described in Income Taxes). You must be at least age 62 if you continue to work at Legacy.

If you become disabled
If you become disabled on or after Jan. 1, 2010, while employed with Legacy, your accrued cash balance account will be fully vested immediately, without regard to your years of service. Disabled means you are receiving total, permanent disability income benefits under the federal Social Security Act.

If you die
If you die after receiving your entire benefit in a lump sum distribution, no further benefits are payable to your spouse or any other beneficiary.
If you die after receiving your benefit as an annuity, your spouse or beneficiary will receive a benefit only if the option you elected provides for continued payments to your spouse or beneficiary after your death.
If you die before your plan benefits begin, your vested amount is payable to your spouse, designated beneficiary, or estate as follows:
• If you have been married for at least one year at the time of death, your surviving spouse may elect a single lump sum payment or a single life annuity, equal in value to your cash balance benefit, beginning on the first day of the month following your death or up to (but no later than) the date you would have reached age 65.
• If you are not married or have been married for less than one year at the time of death, your designated beneficiary will receive the value of your cash balance benefit at death in the form of an immediate lump sum.
• If you have no living beneficiary, the benefit will be paid to your estate.
If you are not vested in your plan benefit when you die, no benefit will be paid.

If you are a re-employed veteran
Federal law gives you certain rights if you voluntarily or involuntarily leave Legacy to serve in any of the United States uniformed military services, for active duty or training. To qualify for these rights, you generally must give Legacy advance written or verbal notice of your upcoming leave for military service and you must report back to work within a specified period of time following the end of your military service, depending upon the length of your military service.
If you satisfy these requirements, then upon your return the time you are away for military service will be counted for vesting purposes and you will receive pay credits and interest credits based on what your basic earnings would have been had you not been absent for military service. Generally, a maximum of five years of military service will receive this treatment, unless service is extended due to a national emergency.
For more information, contact the HR Answer Center at 503-415-5100 or 360-487-1031.

If you are rehired after payments begin
If you end employment and receive all or a portion of your vested benefit, and then you return to employment with Legacy, you will resume participation in the plan. You will begin accruing a new cash balance benefit. The benefit service, upon which the benefit you already received or started receiving, will be disregarded when determining the amount of your benefit after rehire.

In-service retirement
In-service retirement occurs when you begin your traditional benefit or cash balance benefit while continuing to work. You will continue to accrue benefits under the cash balance benefit as if you were rehired after beginning benefits. The benefit service, upon which your in-service retirement benefit was based, will be disregarded when determining the amount of your benefit after in-service retirement.

Circumstances that may affect your benefits
Certain situations can have an impact on plan benefits, such as:
• If you end employment before you become vested, your benefits may be forfeited.
• If you fail to make proper application for benefits, provide necessary information or keep Legacy informed of your current address, your benefits could be delayed.

• Because the 403(b) Savings Plan and 401(a) Employer Match investment funds cannot guarantee a positive return on your contributions, your account value may increase or decrease depending on your investment choices and investment fund performance.

• If a qualified domestic relations order (QDRO) applies to your interest under the plans, all or a portion of your benefits may be payable to the alternate payee named in the QDRO.

• Nondiscrimination tests required by federal tax law may require that some elective deferral amounts under the 403(b) Savings Plan be returned to participants; you will be notified if you are affected.

• No contributions can be made to the 403(b) Savings Plan that exceed limits set by federal law.

Qualified Domestic Relations Orders (QDROs)

Your benefits generally cannot be assigned, sold, transferred, or encumbered. Nor can your benefits be used as collateral for a loan. Benefits generally are not subject to attachment, garnishment, or any other legal process.

However, the plan administrator must honor qualified domestic relations orders (QDROs). A domestic relations order is a judgment, decree, or order that relates to child support, alimony payments, or marital property rights. A QDRO is a domestic relations order that satisfies certain requirements.

If you begin divorce proceedings, contact the HR Answer Center for more information about a QDRO and procedures the plan will follow if presented with a QDRO. The plan’s QDRO procedures are available to participants and beneficiaries free of charge.

