



Retirement Readiness – *Your Guide to Retirement*

Your Retirement Timeline – It’s important you begin planning for that special date well in advance of when you’ll actually retire. Here is a recommended schedule you should follow for planning your retirement date.

DATE	TO-DO
Three months prior to retirement date	Select your official retirement date – it should fall on the first of the month after your last day of work. Visit www.netbenefits.com or call the Fidelity Benefits Service Center at 800-343-0860 to review an estimate of your University of Pennsylvania Health System Pension Plan benefit (if eligible).
60 to 30 days prior to retirement date	Visit www.netbenefits.com or call the Fidelity Benefits Service Center at 800-343-0860 to apply for your University of Pennsylvania Health System Pension Plan benefit (if eligible). Schedule a one-on-one appointment with George Christiani, your Fidelity Workplace Financial Consultant to discuss your retirement and to review distribution options for your UPHS Retirement 403(b) and/or 401(k) Plans.
Within 30 days after your date of retirement	Make your University of Pennsylvania Health System Pension Plan payment election (if eligible).

How Do You Envision Your Retirement?

We recognize that no two retirements are alike. Everyone has a different idea of how they want to spend their time after they stop working. **The following are key considerations for anyone heading into retirement:**

Meet With George Christiani for a Retirement Income Planning Session

George Christiani, your dedicated Fidelity Workplace Financial Consultant, is a licensed professional, experienced in helping people plan for their financial futures. George can help you create a retirement plan to meet your goals. Invite your spouse or planning partner to join, as your retirement plans should work together to reach your collective goals.

George has daily one-on-one appointments available. He is at Lancaster General Hospital, in the Retirement Office on the ground floor of the Downtown Pavilion on Mondays and Wednesdays each week for in person one-on-one consultations. Otherwise, George offers virtual and phone appointments daily. Visit www.fidelity.com/schedule or call **800-642-7131** to schedule your consultation today. When scheduling your appointment, be sure to enter Lancaster General Health as your employer, then select virtual or in-person.



Get Your Financial House in Order

You've built up lots of different accounts and assets over the years. So, before you move into retirement, it's a good idea to find all your accounts and get them organized by creating your financial blueprint. And don't forget to address any debt you carry. Certain debt can be good to have, but as you move closer to your retirement years, less debt is usually better.



Your Penn Medicine - Lancaster General Health Retirement Income Sources:

- 1 The UPHS 403(b) Retirement Savings Plan:** The 403(b) plan at Fidelity Investments that you've made employee contributions to.
- 2 The UPHS Retirement Contribution Plan:** The retirement plan at Fidelity Investments that UPHS – Lancaster General has made contributions to on your behalf.
- 3 The University of Pennsylvania Health System Pension Plan (if eligible):** You can begin receiving benefits once you've reached the Normal Retirement age, or a reduced benefit for an early retirement age. *See "Special Note" on page 4 for additional details.

How Do You Envision Your Retirement? (continued)



Create a Retirement Income Plan

It starts with an inventory of all your expenses and income sources you'll have in retirement. This gives you a good view of whether you'll have sufficient income in retirement. It's also important to visualize your retirement lifestyle:

- Not only when will you retire but **where?** Do you plan to stay in your home, or will you downsize or move?
- What will you be doing? Do you plan to travel, or will you be sticking close to home caring for grandchildren?
- Who will you be with? Are you doing this by yourself, or with a spouse or partner? If you're planning with a spouse or partner, you'll also want to consider these important questions: Are you both retiring at the same time? How will your spouse or partner's savings, retirement benefits, and income sources affect your overall plan?

Visit the **NetBenefits® Planning Summary** at www.netbenefits.fidelity.com/planningsummary to create your Retirement Income Plan today!



Your University of Pennsylvania Health System Pension Plan Benefits

To learn more about your University of Pennsylvania Health System Pension Plan, please review the *Summary Plan Description (SPD)* found online via www.lghealthbenefits.com.



How to Apply for Your Pension Plan Benefits:

Step 1 Visit www.netbenefits.com or call Fidelity Benefits Service Center at **800-343-0860** to request your University of Pennsylvania Health System Pension Plan benefit package. Upon outreach to Fidelity and requesting a retirement election kit, you will receive the retirement package at your home address.



The Package Will Include the Following:

- 1 An outline of your benefits payable from the University of Pennsylvania Health System Pension Plan, including payment types available.
- 2 The personal data that is being used to calculate your pension benefit.
- 3 If you are married the outline will include both your benefit amount and the benefit your spouse will receive in the event of your death.
- 4 All of the forms necessary to apply for your pension benefit.

Step 2 Once you received and reviewed your package and confirmed you are ready to retire, complete all forms within the package and return the forms to the Fidelity Benefits Center.

