



ROCHESTER REGIONAL HEALTH TRANSITION TO FIDELITY

2017 FAQ

Q1. Why is Rochester Regional moving my 401(k), 403(b) Plan to Fidelity?

A1. The intention of this transition is to provide all employees and plan participants across Rochester Regional Health with a common service provider that can deliver a range of investment options, easy-to-use learning resources, and lower overall investment fees and expenses, as well as world-class customer service.

Q2. Will this transition change my retirement benefits?

A2. This transition will not affect frozen or active defined benefit pension plans in which you may be a participant, in any way. Additionally, the benefit level of any 401(k) or 403(b) plans in which you may be a participant will not be affected. This means that any material plan provisions (i.e., matches, where applicable) will remain the same. The key change associated with this transition is simple: the underlying service provider(s) that tracks your assets and provides financial education will now be consolidated under Fidelity.

Q3. Will the amount I can save each year be affected?

A3. No, the annual IRS maximum remains \$18,000 for 2017, and if you will be at least age 50 during the year, the Plan allows you to defer an additional \$6,000 as catch-up contributions, for an annual total of \$24,000.

Q4. Will my contributions continue during the transition period?

A4. Yes, your contributions will continue through payroll deductions during the transition; the monies will be directed to your selected investment options at Fidelity.

Q5. What will happen to my elected deferral amount?

A5. Your elected deferral amount will transfer to Fidelity. Beginning the week of July 16, 2017, you can log on to NetBenefits at fidelity.com/atwork to make deferral changes. If you currently have a flat dollar amount contribution, that amount will be converted to a percentage deferral amount.

Q6. Why does my deferral amount have to be a percentage?

A6. Fidelity offers a wide range of retirement planning services through their website, and in order to utilize these tools, the deferral amount must be a percentage.

Q7. What will happen to my current investment allocations?

A7. Your current investment allocations will not transfer to Fidelity. Plan participants will have an opportunity to direct their assets to the newly streamlined fund line-up between June 5, 2017 and July 2, 2017. If a participant does not make an active election, all assets will be directed to the Plan's default investment option, the Vanguard Target Retirement Fund Institutional Shares.

Q8. How will my money be transferred (mapped) over to Fidelity?

A8. You must make an investment election at Fidelity to direct where you wish your account balances to be transferred. If you do not make investment choices during the transition period (between June 5, 2017 and July 2, 2017), your current account balances and future contributions will be directed to the Plan's default investment option, the Vanguard Target Retirement Fund Institutional Shares.

Q9. What will happen to my account balances?

A9. All account balances in the United Memorial Medical Center 403(b) Plan, Rochester General Health System 403(b) Plan, Clifton Springs Hospital & Clinic 401(k) Plan, and Unity Health System 401(k) and 403(b) Plans will transition to the Rochester Regional Health 401(k) or 403(b) Plan.

Please note: Account balances in the Clifton Springs Hospital & Clinic 403(b) Plan will not transfer to Fidelity. Clifton Springs Hospital & Clinic employees are encouraged to save in the plan that contains a match provision, the Clifton Springs Hospital & Clinic 401(k) plan. As such, payroll deferrals to the Clifton Springs Hospital & Clinic 403(b) Plan will no longer be permitted effective July 1, 2017.

Q10. If I am currently invested in a fund that carries a surrender charge, will I have to pay it?

A10. No. As part of this transition, Rochester Regional Health will bear all surrender charges at the time of the fund transfer.

Q11. What if I still have an account with a former service provider? (e.g. Voya, Prudential, Merrill Lynch through Unity, Park Ridge Hospital, Rochester General, etc.)

A11. These accounts will not be affected by the transition; your account will remain with that same service provider.

Q12. What if I don't want to move my money to Fidelity? Can I leave it with my current service provider?

A12. No. The current service provider will no longer be an option to invest participant plan account balances.

Q13. Do I have to sign any paperwork to move my money to Fidelity?