In case the plan becomes top-heavy

The law requires certain changes to the Pension Plan if it becomes top-heavy. A plan is “top-heavy” if more than 60 percent of the present value of accrued benefits under the Pension Plan is for “key employees” — that is, certain officers and other highly compensated employees. These changes include a minimum benefit accrual on behalf of eligible employees who are not key employees and a special vesting schedule for Pension Plan participants during top-heavy years.

The Pension Plan is not currently top-heavy, and it is unlikely that it will become top-heavy in the future. However, if the Pension Plan ever becomes top-heavy, Legacy will contact you regarding specific Pension Plan provisions that apply during top-heavy years.

Maximum benefits

Federal law imposes limits on the retirement benefits you receive. The rules are complex, and as a practical matter, these limits probably will not affect your retirement benefit unless you are very highly paid. When paid out, your benefit will be compared to the maximum allowed and if necessary, your benefit will be restricted to comply with federal law.

Plan termination

If the plan is terminated while you are a participant, you will immediately be 100 percent vested in the value of your Pension Plan benefit as of the termination date, to the extent that these benefits are funded. If the plan is terminated, your benefits are fixed, and Legacy will make no further contributions unless federal law requires them. If any plan assets remain after all accrued benefits are fully paid following the plan’s termination, the surplus assets will revert to Legacy.

The Pension Benefits Guaranty Corporation (PBGC) insures benefits under this plan. See the following Pension Benefit Protection section for more information.

Pension benefit protection

Benefits under the Pension Plan are insured (up to certain limits) by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. The 403(b) Savings Plan and 401(a) Employer Match are not insured by PBGC.

If the Pension Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits. The PBGC guarantee generally covers: normal and early retirement benefits; disability benefits if you become disabled before the plan terminates; and certain benefits for your
The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates
- Some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates
- Benefits that are not vested because you have not worked long enough for the company
- Benefits for which you have not met all of the requirements at the time the plan terminates
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan’s normal retirement age
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC’s Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026, or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC’s pension insurance program is available through the PBGC’s website at www.pbgc.gov.

**Glossary — Pension Plan**

The following are terms referenced in the previous pages that may be unfamiliar to you. Review these definitions for a better understanding of how the Pension Plan works. However, not all plan terms are defined here. More definitions are found in the plan documents, which are available upon request.

**Annuity** — Guarantees a stream of monthly income payments for life or a specified period of time.

**Benefit service** — You earn a year of benefit service for each calendar year in which you have at least 1,000 hours of service. Different rules apply for years before 1995; contact the HR Answer Center or refer to the Summary Plan Description in effect on Dec. 31, 2009, for details.

- If you have fewer than 1,000 hours of service in the year of your retirement, disability, or death while you’re a qualified employee of Legacy, you can earn a fractional year of benefit service equal to your credited hours of service divided by 1,000.
- If you are not a qualified employee when you earn your last hour of service in a year, you will not receive a year of benefit service for that year, even if you earned 1,000 or more hours of service for the year. However, you may receive credit for certain scheduled hours during a qualifying leave of absence.

No years of benefit service are credited for service with Physician and Surgeons Hospital or Managed HealthCare Northwest or as an employee in an ineligible category. No years of benefit service are credited for service with Holladay Park Medical Center before Oct. 1, 1985, or for service with Legacy Ambulatory Care Corp. before Jan. 1, 1993. Vesting service is credited for service with these entities. You must have been employed by Holladay Park Hospital on Oct. 1, 1985, to receive vesting service before that date.

**Fixed benefit** — A retirement benefit based on a set formula, providing you with a fixed amount at retirement, as opposed to being subject to market fluctuations.