Step 3 Payment(s) will begin approximately four to six weeks after all completed forms have been received for processing, but not earlier than your benefit commencement date.

Step 4 When you receive your first Pension Benefit, please review the deposit slip carefully to ensure its accuracy. If you have questions, please contact Fidelity Investments at **800-343-0860**.

Special Note:

When you reach age 65 you may be eligible to begin taking a portion of the pension benefit while still working for Penn Medicine/LG Health. This is called an in-service distribution from the Plan. You may elect an in-service distribution of the pension amount that has accrued in the Plan through December 31, 2010.



If you decide to take an in-service distribution, when you separate from employment with Penn Medicine/LG Health, your remaining pension benefit will be re-calculated. Please know that based on the length of time you collect your in-service distribution, as well as other factors, you may not realize an increase in your payments when you retire.

Pension Benefit Payment Types

- **Single Life Annuity:** If you elect this option, you are taking your benefit from the Plan as a single life annuity. You will receive a fixed monthly payment until you die. No benefits will be paid after your death. This is the normal form of payment for an unmarried participant. A single life annuity offers a predictable source of income, but since your payment amount is fixed over your lifetime, it may not keep up with inflation.
- **Joint & Survivor Annuity:** If you elect one of these options, you are taking your benefit from the Plan as a joint & survivor annuity. You will receive a fixed monthly payment until you die and a portion of your benefit (50%, 75% or 100%) will be payable to your surviving spouse. The amount of your benefit is reduced to provide a continuing benefit after your death. You elect the percentage of your benefit to continue to your spouse at the time you start your benefit. If your spouse predeceases you, benefits will continue for your lifetime only. No benefits will be paid to another beneficiary after your death.
- **Qualified Joint and Survivor Annuity:** If you are married at the time your pension benefits commence, the automatic form of pension is a special type of joint and survivor annuity known as the Qualified Joint and Survivor Annuity. The Qualified Joint and Survivor Annuity is an annuity payable during your lifetime with a continuation life annuity payable to your spouse upon your death that is equal to 50% of the payment that was made during your lifetime. **IMPORTANT NOTE:** If you are married and elect a payment option other than the automatic form, it is your responsibility to provide your spouse with the benefit amount that they would otherwise be entitled to under the automatic form of payment. Your pension will automatically be payable in this manner unless you elect to receive another form of payment and you obtain your spouse's consent.
- **10 Year Certain & Continuous Annuity:** If you elect one of these options, you are taking your benefit from the Plan as a certain & continuous annuity. You will receive a fixed monthly payment until you die. If you die before the end of the certain period, the same benefit amount will be payable to your surviving spouse (or other beneficiary) until the end of the certain period. If you die after the end of the certain period you elected, no further benefits are payable.



Your Penn Medicine - UPHS 403(b) Retirement Savings Plan and The UPHS Retirement Contribution Plan

The UPHS 403(b) Retirement Savings Plan and The UPHS Retirement Contribution Plan are held at Fidelity investments. You may begin taking distributions from the plans (including your vested employer contributions) when you retire. You are always 100% vested in your contributions, as well as any earnings on them. Employer contributions made on your behalf will be fully vested when you have completed 3 years of service, working 1,000 hours or more each year.

UPHS Retirement Plan Distribution Options:



- **Full Payout:** A full payout allows you to choose what to do with your assets: how much to withdraw for cash and how much to roll over or move to an account.
- **Partial Payout:** A partial withdrawal lets you withdraw up to a specified amount of your savings at a specific date.
- **Automatic Withdrawals:** You can establish a series of ongoing withdrawals based on the calculation and frequency you choose.
- **RMD Payments:** Generally, a required minimum distribution (RMD) is a yearly mandatory withdrawal from tax-deferred retirement accounts that starts when you reach the age of 73¹. If you are looking to receive more money than what is available from your RMD you will need to first take this withdrawal and return at a later date to take the remainder through another transaction.
- **RMD Automatic Withdrawals:** Automatic Withdrawals, sometimes referred to as Systematic Withdrawals or Installment Payments, that total your required RMD for the given year.

For more information on these plans visit www.netbenefits.com/UPHS or call **800-343-0860**.



Understand Social Security

A key element to most everyone's retirement income plan is Social Security, and for most people, Social Security will be the foundation of their retirement income.



Some Key Factors to Social Security:

- Your exact amount depends on your earnings history and when you claim.
- Spouses are eligible for Social Security income, even if they never worked outside the home.
- Divorced individuals are also eligible for Social Security benefits on their ex's record, but only if they meet certain rules.

