Penn Medicine
Lancaster General Health

LG Health Retirement Plans

Plan today for tomorrow's retirement

Make it happen!

Your Plan Guide

Contents

Welcome to the LG Health Retirement Plans

It is important to have a sound financial plan for life after work. Lancaster General Health/Penn Medicine gives you the tools you need to save optimally for retirement with the LG Health Retirement Plans. The Plans offer you a chance to live life on your terms after you've called it a career. They're among the best ways to save for a dignified retirement.

Take a few minutes to better understand the Plans, their features and benefits. A full-time, onsite retirement counselor, Mike Phyillaier, is on site daily, to answer questions about them and about retirement planning, in general.

Benefits of saving through the Plans:

- **Getting started is simple:** We automatically enroll you after 45 days of employment.
- **Ease of use:** Automatic payroll deductions make saving easy.
- **A choice of contribution types:** traditional pre-tax contributions and/or after-tax Roth contributions.
- **Additional contributions made by Lancaster General Health/Penn Medicine:** To help your savings grow faster, we'll make two kinds of extra contributions to your account.

Your contributions	+	Our matching contributions	+	Our basic contribution	=	A well-funded future

- **Investment options** help you build a sound portfolio or diversify by making a single decision.
- **Online tools and resources** help you save more and invest smarter:
  - **lghealthretire.org.** Manage your account, choose investments, and more.
  - **Contribution Accelerator.** Automatically raises your contribution rate by 1% a year until it reaches 10%.
  - **Retirement Income Calculator.** Learn how much income you'll need in retirement and what to do if you're not on track to reach that goal.
  - **Challenge Labs.** Understand and help overcome the obstacles that can stand in the way of preparing for your financial future.

We're happy to provide the tools that make it easy to start—and *continue*—saving. Now it's time for you to do your part. How much will you need to save today to retire with dignity tomorrow? Read this guide and log in to manage your account at lghealthretire.org. Then call Mike Phyillaier at **844-LGH-RET1** and select option #2 from the automated menu to talk more about setting your personal retirement strategy in motion.

To Use the Plans

Simply decide:

1. How much to contribute.
2. How to invest your money.
3. Whom to name as a beneficiary in case something should happen to you.

Sound complicated? It's easier than you might think.

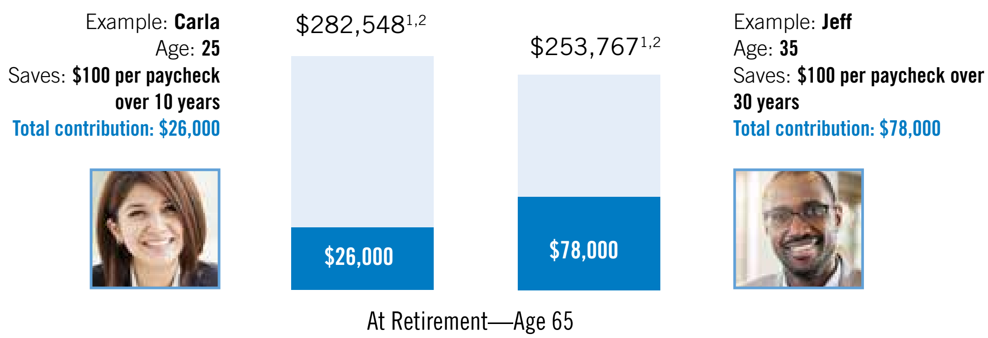
Starting Early Can Pay Off Big

The money you put into your account can grow, and the longer you save, the more growth potential you may have. The reason is compounding: Any earnings on your investments are reinvested and can generate their own earnings.