**Hours of service** — (for the Pension Plan, effective Jan. 1, 2010) include:

- Hours, whether or not worked, for which you are directly or indirectly paid or entitled to payment, including periods for which you receive Legacy-sponsored disability, but not including hours for which you receive worker’s compensation, unemployment, or severance pay (except severance pay measured by applying a rate of pay to a period of time)
- Regularly scheduled hours for approved paid leaves of absence or unpaid leaves of absence
that are due to qualified military service or covered by the Family and Medical Leave Act of 1993 (FMLA)

- Hours covered by back pay award or agreement (unless already counted)
- Hours paid for upon (or after) termination of employment for vacation, holiday, layoff, sick leave, disability, or jury duty

**Interest credit** — An amount contributed by Legacy each year to your Pension Plan account, equal to 4 percent (subject to IRS regulations) on your previous year’s account balance

**Joint and survivor annuity** — Paid for the lifetime of the retiree and then for the lifetime of the spouse if the spouse is still alive when the retiree dies

**Legacy, or Legacy Health** — For the purposes of the Pension Plan, Legacy or Legacy Health means Legacy Health and any affiliate of Legacy Health who adopts the Pension Plan.

**Lump sum** — A single payment of the total value of the benefit

**Pay** — Your total wages reported on your Form W-2 before salary reductions. Reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation and welfare benefits are not included in this definition of pay.

**Pay credit** — An amount contributed by Legacy (from 3 to 7 percent of pay, depending on your years of benefit service) to your pension benefit in each year that you earn benefit service

**Portable** — Your right to take, upon leaving employment, the total of your vested account balance. Any vested benefits you may have in the 403(b) Savings Plan, the 401(a) Employer Match account, and the Pension Plan are portable.

**Qualified Domestic Relations Order (QDRO)** — A judgment, decree, or order that relates to child support, alimony payments, or marital property rights and satisfies certain requirements

**Qualified employee** — You are considered a qualified employee unless you are in one of these categories:
- A student, resident, intern or post-doctoral research fellow
- An employee covered under a collective bargaining agreement (CBA) that does not provide for participation in the plans, a participant in the plan(s) who becomes covered under a CBA that does not provide for participation in the plan(s), or who is under a CBA that is amended to provide for participation in another funded retirement plan (other than a plan maintained just for Legacy and its affiliates) will cease to be a qualified employee as of the date of coverage under the bargaining agreement provisions
- A chaplain covered by any another tax-qualified retirement plan to which an Employer contributes, other than the Legacy Health 403(b) Savings Plan
- A leased employee

**Single life annuity** — Paid only for the lifetime of one person (for example, the participant or surviving spouse)

**Single life annuity with 5 or 10 years guaranteed** — Monthly benefit payable for your lifetime; if you die before 5 or 10 years of monthly payments (depending on your election) have been made, your beneficiary will receive the remaining payments (up to and ending at 5 or 10 years).

**Vesting** — Your right to a plan benefit. Under the Pension Plan, you vest 100 percent after three years of vesting service (0 percent vested before three years).

**Year of service** — For the purposes of eligibility and vesting in the Pension Plan, a year of service is each year in which you have 1,000 or more hours of service, starting with the 12 consecutive months beginning with your first day of work and, after that, each calendar year (starting with the calendar year following your year of hire).
# Retirement program event summary table

## Retirement Program contacts

<table>
<thead>
<tr>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>General questions and eligibility</td>
<td>HR Answer Center, 503-415-5100 or 360-487-1031</td>
</tr>
<tr>
<td>403(b) Savings Plan 401(a) Employer Match</td>
<td>Lincoln Financial Group, 503-625-3394 or 800-234-3500, <a href="http://www.lfg.com/legacy">www.lfg.com/legacy</a></td>
</tr>
<tr>
<td>Pension Plan</td>
<td>Plan questions: Milliman, <a href="http://www.millimanbenefits.com">www.millimanbenefits.com</a> Applying for benefits: HR Answer Center, 503-415-5100 or 360-487-1031, M–F, 7 a.m.–6 p.m.</td>
</tr>
</tbody>
</table>