Qualifying for Social Security

- 1 You worked for a "covered" employer—A "covered" employer is one that pays Social Security taxes to the government. Lancaster General Health is a covered employer.
- 2 You've earned at least 40 "credits"—You earn credits by working. One credit is earned each quarter for a certain dollar amount of wages. You can earn up to four credits per year (one per quarter) and credits can come at any time during your working career. Credits don't need to be earned for consecutive years of employment.
- 3 You are at least 62 years of age. You must be at least 62 years old to start claiming benefits. Full Retirement Age (FRA) ranges from age 66 to 67 (see the chart below for further details). Waiting until age 70 yields the maximum benefit.

IF YOU WERE BORN IN...	YOUR FULL RETIREMENT AGE IS...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years

Understand Social Security (continued)



Why Is It Better to Wait Until You've Reached Full Retirement Age?

Your benefit is calculated based on Full Retirement Age, and is adjusted up or down based on your age when you claim. While you're eligible to start claiming Social Security at age 62, in order to receive the full Social Security payout, you must wait until you reach Full Retirement Age before claiming. You may have compelling reasons to start claiming before Full Retirement Age, but you should consider the following:

Disadvantage: If you claim your Social Security benefit before you reach Full Retirement Age, you will receive a permanently reduced benefit amount.

Advantage: If you decide to wait until Full Retirement Age to claim, your benefit will increase each year until you reach age 70.

Use Fidelity's Social Security Calculator to find out when you should claim Social Security visit www.fidelity.com/whentoclaimSS.

You can could also claim Social Security based on:

- Your spouse's work record (even if this is an ex-spouse) or
- Your deceased spouse's work record (even if this is an ex-spouse)

In some instances, claiming a Social Security benefit based on a spouse's work record can yield a larger monthly payment.

You can request an estimate of your Social Security Benefit amount by visiting www.SSA.gov.

My Social Security is a secure area on the www.SSA.gov site that contains your personal work record and your most current Social Security statements. It only takes a minute to set up a password so that you can access your account and statement.



Plan Healthcare Carefully

Keep in mind that prescription medications or other medical expenses may no longer be covered by your employer or insurance, so investigate how your health coverage needs may be impacted after you retire. If you plan to retire before age 65, you'll need to think about how to bridge the health care coverage gap until you're eligible for Medicare.



What Is Medicare?

Medicare is a federal health insurance program for people aged 65 and older. Medicare coverage is individual. If you have a spouse, he or she will not be covered by your Medicare plan and is required to enroll on his or her own at age 65 or later, if he or she is still working and covered by employer coverage.

What Does Medicare Cover? Different parts of Medicare cover different services.

Part A: Hospital Insurance. It covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. This coverage is generally at no cost if you or your spouse worked and paid Medicare taxes for at least 10 working years, or 40 quarters. Although there are generally no premiums, you will have to pay an annual deductible and a portion of expenses for hospital visits lasting longer than 60 days, or nursing home stays beyond 100 days.

Part B: Medical Insurance. It covers certain doctors' services, outpatient care, medical supplies, and preventive services. There is a monthly premium for this coverage, set by Medicare each year. Premiums are based on your income, as reported on your prior year's tax return. You will have to pay an annual deductible, and some services require that you pay a percentage of the charges, or a copayment approved by Medicare. If you're already collecting Social Security, payment for Part B coverage is deducted directly from your Social Security checks.

Once you're enrolled in Part A and Part B, you can also purchase private insurance to cover some or most of your out-of-pocket Medicare expenses. This is called Medigap. It's important to note that if you buy a Medigap plan, you are still required to pay your Part B premiums.

Part C: Medicare Advantage Plans. These Plans are made available through private insurance companies approved by Medicare. Medicare Advantage includes a variety of private health plans—most often Health Maintenance Organizations, also known as HMOs, and Preferred Provider Organizations, also referred to as PPOs—that private companies offer as alternative coverage for the traditional Medicare program.

If you purchase a Medicare Advantage plan (Part C), you'll receive your Medicare Part A and Part B coverage from your Medicare Advantage plan, not through original Medicare. Medicare Advantage Plans cover all Medicare services. Many Medicare Advantage plans also offer extra coverage such as vision, hearing, and/or dental coverage. Some Medicare Advantage plans also include prescription drug coverage.

Part D: Prescription Drug Coverage. Prescription drug coverage is not included in the original Medicare Parts A and B, or Medigap supplemental policies. So, unless you have this coverage elsewhere—or it's already included in a Medicare Advantage plan (also known as Part C)—you may want to think about buying a Medicare Part D policy to help pay for your prescription medications. Medicare will pay part of the costs of prescription drug coverage for everyone who enrolls in a plan. How much you pay will depend on which prescription drug plan you choose, and whether you qualify for assistance to pay for this coverage.