Here's what saving just $100 per paycheck, at a rate of return of 7%, could mean over time:

You save per paycheck	After 10 years	After 20 years	After 30 years
$100	$37,684[1]	$113,684[1]	$266,032[1]

The message is clear. Start saving as soon as you can, and give your money as much time as possible to grow. Even small contributions could grow into big amounts over time. Look at these hypothetical examples:



[1]Assumes biweekly contributions and a 7% annual growth rate. Numbers rounded to the nearest whole dollar. The compounding concept is hypothetical, for illustration only, and not intended to represent the performance of any specific investment, which may fluctuate. No taxes are considered in the calculations; generally withdrawals are taxable at ordinary rates. **You can lose money investing in securities.**

[2]Investment earnings are subject to federal and state taxes upon distribution.

Saving Made Simple

We've designed the Retirement Plans with features that can help you along your way to a well-funded future.

Enrolling

You will be automatically enrolled at a pre-tax contribution rate of 6% of your pay 45 days after your date of hire, unless you opt out or enroll on your own. Your contributions will be invested in a Vanguard target-date fund appropriate for your age, unless you choose otherwise.

Saving

Saving is convenient because your account contributions come out of your paycheck automatically. You can change or stop your contributions at any time.

Saving More Over Time

Experts say most people must save at least 10% of their pay to generate the income they'll need in retirement.* But increasing your contributions to reach 10% is one less thing you'll have to do. As a LG Health/Penn Medicine employee, you are automatically enrolled in Contribution Accelerator, a tool that increases your contribution amount by 1% a year until it reaches 10%. (You can change this automatic increase at any time.)

An important note about the default investments

The target date is the approximate date when investors plan to retire and may begin withdrawing their money. The asset allocation of the target-date funds will become more conservative as the target date approaches by lessening the equity exposure and increasing the exposure in fixed income type investments. The principal value of an investment in a target-date fund is not guaranteed at any time, including the target date. There is no guarantee that the fund will provide adequate retirement income.

A target-date fund should not be selected based solely on age or retirement date. Participants should carefully consider the investment objectives, risks, charges and expenses of any Fund before investing. Funds are not guaranteed investments and the stated asset allocation may be subject to change. It is possible to lose money by investing in securities, including losses near and following retirement.

* "How Much Should People Save?," Center for Retirement Research at Boston College, July 2014

Contributions

We offer two ways to save: pre-tax contributions and/or after-tax (Roth) contributions.

Pre-tax contributions are deducted from your pay before taxes are taken out. This could lower your current taxable income (and tax bill), so your contributions might not have as big an impact on your paycheck as you think: When you contribute $100 pre-tax, that full amount goes into your account—but your paycheck is reduced by only $75 (assuming a 25% tax rate).

The chart below shows various contribution amounts and their estimated tax advantages.

While you are working and saving, your contributions can grow and you won't owe taxes on pre-tax contributions (or their earnings) until you withdraw them, typically at retirement.

Gross pay per paycheck	$1,000	$1,200	$1,400	$1,500	$2,500
3% Contribution Amount	**$30**	**$36**	**$42**	**$45**	**$75**
Take-Home Pay Reduced by	$23	$ 27	$32	$34	$56
Estimated Tax Advantage	$7	$9	$10	$11	$19
6% Contribution Amount	**$60**	**$72**	**$84**	**$90**	**$150**
Take-Home Pay Reduced by	$45	$54	$63	$68	$113
Estimated Tax Advantage	$15	$18	$21	$22	$37
8% Contribution Amount	**$80**	**$96**	**$112**	**$120**	**$200**
Take-Home Pay Reduced by	$60	$72	$84	$90	$150
Estimated Tax Advantage	$20	$24	$28	$30	$50
10% Contribution Amount	**$100**	**$120**	**$140**	**$150**	**$250**
Take-Home Pay Reduced by	$75	$90	$105	$113	$188
Estimated Tax Advantage	$25	$30	$35	$37	$62
15% Contribution Amount	**$150**	**$180**	**$210**	**$225**	**$375**
Take-Home Pay Reduced by	$113	$135	$158	$169	$281
Estimated Tax Advantage	$37	$45	$52	$56	$94

Examples in the chart above assume a 25% tax bracket.

