



Lancaster General Health Retirement Plan Transition to Fidelity Frequently Asked Questions

This is a summary of questions and answers to help you understand the upcoming changes in administration for the Lancaster General Health Retirement Plans.

Overview

1. What is changing?

Beginning January 2021, The University of Pennsylvania Health System (UPHS) will move to Fidelity Investments® as our new retirement plan provider of administrative services for all UPHS defined contribution plans. For LG Health, that means that Fidelity will replace Prudential. We are also moving the administration of the closed defined benefit plan for LG Health to Fidelity on February 1, 2021.¹ Fidelity is a top-tier retirement plan provider that is able to support your financial wellbeing.

Your retirement benefits will remain virtually the same as they are today. The employer contribution and vesting rules will not change. You are always fully vested in any contributions you make to the Plan(s).

The defined contribution plans will merge into the applicable University of Pennsylvania Health System retirement plans as listed below:

- The **LG Health Retirement Income 401(k)** will merge into **The Retirement Contribution and 403(b) Matching Plan of the University of Pennsylvania Health System**, which holds company contributions
- The **LG Health Retirement Income 403(b) Plan** will merge into **The University of Pennsylvania Health System 403(b) Retirement Savings Plan**, which holds employee contributions

2. Why are we making this change?

We made this decision to move to Fidelity after much due diligence – following a very careful and thorough analysis, we determined that Fidelity was the best fit.

This is a move toward one Penn Medicine and supports our efforts to lower participant fees (your cost to participate) and streamline administrative tasks. It will also allow you to keep your retirement savings intact, even if you move from one entity at Penn Medicine to another.

We are a large organization with many career opportunities and having consistent retirement benefits administration across all of our locations and entities makes it easier for employees to move between locations.

3. When will the change take place?

The effective date of the transition from Prudential to Fidelity is January 4, 2021 for the LGH Retirement Plans and February 1, 2021 for the LG Health Defined Benefit Plan.

4. *What changes are occurring with the Defined Benefit Plan?*

Effective February 1, 2021, Lancaster General Health will be transitioning administrative services for the LG Health Defined Benefit Plan from Prudential to Fidelity. There is no action required on your part for this transition. This change is being made to align the administrative services for all of the LG Health Retirement Plans under the same service provider. ²

The Blackout Period

5. *Will my retirement plan account access be restricted during the transition?*

Yes. Prior to and briefly following the actual transition there will be a period of time during which you will not have access to your current retirement plan account(s). This period is referred to as the “blackout period” and is necessary to allow time for Prudential to prepare its records for the transition to Fidelity and then for Fidelity to reconcile these records to establish your accounts on its system. The blackout period will begin at Prudential on Dec. 22, 2020, at 4 p.m. ET and is scheduled to end the week of January 17, 2021.³

During the blackout period, you will be unable to:

- Initiate any transactions that would trigger the liquidation of or purchase of assets within your plan account(s) (including investment election changes, loans, hardship withdrawals, in-service withdrawals or distributions).
- Change future contribution elections.
- Access your account(s) for balance or other inquiries.

Because you will be unable to change investment direction of plan balance(s) during the blackout period, it is very important that you review your current investments and make any desired changes before the blackout period begins.

Note: You will not have access to your account at Fidelity until the blackout period ends the week of January 17, 2021, nor will Fidelity representatives have details specific to your account during this time.

6. *How can I access my account at Fidelity after the blackout period is over in January 2021?*

Once the blackout period is over the week of January 17, 2021, you can start managing your account on Fidelity NetBenefits® at www.netbenefits.com/uphs. You will also be able to call Fidelity at 800-343-0860 for assistance.

Plan Features

7. *Will my current employee contribution elections move to Fidelity?*

Yes, your employee contribution elections, both pretax and Roth, within the Plan(s) will carry over to Fidelity.

8. Will this change affect the current employer contributions or vesting rules?

No. The employer contributions and vesting rules will not change. You are always fully vested in any contributions you make to the Plan(s) and employer contributions continue to be subject to the vesting schedule in the Plan(s).

