

# Halifax Health

## Halifax Pension Plan

Actuarial Valuation Report as of October 1, 2017  
for the plan year ending September 30, 2018

*Revised January 2019*



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The information contained in this report was prepared for the use of Halifax Health and its auditors in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. To avoid misrepresentation, it is intended to be used in its entirety.

### Introduction

This report and the accompanying exhibits present the results of the annual actuarial valuation of the Halifax Pension Plan as of October 1, 2017, applicable to the plan year ending September 30, 2018. All calculations were performed in accordance with accepted actuarial practices and are based on information submitted to us by Halifax Staffing, Inc., the primary plan sponsor. This valuation reflects a June 19, 1998 ruling by the Internal Revenue Service, as well as an opinion by ERISA counsel, that the Halifax Pension Plan is a “governmental plan,” as defined in Code section 414(d).

A summary of key plan provisions on which this valuation is based is presented in Exhibit IX.

### Participation

As of October 1, 2017, there were 449 active participants (including 1 participant receiving a minimum distribution under Code section 401(a)(9)), 525 terminated vested participants (including 6 deferred beneficiaries and 112 current employees not in a covered position, of which 2 participants are receiving minimum distributions under Code section 401(a)(9)), and 1,004 retirees and beneficiaries, for a total of 1,978 plan participants. A distribution of 448 employees is shown in Table One by age, service and compensation (2017 calendar year pay, as defined in the plan).

### Supplemental Actuarial Accrued Liabilities

Effective October 1, 2017, as a result of plan experience different than assumed, as provided under current funding method, a Supplemental Actuarial Liability (Actuarial Gain) was established. The gain was a result of demographic changes different than assumed and a gain on the expected investment return. This gain of \$6,374,807 is being amortized over a 10 year period commencing October 1, 2017.

Effective October 1, 2017, as a result of a change in assumptions, a Supplemental Actuarial Accrued Liability was established. The assumptions regarding the mortality tables for cash-out elections were updated. Please refer to Exhibit VIII for a description of the actuarial assumptions. These changes resulted in an increase in liability of \$503,583. This liability is being amortized over a 10 year period commencing October 1, 2017.

### Actuarial Present Value of Accumulated Plan Benefits

Exhibit VI presents the actuarial present value of accumulated plan benefits as of October 1, 2017, determined in accordance with Accounting Standards Codification 960. As of this date, the assets of the trust at market value totaled \$266,359,289, and the actuarial present value of accumulated (i.e. accrued) vested benefits was \$359,154,998. This vested liability is for accounting purposes only and should not be confused with accrued liabilities for other purposes, such as for funding or upon the termination of the plan.

Actuarial Assumptions

The actuarial assumptions should reasonably reflect the anticipated experience under the Plan. Effective October 1, 2017, the mortality tables used in the calculation of lump sum cash-outs was updated to the unisex 2018 Mortality Table for distributions subject to 417(e)(3). No other changes to actuarial assumptions are recommended at this time. We will continue to monitor the actuarial assumptions and make changes when necessary. The actuarial assumptions used in this valuation are summarized in Exhibit VIII.

Plan Experience

The following chart shows actual vs. expected investment returns for the 3-year period ending September 30, 2017.

	Rate of Investment Return - Year Ending		
	9/30/2015	9/30/2016	9/30/2017
<b>Actual - Market Value</b>	-4.38%	9.62%	10.68%
<b>Actual - Actuarial Value</b>	N/A	N/A	N/A
<b>Expected</b>	6.75%	6.75%	6.75%

**Recommended Contribution for the Plan Year Ending September 30, 2018**

Halifax contributed \$19,876,000 in October 2017. Based on the results of this valuation, no additional contribution is recommended by September 30, 2018. The October 2017 contribution with interest will satisfy the minimum recommended contribution. Please refer to Exhibit V for additional detail.