Pre-tax contributions might be right for you if you:

- Think your tax rate will be lower in retirement than during your working years.
- Want to benefit from potentially lower taxes while employed.
- Would rather pay taxes on your savings when you withdraw.

After-tax Roth contributions are deducted from your paycheck after taxes are deducted, so they reduce your take-home pay by the full amount of your elected contributions.

The advantage: If you meet certain requirements, the Roth money you withdraw, including any potential investment earnings, won't be taxable for federal income tax purposes.

Withdrawals of Roth contributions are free from federal income tax because you already paid tax on them. However, to avoid federal income tax on Roth earnings, your distribution must be "qualified": you must retain the account at least five years after making your first Roth contribution, and the withdrawals must begin after you reach age 59½.

If your withdrawal does not meet these qualifications, your accumulated Roth earnings, but not your Roth contributions, will be taxed.

Roth contributions might be right for you if you:

- Think your tax rate in retirement will be higher when you withdraw than when you contribute.
- Would prefer to pay current taxes on your savings now to avoid paying later.
- Are comfortable exchanging less take-home for potentially more retirement income.

	Your contributions are taxed…	Your earnings are taxed…	Your distributions are federal income tax-free…
Pre-tax contributions	At distribution	At distribution	No
After-tax Roth contributions	When made	Not taxed	Yes, if qualified

You can contribute up to 75% of your pay, within IRS limits, for pre-tax and Roth after-tax contributions combined. That's $18,000 in 2016—plus another $6,000 in "catch-up" contributions, if you'll be at least age 50 during the year, for a total of $24,000.

LGH Employer Contributions

To help you save, we will contribute money to your account—even if you don't.

- **Matching contributions:** After six months of service, we will add $0.50 for every $1 you contribute to your account (up to 6% of pay).
- **Basic contributions:** After six months of service, we will deposit the equivalent of 2% of your pay to your account—whether you contribute or not.

Vesting

Vesting refers to the portion of your account you own even if you leave our employment. You're always 100% vested in your own contributions (and any earnings). You fully vest in our contributions (and earnings) after three years of service.

A year of service is a calendar year of 1,000 or more hours worked.

Investing for Retirement

When it comes to investing, you want to maximize the potential for your money to grow while minimizing the risk of losing money.

Two important strategies can help:

- **Asset allocation**—Spreading your money across the major asset classes, or investment types, equities (stocks), fixed-income (bonds) and stable value (guaranteed) or "cash equivalents."
- **Diversification**—Spreading your money to different types of investments within a given asset class (stocks, bonds, cash equivalents). The investment offerings associated with the Retirement Plans offer a level of diversification: Each is a fund that invests in dozens, often hundreds of individual securities based on the fund's stated objective. This helps ensure that the fortunes of any one company or security won't have a large effect on the whole fund.

These strategies won't guarantee a profit or protect against loss—you can lose money by investing in securities—but they can help smooth your road to a more secure retirement.

However, you will need to decide which types of assets are right for your financial situation and goals. That decision could depend on how comfortable you are with market volatility (variation in the trading price of securities), and how many years you have to invest before you plan to begin withdrawing your money.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**

Types of Investment Options

Here's a closer look at the basic types of funds in the LG Health Retirement Plans:

Stocks/equities are shares of ownership in a corporation, and their value fluctuates depending on the company's current performance and future prospects. Generally, these funds have the potential for higher rewards, but with it comes higher risk.

Bonds/fixed-income investments are IOUs, or debt, issued by corporations or governments. In exchange for an investor's money, the bond issuer promises to repay the "loan" at a specified date and to make periodic interest payments. Generally, bond (and bond fund) prices rise when interest rates fall and vice versa. Typically, bond funds carry more risk than stable value, but have the potential for higher rewards.