9. Will there be any changes to the current available investment options?

Yes, there will be changes to the investment line-up for the Retirement Plans and this will be outlined in the *Transition Guide* that will be mailed to your home in November. There will be an investment election window, where you will have the opportunity to review and choose investment options in your Plan(s).

10. When is the investment election window?

The investment election window will be open from November 30 through December 21, 2020.

11. What happens if I don't make an investment election?

Your balance will automatically be transferred to a Vanguard Institutional Target Retirement Fund based on your date of birth (the Vanguard Institutional Target Retirement Funds are the Plan's default investment option).

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

If your balance is defaulted to a Vanguard Institutional Target Retirement Fund as part of the transition and you would prefer other investment elections, you will be able to make changes to your investments when the transition is complete.

12. Will there be a self-directed brokerage option available at Fidelity?

Yes. When the market closes at 4 p.m. ET on December 22, 2020, the self-directed brokerage account at Prudential through Wells Fargo will no longer be available. As a result, current account balances held in self-directed brokerage accounts will transfer to a Fidelity BrokerageLink® account on or about January 4, 2021. If you have a self-directed brokerage account, you will receive a separate communication with the details on your brokerage account transfer

13. Will my beneficiary election move to Fidelity?

Current beneficiary designations on file at Prudential are not being transferred to Fidelity. You will need to designate your beneficiaries at Fidelity beginning November 30, 2020.

If you do not have a named beneficiary at the time of your death, your beneficiary will be your spouse. If you do not have a named beneficiary at the time of your death and you do not have a spouse, your beneficiary will default to the following hierarchy: children, siblings, parents, and

then your estate.

14. What will happen to my outstanding plan loan because of this transition?

Any outstanding plan loan balances at Prudential will transfer to Fidelity. The transition will not affect the terms or length of your loan(s). If you currently have an outstanding plan loan and payments are made via payroll deduction, your loan payments will continue to be automatically deducted during the blackout period as well as after the transition to Fidelity is complete.

If you are a terminated participant with a plan loan balance and you are currently making payments via coupon or ACH payments, you will need to establish a new arrangement with Fidelity in order to prevent your loan from defaulting. You have the option of establishing ACH payments to Fidelity in order for your loan payments to continue after the transition. A separate communication will be sent in January with additional details. Loan repayments currently made via ACH through Prudential will not continue during the blackout period, so it will be important to plan to make up any missed payments once the blackout period ends the week of January 17, 2021.

15. My spouse/colleague/friend no longer works here, but still has assets in the plan. Does this also affect them?

Yes. This will affect all participants (current and former employees, beneficiaries, alternate payees, etc.) that have assets in the plan and all participants will receive communication detailing the transition and what they can expect.

Additional Information

16. When will we learn more about the move to Fidelity?

More details will be provided throughout the transition period, including a complete *Transition Guide* scheduled to be mailed to your home in mid-November. Please also be on the lookout for postings related to Fidelity-hosted online (live or on-demand) transition workshops to help guide you and answer any questions you may have. You are also invited to schedule a one-on-one consultation with a Fidelity representative who can walk you through the changes and help with account specific questions. Fidelity Retirement Planners will be available for one-on-one appointments online or over the phone. **Refer back often for updates on the dedicated transition website at www.myfidelitysite.com/lgh.**

Before investing in any mutual fund, consider the investment objectives, risks, charges and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Investing involves risk, including risk of loss.

The frequently asked questions provide only a summary of the main features of the Lancaster General Health Retirement Plans, and the Plan documents will govern in the event of any discrepancies.

¹ Defined benefit plans provide a fixed, pre-established benefit for employees at retirement.

² The Defined Benefit Plan was closed to new Employees and rehired Employees effective December 31, 2010.

³ The exact timing of the plan changes and transition period, including any asset reallocations, described within this brochure depends on a variety of factors, which may include the timing and accuracy of the transfer of data between Prudential and Fidelity, receipt of instructions and receipt of assets. Changes in any of these factors may result in changes to the timing of the delivery of services, the transition period, and/or the dates on which, and thus the prices at which, assets in your account are sold and/or reinvested.