A comparison of the minimum contributions for 2016 and 2017 is as follows:

Item	2016	2017
1) Normal Cost	\$ 78,000	\$ 74,000
2) Amortization Payments	20,387,286	19,613,238
3) Interest on (1) and (2) to the end of the year	1,381,407	1,328,889
4) Additional Funding Charge	-	-
<b>5) Minimum Recommended Contribution:</b> (1) + (2) + (3) + (4)	\$ 21,846,693	\$ 21,016,127
6) Credit Balance in Funding Standard Account	15,897	639,763
7) Interest on (6) to the end of the year	1,073	43,184
<b>8) Net Minimum Recommended Contribution:</b> (5) - (6) - (7), but not less than zero	\$ 21,829,723	\$ 20,333,180

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. In accordance with ERISA and Part VII, Chapter 112, Florida Statutes, the amounts disclosed in this report have been certified by the Enrolled Actuary or Actuaries who have signed below and who are members of the American Academy of Actuaries.

Our calculations were based on financial data and the employee data furnished by Halifax Health, as of October 1, 2017. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness, but have not audited it. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information which is the responsibility of those who supply the data. Our calculations were also based on the provisions of the Plan in effect on October 1, 2017, which are summarized in Exhibit IX and the actuarial assumptions and methods described in Exhibit VIII.

The valuation was based upon generally accepted actuarial methods, and we performed such tests as we considered necessary to assure the accuracy of the results. We certify that the amounts presented in the accompanying report have been appropriately determined according to the actuarial assumptions and methods stated herein and fully and fairly disclose the actuarial position of the Plan.

This actuarial valuation was prepared and completed under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of the Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Respectfully submitted,

**BPAS ACTUARIAL AND PENSION SERVICES, LLC**



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January 22, 2019

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Summary of Plan Participation as of October 1, 2017

<b>ACTIVE PARTICIPANTS</b>	
(1) Active at October 1, 2016	513
(2) Terminations During Year With Vested Rights	(9)
(3) Terminations During Year Without Vested Rights	0
(4) Deaths	0
(5) Retired	(39)
(6) New Participants or Rehires	0
(7) Retired or Terminated Vested & Elected Lump Sum Distribution	(18)
(8) Adjustments (Includes employees leaving or returning to covered status)	2
<b>(9) Active at October 1, 2017</b>	<b>449</b>
<b>RETIRED PARTICIPANTS</b>	
(1) Retirees at October 1, 2016	957
(2) Deaths with Beneficiary	(7)
(3) Deaths with No Beneficiary	(9)
(4) Lump Sum Distributions	0
(5) Certain Provision Expired	0
(6) New Retirees & Beneficiaries	63
<b>(7) Retirees at October 1, 2017</b>	<b>1,004</b>
<b>TERMINATED VESTED PARTICIPANTS &amp; DEFERRED BENEFICIARIES</b>	
(1) Terminated Vested at October 1, 2016	539
(2) New Terminated Vested or Deferred Beneficiary	15
(3) Lump Sum Distributions	(4)
(4) Deaths	(7)
(5) Adjustments (Including alternate payees, terminated vested participants previously treated as "non-vested Term", employees returned to covered status)	(2)
(6) Retired	(16)
<b>(7) Terminated Vested at October 1, 2017</b>	<b>525</b>

Assets of the Plan as Of September 30, 2017

<b>SUMMARY OF ASSETS</b>	
(1) Cash	\$ 304,286
(2) Bonds	132,311,686
(3) Stocks	133,743,317
(4) Other	-
<b>Total Plan Assets</b>	<b>\$ 266,359,289</b>

<b>RECONCILIATION OF ASSETS</b>	
(1) Assets as of October 1, 2016	\$ 240,144,476
(2) Contributions for the 2016-2017 Plan Year	21,060,000
(3) Interests and Dividends	5,160,987
(4) Realized Appreciation of Assets	13,982,618
(5) Unrealized Depreciation of Assets	6,524,410
(6) Benefit Payments	(20,439,138)
(7) Investment Expenses	-
(8) Administrative Expenses	(74,064)
<b>Assets as of September 30, 2017</b>	<b>\$ 266,359,289</b>