Stable-value investments trade lower risk for potentially lower rewards. They generally invest in high-quality, fixed-income securities with short maturities, and guarantee returns over stated periods.

How to Choose Investments

When it comes to selecting investments, you can:

Build your own portfolio using the funds available in the plan. The enclosed fact sheets can help you choose.

Choose a target-date fund (one of the Vanguard Target Retirement Funds in the plan) based in part on your "time horizon," or how long until you'll need your money. Target-date funds hold a diversified mix of stock, bond and cash investments that grows more conservative as the target—usually the year in the fund's name—approaches.

Make it automatic with GoalMaker®—This optional asset allocation and rebalancing program helps you build and maintain a professionally-designed model portfolio of plan investments based on your investor profile.

Vanguard Target Retirement Funds

Because your situation will change over time, you should periodically review your asset mix to make sure it matches your goals and risk tolerance. You're never locked into a particular fund.

A one-fund approach to investing
Vanguard Target Retirement Funds can be an outwardly easy, inwardly sophisticated way to invest throughout your career and into retirement.

A single Target Retirement Fund can be a complete, diversified retirement portfolio.

How Target Retirement Funds work
Each target retirement fund invests in several low-cost Vanguard index funds to help create a broadly diversified mix of stocks and bonds. The year in a Target Retirement Fund's name is its target date, the approximate year in which an investor in the fund expects to retire and leave the workforce.

A Target Retirement Fund will hold more stocks the further it is from its target date, seeking stocks' high potential growth. Stocks also have the highest risk of loss. To reduce risk as the target date approaches, Vanguard's investment managers will gradually decrease the fund's stock holdings and increase its bond holdings. Bonds usually have a lower risk of loss, though they also have lower potential gains.

Keep in mind that a Target Retirement Fund is subject to the risks of its underlying funds. Its returns are not guaranteed, and investing in one does not ensure that you will have enough income in retirement. **(See: "Target Retirement Funds' Investment Mixes, Over Time," Page 10)**

How to choose a Target Retirement Fund
Consider the Target Retirement Funds with the target dates close to the year you plan to retire. If you haven't planned that far ahead, you can use the year you'll reach your full Social Security retirement age (65 to 67, depending on when you were born).

You don't have to choose the fund that matches your expected retirement year. Once you review that fund's mix of stocks and bonds, you could choose a fund with a later target date if you'd prefer a more aggressive investment mix. On the other hand, if you'd prefer a more conservative mix, you could choose a fund with an earlier target date. **(See: "Investment Mixes, by Fund," Page 10)**