## Age-related events

<table>
<thead>
<tr>
<th>Age</th>
<th>What happens now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 21</td>
<td>401(a) plan — You have met the age requirement for participation in the 401(a) Employer Match Plan. 403(b) plan — If you are not enrolled in the 403(b) Savings Plan, now is a perfect time</td>
</tr>
<tr>
<td>Age 55</td>
<td>Traditional Pension plan only — You are eligible for early retirement provided you have at least 10 vested years of service.  • You are able to continue working for Legacy while you receive your vested retirement benefit.</td>
</tr>
<tr>
<td>Age 59½</td>
<td>403(b) plan — You are eligible to withdraw your contributions from the 403(b) Savings Plan without being subject to a 10% penalty on your withdrawal.</td>
</tr>
<tr>
<td>Age 62</td>
<td>Pension plan — You are eligible to start your early retirement benefit if you have 10 years of vested years of service and you continue to work at Legacy.</td>
</tr>
<tr>
<td>Age 65</td>
<td>You are eligible to start your normal retirement benefit, if you have a vested benefit.  • You must start receiving benefits if you are no longer an active employee with Legacy Health.</td>
</tr>
<tr>
<td>Age 70½</td>
<td>You are required to take an annual minimum distribution from the 403(b) Savings Plan, the 401(a) Employer Match Plan and the Pension Plan.</td>
</tr>
</tbody>
</table>

## Length-of-service events

<table>
<thead>
<tr>
<th>Event</th>
<th>What happens now</th>
</tr>
</thead>
<tbody>
<tr>
<td>After the 90th day of employment</td>
<td>403(b) plan — You are automatically enrolled in 403(b) Savings Plan. If you do not wish to participate in the program, you must complete and return the opt-out form within 90 days of hire.</td>
</tr>
<tr>
<td>One year of employment</td>
<td>You are automatically enrolled in the 401(a) Employer Match Plan.  • You must meet 401(a) Plan eligibility requirements to receive a match contribution.</td>
</tr>
<tr>
<td>Three vested years of service</td>
<td>You are 100% vested in the Pension Plan.  • A qualifying year of service is a calendar year in which you work 1,000 hours.</td>
</tr>
<tr>
<td>Five vested years of service</td>
<td>You are 100% vested in the 401(a) Employer Match Plan.  • A qualifying year of service is a calendar year in which you work 1,000 hours.</td>
</tr>
<tr>
<td>10 vested years of service</td>
<td>You are able to continue working for Legacy while you receive your retirement benefit.  • Traditional Pension plan — You are eligible to draw early retirement if you are between age 55 and 64. Your early retirement benefit is reduced approximately 5% (4% if you have at least 20 vested years of service) for each year you retire before age 65.  • Pension plan — You are eligible to draw early retirement if you are between age 62 and 64.</td>
</tr>
<tr>
<td>You wish to retire</td>
<td>At least 90 days before your anticipated retirement date, contact the HR Answer Center and ask to speak to a retirement specialist to discuss your options.</td>
</tr>
</tbody>
</table>

## Other events

<table>
<thead>
<tr>
<th>Event</th>
<th>What happens now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change your beneficiaries</td>
<td>403(b), 401(a) or 457(b) plans — Call Lincoln Financial Group or submit an updated 403(b), 401(a) or 457(b) plan beneficiary form.</td>
</tr>
<tr>
<td>Report a name or address change</td>
<td>Contact the HR Answer Center or submit an Employee Personal Information Change form.</td>
</tr>
<tr>
<td>Change the amount you are contributing to your 403(b) Plan</td>
<td>Call Lincoln Financial Group or go to the Lincoln Financial Group website.</td>
</tr>
<tr>
<td>Change your 403(b) and 401(a) investment choices</td>
<td>Call Lincoln Financial Group or go to the Lincoln Financial Group website.</td>
</tr>
</tbody>
</table>
Plan administration

Plan names and numbers

The following plans make up the Legacy Health Retirement Program:

• Revised Legacy Health Employees Retirement Plan
  Plan No. 001
  Defined Benefit Plan

• Defined Contribution Retirement Plan (commonly referred to as the 403(b) Savings Plan)
  Plan No. 002
  Defined Contribution Plan