Even if you're relatively healthy at age 65 and don't take any prescription drugs, it makes sense to sign up for Medicare Part D because there could be penalties for enrolling late for Part D coverage.

Plan Healthcare Carefully (continued)



Medicare Deadlines: If you are already receiving Social Security benefits at age 65, you will be automatically enrolled in Medicare Parts A (hospital insurance) and B (medical insurance) with coverage generally starting the month you turn 65. However, if you haven't claimed Social Security by age 65, you will need to sign up for Medicare when you become eligible. You can first sign up for Medicare Parts A and B during the seven-month initial enrollment period that begins three months before the month you turn 65. If you enroll in Part A and/or Part B the month you turn 65, or during the last three months of your initial enrollment period, the start date for your Medicare coverage may be delayed.

Regardless of how you get Parts A and B, you must sign up for Part D if you want prescription drug coverage. If you prefer, you can sign up for a Medicare Advantage Plan (Part C), which replaces Parts A, B, and often D.

If you don't enroll in Medicare during the initial enrollment period around your 65th birthday, you can sign up between January 1 and March 31 each year thereafter for coverage that will begin on July 1. However, you could be charged a late-enrollment penalty when your benefit starts. For example, if a penalty applies, monthly Part B premiums increase by 10 percent for each 12-month period you delay signing up for Medicare, after becoming eligible for benefits.

Please Note: Lancaster General Health has determined that your current employee prescription drug coverage through LG Select is equivalent or greater value than the standard Medicare Part D coverage. Such coverage is considered "creditable coverage" under Medicare Part D and we are required to notify you that your current coverage is considered creditable coverage. If you enroll in any one of the new Plans offered by Medicare, you may need to provide a copy of your LG creditable coverage notice. You may request a copy of this notice at any time from the Lancaster General Health Benefits Department (LGH-benefits@pennmedicine.upenn.edu).

For more information about Medicare visit www.medicare.gov or call the Social Security Administration at **800-772-1213**, 8:00 a.m. – 7:00 p.m. Monday through Friday.

Additionally, LG Health partners with a local advisor named Steve Hohenwarter from Assets & Insurance Management to assist employees/retirees, with Medicare questions. Steve can be reached at **717-575-5227** or by email: Steve@AIMadvice.com



Plan Healthcare Carefully (continued)



COBRA: Upon your retirement your healthcare coverage will end at 11:59 p.m. on the last day of the month in which you retire. As a retiree you may continue your group health coverage through COBRA for up to 18 months after you retire. Your cost for COBRA coverage is the full premium amount plus an administrative charge of 2%. COBRA is not available for those who have become eligible and are enrolled in Medicare coverage at time of retirement. Please review the Lancaster General Health Benefits Plan Summary Plan Description (SPD), found online via the Lancaster General Intranet site, www.lghealthbenefits.com or request via email at LGH-benefits@penntermedicine.upenn.edu. Please note that Medical, Dental, and Vision benefits will all cease at your date of retirement unless you've enrolled in COBRA.

Health Savings Accounts: Employees with a Health Savings Account will retain the assets within the account upon retirement. After LG Health employment ends, you may still directly contribute to your HSA as long as you are covered by an HSA-qualified High Deductible Health Plan (HDHP) and are not yet enrolled in Medicare. For more information contact Health Equity at **866-346-5800** or www.healthequity.com.

Paid Time Bank: If an employee would like to receive payment for any time remaining in their Paid Time Bank, a 2 or 4 week notice is required to receive payment (Refer to the Separation of Employment and Paid Time Off Policies on StarNet). Remaining PTB will be paid out in the pay date following the employees last regular paycheck.
Please note: Holiday or STD balances will not be paid to employees upon separation from service.

Life Insurance Portability: If you wish to convert your life insurance coverage, please contact Securian within 30 days of retirement. Securian Life Insurance **800-843-8358** or www.lifebenefits.com.



Have More Questions? Schedule a One-on-one Consultation.

George Christiani is your dedicated Workplace Financial Consultant, experienced in helping people plan for their future and can assist with all your retirement planning needs! Visit www.fidelity.com/schedule or call **800-642-7131** to schedule your appointment today. When scheduling your appointment, be sure to enter Lancaster General Health as your employer, then select virtual or in-person.



Penn Medicine
Lancaster General Health

Investing involves risk, including risk of loss.

¹The change in the RMDs age requirement from 72 to 73 applies only to individuals who turn 72 on or after January 1, 2023. After you reach age 73, the IRS generally requires you to withdraw an RMD annually from your tax-advantaged retirement accounts (excluding Roth IRAs, and Roth accounts in employer retirement plan accounts starting in 2024). Please speak with your tax advisor regarding the impact of this change on future RMDs.

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