*Note: All investments are valued at fair market value. The investment return for the 2016-2017 plan year, based on market value and net of investment expenses, was 10.68%*



Funding Standard Account as Of September 30, 2017

<b>CHARGES</b>	
(1) Funding Deficiency as of September 30, 2016	\$ -
(2) Normal Cost as of October 1, 2016	78,000
(3) Amortization of Waived Funding Deficiency	-
(4) Other Amortization Charges	22,221,847
(5) 6.75% Interest on (1), (2), (3) and (4) from October 1, 2016 to September 30, 2017	1,505,239
(6) Additional Interest Charge	-
(7) Additional Funding Charge	-
<b>(8) Total Charges=(1)+(2)+(3)+(4)+(5)+(6)+(7)</b>	<b>\$ 23,805,086</b>
<b>CREDITS</b>	
(9) Credit Balance as of September 30, 2016	\$ 15,897
(10) Contribution for Plan Year Ended September 30, 2017	21,060,000
(11) Total Amortization Credits	1,834,561
(12) Interest on (9), (10) and (11) to September 30, 2017*	1,534,391
(13) Full Funding Credit	-
<b>(14) Total Credits=(9)+(10)+(11)+(12)+(13)</b>	<b>24,444,849</b>
<b>(15) Credit Balance as of September 30, 2017=(14)-(8)</b>	<b>\$ 639,763</b>

\* Full year's interest at 6.75% per annum on (9) and (11), plus interest on (10) from date contribution was made to September 30, 2017.

Note: The Funding Standard Account is shown for illustrative purposes only, since the funding requirements of Code sections 412, 430, and 436 are not applicable to "governmental plans."

Actuarial Gain/Loss - Year Ending September 30, 2017	
(1) Actuarial Accrued Liability at 10/1/2017	359,154,998
(2) Actuarial Accrued Liability (prior to assumption changes) at 10/1/2017	358,651,415
(3) Assets at 10/1/2017 (Market Value)	266,359,289
(4) Unfunded Actuarial Accrued Liability at 10/1/2017: (1) - (3)	92,795,709
(5) Unfunded Actuarial Accrued Liability (prior to assumption changes) at 10/1/2017: (2) - (3)	92,292,126
<b>(6) Supplemental Actuarial Accrued Liability due to assumption changes: (4)-(5)</b>	<b>\$ 503,583</b>
(7) Unfunded Actuarial Accrued Liability at 10/1/2016	113,398,737
(8) Normal Cost, 10/1/2016	78,000
(9) Interest on (7) and (8) @ 6.75%	7,659,680
(10) Employer Contributions, Beginning of Year 2016	21,060,000
(11) Interest on (10) @ 6.75%	1,409,484
(12) Expected Unfunded Actuarial Accrued Liability at 10/1/2017: =(7) + (8) + (9) - (10) - (11)	98,666,933
<b>(13) Actuarial (Gain)/Loss: (5) - (12)</b>	<b>\$ (6,374,807)</b>