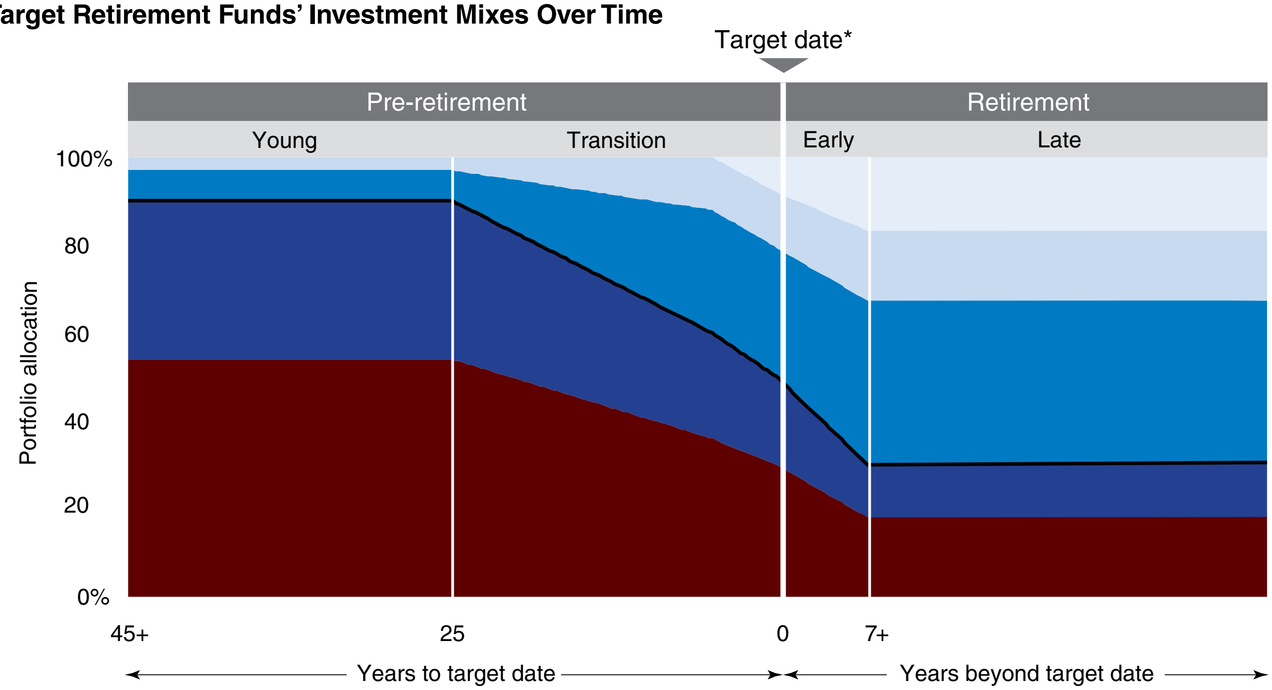
The target date is not the end
When a Target Retirement Fund reaches its target date the fund doesn't stop investing, and you don't need to take your money out of the fund. Target Retirement Funds are designed to keep your money invested appropriately throughout your retirement years. The gradual move from stocks to bonds simply continues.

About seven years after a fund reaches its target date, its investment mix is expected to match that of Vanguard Target Retirement Income Fund*, which seeks to provide current income and some capital appreciation to retirees.

The Income Fund still invests a portion of its assets in stocks. It may seem that stocks and their risks have no place in the portfolio of a retiree. However, keep in mind that retirement may last a long time. While continuing to invest in stocks does expose the Income Fund to market risk, the long-term growth potential of stocks can help your buying power to keep up with inflation.

*Registered mutual fund

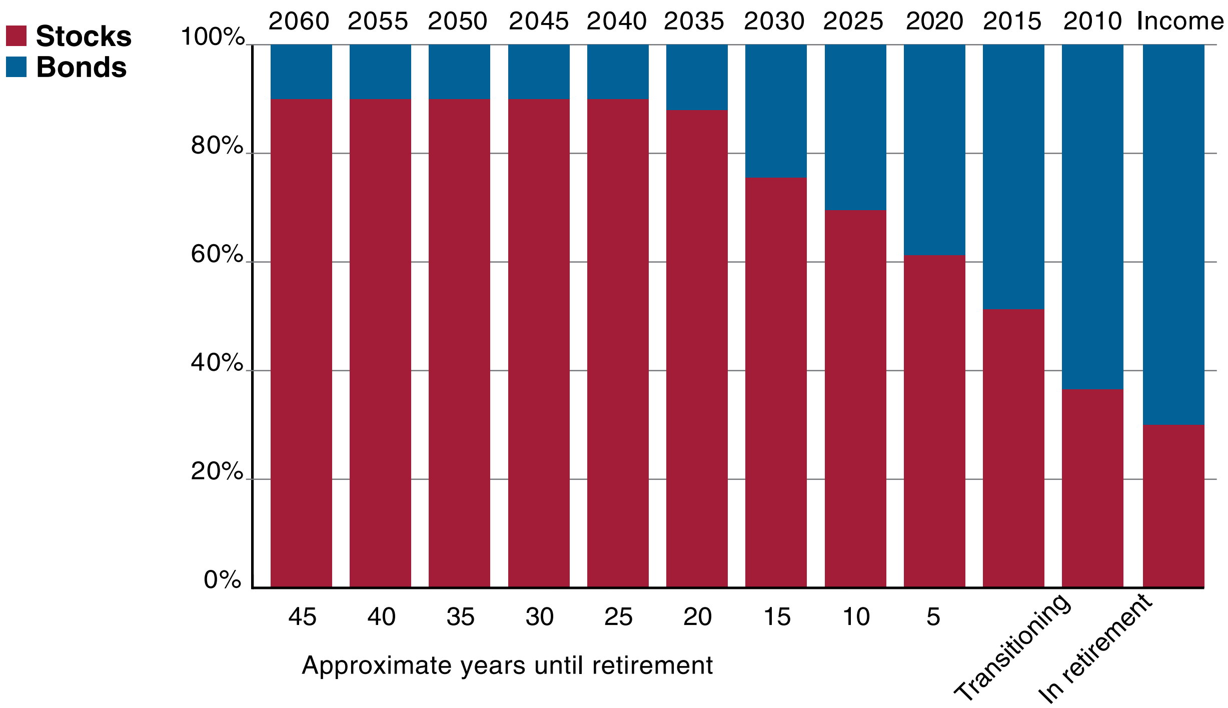
Target Retirement Funds' Investment Mixes Over Time