A13. No. This transition does not require you to complete any paperwork for the transfer to Fidelity to occur.

Q14. What is a blackout date and why is there one? Will I be losing market gains?

A14. Most service providers need a period of time where no new transactions are processed prior to the full transfer of all plan assets to another service provider. This transaction blackout is set by both the transferring service provider and the receiving service provider. The blackout allows for all

transactions to settle and for the service provider to prepare their system for the full transfer. Your account will remain invested through June 30, 2017, and will be liquidated at the close of the business day. On Monday, July 3, 2017, the proceeds will be sent to Fidelity, where they will be invested in a money market fund until the final conversion data is received by Fidelity, processed and audited. Your transferred balance will then be invested into your investment election on file at Fidelity. The blackout is expected to end the week of July 16, 2017.

Q15. What if I am retiring around the time of the transition?

A15. You should know that you will not be able to direct changes in your investments or take distributions from your account during the blackout period. If you will need funds from your account during the blackout period, you should request a distribution from your account prior to the transaction blackout start.

Q16. If I am currently invested in a self-directed brokerage account, what will happen to my assets?

A16. The self-directed brokerage feature will no longer be available once the transition is complete. Participants with a Schwab PCRA account with Transamerica or VALIC will have until 4 p.m. EST on June 15, 2017, to liquidate their Schwab PCRA holdings and transfer the assets to a core investment option. Any assets remaining in the Schwab PCRA after June 15, 2017, will be liquidated at the direction of Rochester Regional Health and will be moved to a money market fund by June 22, 2017. A separate notice will be sent to Schwab PCRA participants with further instructions.

Q17. Can I move money from another retirement plan into my account?

A17. After the transition to Fidelity is complete, you can consolidate your account balance from a former employer's plan into your 401(k) or 403(b) Plan. Bringing all your accounts together makes it easier to manage your money to meet your savings goals. Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

Q18. Can I take a distribution from my current service provider (i.e., BPAS, MetLife, Transamerica, or Genesee Valley Trust)?

A18. Withdrawals from the current plan(s) are generally permitted when you terminate your employment, retire, reach age 59½, become permanently disabled, or have severe financial hardship as defined by your plan. Keep in mind that withdrawals are subject to income taxes and possibly to early withdrawal penalties. Contact your current service provider prior to the blackout to determine if a distribution option is available.

Q19. Will I be able to make withdrawals from my account?

A19. Distributions from the new Rochester Regional Health 401(k) and 403(b) Plan(s) will generally be permitted when you terminate your employment, retire, reach age 59½, or become permanently disabled. A withdrawal, or loan, may be available for cases of financial hardship as defined by the Plan(s). Keep in mind that withdrawals are subject to income taxes and possibly early withdrawal penalties.

Q20. What happens to my loan payments to my current service provider?

A20. All outstanding loans (with the exception of loans held at VALIC) will transfer to Fidelity. As part of the transition, there are several changes to your outstanding loan. Employees with a loan will receive a separate letter in July with instructions on how to set up direct payment to Fidelity.

1) Your loan payments must be made using the Automated Clearing House (ACH) service, which deducts the payment from your personal bank account or credit union account. Once the blackout period has ended, you will be required to set up your bank account information with Fidelity.

2) Loan payments will be re-amortized to a monthly payment amount. The first monthly payment will be due in August 2017. When the blackout period has ended, your loan repayment amount and payoff information will be available on Fidelity NetBenefits at **fidelity.com/atwork** or by calling Fidelity at **800-343-0860**.

3) Loan payments will be allocated according to your investment elections on file at Fidelity. If no investment election exists, payments will be directed to the Plan's default fund with a target retirement date closest to the year in which you will reach the normal retirement age of 65.

Q21. If I am on Relative Value Unit (RVU) based compensation and productivity pay, who should I contact to get an estimate of my annual eligible earnings so I can determine my percent deferral amount?

A21. Contact Ann Sicker at ann.sicker@rochesterregional.org.