Summary of Amortization Payments as of October 1, 2017

Date Established	Type of Base (Original Plan)	Initial Base	Minimum Amortization Period Initial	Minimum Amortization Period Remaining	Minimum Unamortized Balance	Minimum Amortization Amount	
10/1/2012	Fresh Start - UAL	\$ 90,148,782	10	5	\$ 52,466,834	\$ 11,906,918	
10/1/2013	SAAL (Actuarial Gain)	(3,558,094)	10	6	(2,405,400)	(469,090)	
10/1/2013	SAAL (Assumption Change)	43,725,645	10	6	29,560,086	5,764,683	
10/1/2014	SAAL (Actuarial Loss)	3,174,179	10	7	2,428,647	418,476	
10/1/2014	SAAL (Assumption Change)	2,540,094	10	7	1,943,492	334,880	
10/1/2015	SAAL (Actuarial Loss)	28,799,757	10	8	24,438,994	3,796,890	
10/1/2015	SAAL (Assumption Change)	(6,046,657)	10	8	(5,131,091)	(797,177)	
10/1/2016	SAAL (Actuarial Gain)	(2,116,286)	10	9	(1,961,296)	(279,006)	
10/1/2016	SAAL (Assumption Change)	(2,194,272)	10	9	(2,033,570)	(289,288)	
10/1/2017	SAAL (Actuarial Gain)	(6,374,807)	10	10	(6,374,807)	(840,439)	
10/1/2017	SAAL (Assumption Change)	503,583	10	10	503,583	66,391	
					<b>TOTAL CHARGES:</b>	<b>\$ 111,341,636</b>	<b>\$ 22,288,238</b>
					<b>TOTAL CREDITS:</b>	<b>\$ (17,906,164)</b>	<b>\$ (2,675,000)</b>
						<b>\$ 93,435,472</b>	<b>\$ 19,613,238</b>

UAL-Unfunded Actuarial Accrued Liability

SAAL-Supplemental Actuarial Accrued Liability

Summary of Future Amortization Payments

Date Established	Type of Base	Minimum Unamortized Balance			Minimum Amortization Amounts			Date Base is Fully Amortized
		10/1/2018	10/1/2019	10/1/2020	10/1/2018	10/1/2019	10/1/2020	
10/1/2012	Fresh Start - UAL	\$ 43,297,710	\$ 33,509,670	\$ 23,060,938	\$ 11,906,918	\$ 11,906,918	\$ 11,906,918	9/30/2022
10/1/2013	SAAL (Actuarial Gain)	(2,067,011)	(1,705,781)	(1,320,168)	(469,090)	(469,090)	(469,090)	9/30/2023
10/1/2013	SAAL (Assumption Change)	25,401,593	20,962,401	16,223,564	5,764,683	5,764,683	5,764,683	9/30/2023
10/1/2014	SAAL (Actuarial Loss)	2,145,858	1,843,980	1,521,726	418,476	418,476	418,476	9/30/2024
10/1/2014	SAAL (Assumption Change)	1,717,193	1,475,619	1,217,739	334,880	334,880	334,880	9/30/2024
10/1/2015	SAAL (Actuarial Loss)	22,035,446	19,469,659	16,730,681	3,796,890	3,796,890	3,796,890	9/30/2025
10/1/2015	SAAL (Assumption Change)	(4,626,453)	(4,087,752)	(3,512,689)	(797,177)	(797,177)	(797,177)	9/30/2025
10/1/2016	SAAL (Actuarial Gain)	(1,795,845)	(1,619,226)	(1,430,685)	(279,006)	(279,006)	(279,006)	9/30/2026
10/1/2016	SAAL (Assumption Change)	(1,862,021)	(1,678,892)	(1,483,402)	(289,288)	(289,288)	(289,288)	9/30/2026
10/1/2017	SAAL (Actuarial Gain)	(5,907,938)	(5,409,555)	(4,877,531)	(840,439)	(840,439)	(840,439)	9/30/2027
10/1/2017	SAAL (Assumption Change)	466,702	427,332	385,305	66,391	66,391	66,391	9/30/2027
<b>TOTAL CHARGES:</b>		<b>\$ 95,064,502</b>	<b>\$ 77,688,661</b>	<b>\$ 59,139,953</b>	<b>\$ 22,288,238</b>	<b>\$ 22,288,238</b>	<b>\$ 22,288,238</b>	
<b>TOTAL CREDITS:</b>		<b>\$ (16,259,268)</b>	<b>\$ (14,501,206)</b>	<b>\$ (12,624,475)</b>	<b>\$ (2,675,000)</b>	<b>\$ (2,675,000)</b>	<b>\$ (2,675,000)</b>	
<b>TOTAL NET:</b>		<b>\$ 78,805,234</b>	<b>\$ 63,187,455</b>	<b>\$ 46,515,478</b>	<b>\$ 19,613,238</b>	<b>\$ 19,613,238</b>	<b>\$ 19,613,238</b>	