Source: Vanguard, 2016.

*Target date is the year stated in the fund name and assumes retirement at age 65.

Investment Mixes, by Fund



GoalMaker

For help building your portfolio on your own or with GoalMaker, follow these simple steps:

Step 1: Find your "investor style" (tolerance for risk) and years to retirement

What is your investor style?

Conservative investors are generally concerned about short-term ups and downs in the market and want to minimize risk and maintain principal.

Moderate investors are generally willing to sacrifice safety of principal for potentially greater returns and can tolerate modest market fluctuations.

Aggressive investors generally seek to maximize investment returns and can tolerate substantial market fluctuations.

Your Years to Retirement

Fill in these blanks to determine the number of years until you begin taking distributions from your retirement account.

Your expected age when distributions begin: ___________________

Minus your current age: ___________________

Your years to retirement: ___________________

Step 2: Determine your Investor Code

Use your answers from Step 1:

Find your investor style and circle the GoalMaker code letter next to it.		Find your years to retirement and circle its assigned number:	
Conservative	C	0–5 years	01
Moderate	M	6–10 years	02
Agressive	R	11–15 years	03

Write your combined code (e.g., M03, C02, R01, etc.) **here :** ___________________

Step 3: Choose your portfolio

On the next page, review the GoalMaker portfolio that matches your code to make sure the investment mix is appropriate for you.

Suggested Portfolio Options by Investor Code

Upon receiving your Investor Code (see above), find it in the chart below. If you want to choose your own investments, the result is a suggested mix of investments by asset class. If you want to use GoalMaker, the result shows how the program would invest your money when you sign up.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Of course, past performance of any investment does not guarantee future results. Prudential Financial encourages you to consider your other assets, income and investments when enrolling in the GoalMaker program. We also recommend you periodically reassess your GoalMaker investments to make sure your model portfolio continues to correspond to your changing attitudes and retirement time horizon. The GoalMaker model portfolios are subject to change, including the replacement of investment options and allocations within the model portfolios. You will be notified in writing in advance of such changes.

Features to help you stay on track

With GoalMaker's Automatic Rebalancing, your account will be rebalanced on a periodic basis to ensure that it matches your original GoalMaker portfolio. You can also choose automatic Age Adjustment. This optional feature gradually shifts your portfolio to a more conservative mix as you near retirement. Also, you can select a new portfolio at any time, without charges or penalties, as your goals and years to retirement change.

To enroll in the plan and select GoalMaker, go to **lghealthretire.org**, click "Access My Account" and follow the instructions.

Plan Fees

For administrative purposes, there is a $54 annual fee assessed to your account quarterly ($13.50/quarter). It's deducted on approximately the 15th business day in January, April, July and October.