• Tax Deferred Annuity Plan (commonly referred to as the 401(a) Employer Match)
  Plan No. 003
  Tax Deferred Annuity Plan

Employer and program sponsor

Legacy Health
1919 N.W. Lovejoy St.
Portland, OR 97209
503-415-5600

In addition to Legacy Health, the following employers have adopted the 403(b) Savings Plan, 401(a) Employer Match and Pension Plan:

• Legacy Emanuel Medical Center
• Legacy Good Samaritan Medical Center
• Legacy Visiting Nurse Association
• VNA Home Health
• VNA Health Services
• Legacy Meridian Park Medical Center
• Legacy Mount Hood Medical Center
• Legacy Clinics, LLC
• Legacy Salmon Creek Medical Center

An updated list of the employers that have adopted the plans may be obtained by participants and beneficiaries upon written request to the plan administrator and is available for examination at the office of the plan administrator.

Employer Identification Number

23-7426300

Plan administrator

Administrative Committee
1919 N.W. Lovejoy St.
Portland, OR 97209
503-415-5600

The plan administrator also serves as the Agent for service of legal process. In addition, service of legal process may be made on any plan trustee. The plan administrator has delegated many of the day-to-day administrative activities to independent third parties, managed by Human Resources. However, these third parties are not fiduciaries of the plans.

Plan trustee

Trustee Committee
George J. Brown, M.D.
Jeff Gordon
Jeff Gudman
Ron King
Sheryl Manning
Corliss McKeever
James Walker
Jack Winter
1919 N.W. Lovejoy St.
Portland, OR 97209

Plan Custodians

State Street Bank and Trust Company — 403(b) Savings Plan and 401(a) Employer Match
The Bank of New York Mellon — Pension Plan
Legacy Health always attempts to calculate benefits accurately. However, Legacy Health reserves the right to correct any inaccurate calculations, whether caused by a mistake of fact in the assumptions used to calculate the benefit or by error in the actual calculation.

If you are underpaid a benefit, Legacy Health will make up the amount to which you are still entitled. If you are overpaid a benefit, you will be required to arrange to repay the plan. This can be done in cash, reduction in future pay or reduction in future benefits.

Plan year

The plan year for all plans is Jan. 1 to Dec. 31.

Plan documents

Legal plan documents control the administration of each plan. The plan documents will determine your actual benefit. Plan documents are available upon request. See Your ERISA Rights for details on how to request a plan document.

Future of the plans

While Legacy Health intends to continue the Retirement Program, Legacy Health reserves the right to change and/or terminate any portion of the program at any time for any reason with our without notice (subject to any applicable collective bargaining agreement or bargaining requirement). A copy of the bargaining agreement is available from the plan administrator upon request.

Not a contract

The plans described in this summary plan description or this document itself in no way constitutes an employment contract or any part of a contract. They do not give you the right to continue your Legacy employment and do not limit Legacy’s right to discharge employees with or without cause.

Your ERISA rights

As a participant in the Legacy Health Retirement Program, you are entitled to certain rights and protection under the Employee Retirement Income Security Act (ERISA) of 1974. ERISA provides that all program participants are entitled to:

- Examine, without charge, at the plan administrator’s office and at other specified locations, such as worksites and union halls, all documents governing the plans, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plans with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plans, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series), and an updated Summary Plan Description. The administrator may make a reasonable charge for the copies.

- Receive a summary of the plans’ annual financial report. The plan administrator is required by law to furnish each participant with a copy of the annual funding notice.

- For the Pension Plan, obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The plan must provide the statement free of charge.

Prudent actions by Plan fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plans. The people who operate your plans, called “fiduciaries” of the plans, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person,
may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

**Enforce your rights**

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plans and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plans’ decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. If it should happen that plan fiduciaries misuse plan money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

**Assistance with your questions**

If you have any questions about your plans, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, at this address:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the EBSA toll-free publications hotline at 866-444-3272.