Contribution Requirements for Plan Year Ending September 30, 2018

<b>A. MINIMUM RECOMMENDED CONTRIBUTION</b>	
(1) Normal Cost as of October 1, 2017	\$ 74,000
(2) Net Minimum Amortization Amounts (Exhibit IV-B)	19,613,238
(3) Minimum Recommended Contribution as of September 30, 2018 for Plan Year October 1, 2017 - September 30, 2018 before reflecting Funding Standard Account Credit Balance = [(1) + (2)] X 1.0675	21,016,127
(4) Funding Standard Account Credit Balance as of September 30, 2017 (Exhibit III)	639,763
(5) Net Minimum Recommended Contribution, assuming payment on or after September 30, 2018 = (3) - [(4) x 1.0675] (not less than zero)	\$ 20,333,180
(6) Actual Contribution made Beginning of Year 2017	\$ 19,876,000
(7) Interest on contribution to September 30, 2018 = (6) x .0675	\$ 1,341,630
<b>(8) Additional contribution assuming payment on September 30, 2018 = (5) - (6) - (7) (Not less than zero)</b>	<b>\$ -</b>

<b>B. ALLOCATION OF CONTRIBUTION BY PARTICIPATING EMPLOYER BASED ON ACTUAL CONTRIBUTION MADE ON OCTOBER 1, 2017</b>	
Halifax Staffing, Inc.	\$ 19,067,117
Halifax Hospice, Inc.	808,883
<b>Total:</b>	<b>\$ 19,876,000</b>

<b>C. ALLOCATION OF ADDITIONAL CONTRIBUTION BY PARTICIPATING EMPLOYER MADE ON SEPTEMBER 30, 2018</b>	
Halifax Staffing, Inc.	\$ -
Halifax Hospice, Inc.	-
<b>Total:</b>	<b>\$ -</b>

The allocation of the minimum recommended contribution between employers is based on the methodology used to determine expense allocation for the fiscal year ending September 30, 2018, which is the present value of future salaries based on the October 1, 2016 active data.

## Actuarial Present Value of Accumulated Plan Benefits

<b>(A) CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</b>	
(1) Actuarial present value of accumulated plan benefits as of September 30, 2016	\$ 353,543,213
(2) Increase (decrease) during the year attributable to	
(a) Increase for interest due to the decrease in the discount period	23,185,610
(b) Actuarial loss	2,361,730
(c) Assumption Change	503,583
(d) Benefits paid	<u>(20,439,138)</u>
(e) Net increase	5,611,785
<b>(3) Actuarial present value of accumulated plan benefits as of September 30, 2017</b>	<b>\$ 359,154,998</b>
<b>(B) STATEMENT OF ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF SEPTEMBER 30, 2017</b>	
(1) Actuarial present value of accumulated plan benefits:	
(a) Vested benefits:	
(i) Participants currently receiving payments	\$ 241,478,605
(ii) Other Participants	<u>117,676,393</u>
Sub-total	\$ 359,154,998
(b) Non-vested benefits	0
<b>(2) Total actuarial present value of accumulated plan benefits</b>	<b>\$ 359,154,998</b>
<b>(3) Plan Assets (at Market) as of September 30, 2017</b>	<b>\$ 266,359,289</b>

*Notes:*

The above values have been determined in accordance with Accounting Standards Codification 960 and the actuarial assumptions as to interest, mortality, turnover, and retirement age as stated in Exhibit VIII.