What Else Do You Need to Know?

Name your beneficiaries!

This simple step ensures that if you should die, your account assets will go exactly where you want. If you don't have a beneficiary on file with Prudential, the plan—or the courts—will make that decision for you.* Make sure to name a beneficiary for each account you have with Prudential, and review/update your information any time your situation changes. You can designate beneficiaries on your plan website.

* If you're married and want to name someone other than your spouse as your primary beneficiary, you must complete and return a notarized spousal consent form, available online or by calling **844-LGH-RET1** (844-544-7381).

How to access your money

The Retirement Plans offer the following ways to access money in your account:

Loans—You may request one loan at a time from your account in a minimum amount of $1,000. A General Purpose loan must be repaid in five years; a loan to purchase a Primary Residency must be repaid in 15 years. Both loan types are subject to an interest rate of the Prime Rate + 1%.

Hardship withdrawal—You may request a hardship withdrawal to meet any of these immediate financial needs:

- Medical/dental expenses incurred by you, your spouse, your dependents or your primary beneficiary
- Purchase (excluding mortgage payments) of your principal residence
- Payment of tuition for the next 12 months of post-secondary education for you, your spouse or your children, dependents or primary beneficiary
- Payments needed to prevent eviction or mortgage foreclosure on your principal residence
- Payment of burial or funeral expenses for your deceased parent, spouse, children, dependents or primary beneficiary
- Expenses for the repair of damage to your principal residence due to a natural disaster

There can be serious drawbacks to taking money out of your Retirement Plans. For example, you won't be allowed to contribute to your account for the six months following your withdrawal or repay the money you withdrew and that will have a permanent effect on your account. So carefully weigh the pros and cons before making your decision.

Consider consolidation

If you have IRAs or qualified retirement accounts from previous employers, you may be able to transfer them into your LG Health Retirement Plans account. Among the potential benefits of consolidation:

Convenience—One statement, one website, one toll-free number to call, and one point of contact can simplify your financial life.

The big picture—Having all your retirement assets in one place can make it easier to manage your strategy.

Assistance—Your onsite retirement counselor is available to meet with you.

Potentially lower cost—Institutional pricing—a kind of volume discount—means the investment options in the Retirement Plans could have lower expenses than you might find on your own.

Rollover assets may be assessed fees or other surrender charges. Please contact current account provider for this information.

If You Leave Our Employment…

If you separate from service or retire, you can:

Leave your money in your account. If your balance is:

- Greater than $5,000: You can leave your money where it is, subject to a mandated minimum distribution (RMD) that will begin after you turn age 70½.
- $1,000–$5,000: Your balance will be rolled over to a Prudential IRA.
- Less than $1,000: Your balance will be distributed to you in a lump-sum payment.

Take a full or partial systematic withdrawal (periodic payments): You can receive monthly, quarterly or in semiannual or annual installment payments of equal amounts over a specified period of time (they cannot exceed your life expectancy).

Take a full or partial lump-sum withdrawal: You can withdraw some or all of your balance at once. However, if you're under age 59½, you may face a 10% IRS penalty for early withdrawal.

Roll over your balance to another eligible retirement program: If a new employer's qualified plan accepts rollovers, you can rollover your vested account balance.

Roll over your balance to an Individual Retirement Account (IRA): Note that you could face higher investment fees and may incur additional custodial fees you would avoid by leaving your assets in the plan. If you complete a direct rollover (from Prudential to the financial institution where you opened your IRA), you can maintain your money's tax-status and avoid mandatory withholding for federal income tax. Withdrawals generally are taxed at ordinary income tax rates.

Retirement Planning Tools

With Prudential Retirement, you'll have the tools you need to plan your financial future.

Personalize Help

Your full-time, onsite retirement counselor, Mike Phyillaier, can answer your Retirement Plans (and retirement planning) questions, by phone or in person.

Mike is a registered representative who has over 20 years' experience in the financial industry. He's passionate about helping people find ways to take charge of their budgets and make saving money, both for the short term and for retirement, a lasting habit.

Mike Phyillaier

Office: 844-LGH-RET1, option #2

Mobile: 717-617-7124

Email: michael.phyillaier@prudential.com

Online Account Access

The LG Health Retirement Plans website brings your accounts, plan information and resources and together in one place. Log in or register at lghealthretire.org to review your account, manage contributions and investments, use customized planning tools and more.

Retirement Income Calculator

Will you have enough income in retirement to cover all you want to do? Log in at lghealthretire.org and use the Retirement Income Calculator to:

- Discover how much income you'll likely need for the retirement you want.
- Learn if you're saving enough now.
- Create a plan to get—and stay—on track.
- Experiment with different strategies.

Take Action

We offer plan options that make it easy to save for the future.
Go to **lghealthretire.org** to do the following:

1. Get Started

Enroll in Your Plan

LG Health/Penn Medicine employees are automatically enrolled with a pre-tax contribution rate of 6%, within 45 days of hire (unless they opt out). But that doesn't mean you have to wait to start funding your future.

2. Get Online

Register Your Account

Set up your account online to manage your savings whenever, wherever, you have Internet access.

3. Get On Track

See what it takes to get retirement-ready

A successful retirement begins with a clear understanding of how to get there. The real-time Retirement Income Calculator can help you define your goals, tell you if you're on track to meet them—and show you what to do if not. Log in to your account and click "Get Started."

4. Get a Strategy

Invest in a way that makes sense for you

How you invest is the most critical factor in meeting your goals. Whether you're a do-it-yourselfer or prefer expert guidance, you'll find options to meet your needs. The Investment page of LG Health Retirement Plans website has the information you need.

5. Get Rolling

Simplify your financial life

Have other retirement accounts? Rolling them into your LG Health Retirement Income Account could offer a number of benefits, including:

Convenience—One statement, one website, one toll-free number to call and one point of contact make your savings easier to manage.

Onsite assistance—LG Health/Penn Medicine's onsite retirement counselor, Mike Phyillaier, is available to meet with you.

Potentially lower cost—You could face higher investment fees and may incur additional custodial fees that you can avoid by consolidating your assets into one plan.

Exciting mobile capabilities

Take control of your future with your smartphone or tablet. Log in to your account on your mobile device to review, monitor and manage your account any time, anywhere.

Take Action Now!

For personalized help or to enroll in our plan, the choice is yours:

In person: Contact your onsite retirement counselor, Mike Phyillaier, for one-on-one support in enrolling.

Office: **844-LGH-RET1**, option #2

Mobile: **717-617-7124**

Email: **michael.phyillaier@prudential.com**

Online: Go to **lghealthretire.org** and click "Access My Account"

By phone: Call Prudential: **844-LGH-RET1** (844-544-7381). Representatives are available weekdays from 8 a.m. to 9 p.m. ET

You should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus and, if available, summary prospectus contain complete information about the investment options available through your plan. Please call 844-544-7381 for a free prospectus and, if available, summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. **You can lose money when investing in securities.**

Shares of the registered mutual funds are offered by Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Prudential Retirement is a Prudential Financial business. Retirement Counselors are Registered Representatives of PIMS.

GoalMaker is an optional tool and available at no additional cost. GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

The Retirement Income Calculator is hypothetical, for illustration only and not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met.

Amounts withdrawn, except for qualified withdrawals from a Roth 401(k), are generally taxed at ordinary income tax rates. Amounts withdrawn before age 59½ may be subject to a 10% federal income tax penalty, applicable taxes and plan restrictions.

Neither Prudential Financial nor any of its affiliates provide tax or legal advice for which you should consult your qualified professional.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, or its affiliates. PRIAC is a Prudential Financial company.

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