These figures are for accounting purposes only and should not be confused with accrued liabilities for other purposes, such as for plan funding or liability upon plan termination.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS			
ITEM	ACTUARIAL VALUATION AS OF:		
	October 1, 2017	October 1, 2016	
<b>1. Participant Data</b>			
a) Number of active participants		449	513
b) Total annual payroll	\$	33,515,244	38,360,794
c) Present Value of future salaries	\$	184,115,046	234,818,863
d) Number of retired participants and beneficiaries		1,004	957
e) Total annualized benefits for (d)		17,526,234	16,045,685
f) Number of terminated vested participants		525	539
g) Total annualized benefits for (f)		3,477,533	3,465,123
<b>2. Assets</b>			
a) Actuarial Value		266,359,289	240,144,476
b) Market Value		266,359,289	240,144,476
<b>3. Liabilities</b>			
a) Present Value of future benefits for:			
-Active participants	\$	86,672,838	\$ 100,391,666
-Terminated vested participants		31,003,555	29,281,499
-Retired participants and beneficiaries		241,478,605	223,870,048
<b>Total</b>	<b>\$</b>	<b>359,154,998</b>	<b>\$ 353,543,213</b>
b) Actuarial Accrued Liability		359,154,998	353,543,213
c) Unfunded Actuarial Accrued Liability: (3)(b) - (2)(a)		92,795,709	113,398,737
<b>4. Present Value of Accrued Benefits</b>			
Inactive participants and beneficiaries	\$	272,482,160	\$ 253,151,547
Active participants		86,672,838	100,391,666
Nonvested accrued benefits		0	0
<b>Total</b>		<b>359,154,998</b>	<b>353,543,213</b>
<b>See Exhibit VI for further details</b>			
<b>5. Pension Contribution for Year Beginning on Valuation Date</b>			
a) Normal Cost	\$	74,000	\$ 78,000
b) Payment to amortize unfunded liability		19,613,238	20,387,286
c) Expected (or actual for prior year) contributions		19,876,000	21,060,000
d) (c) as % of payroll		59.30%	54.90%
e) Amount to be contributed by participants		0	0
f) (e) as % of payroll		0	0
<b>6. Past contributions</b>			
a) Recommended for years ending 9/30/2017 and 9/30/2016 respectively (beginning of year amount)	\$	20,449,389	\$ 21,061,091
b) Amount contributed by participants		0	0
c) Actual contributions made by Halifax Health, years ending 9/30/2017 and 9/30/2016 respectively		21,060,000	21,236,124
<b>7. Net actuarial gain (loss)</b>		<b>6,374,807</b>	<b>2,116,286</b>

**I. Actuarial Assumptions**

The actuarial assumptions used in determining the liabilities and calculating the contributions to the pension plan are as follows:

**Mortality rates:** Sex-distinct Blue Collar RP-2000 Healthy Annuitant and Non-Annuitant Mortality Tables, with mortality improvements using Scale BB on a fully generational basis. This assumption is consistent with the prior valuation and is based on the July 1, 2016 actuarial valuation for the Florida Retirement System.

**Interest:** 6.75% per annum, compounded annually.

**Salary Scale:** N/A

**Turnover:** Rates at sample ages are shown below:

AGE	RATE
20	17.9%
25	17.2%
30	15.8%
35	13.7%
40	11.3%
45	8.4%
50	5.1%
55	1.7%

**Disability:** None assumed.

**Retirement Age:** Rates of retirement for active participants are as follows:

Age	Probability of Retirement
Prior to 62, with 30 years of service	10%
62	25%
63	20%
64	20%
65	33%
66	50%
67	20%
68	20%
69	20%
70	100%

Calculations for terminated vested participants assume a retirement age of 62.

**Cost of Living:** 3.0% per annum.

**Administrative Expenses:** Actual prior year’s administrative expenses rounded up to the nearest \$1,000. (\$74,000)

**Assumed Form of Payment For Future Retirements:**

*Upon Termination:*  
 40% elect cash-out  
 60% elect annuity

*Upon Retirement:*  
 15% elect cash-out  
 85% elect annuity

For valuation purposes, the mortality table used to value the cash-out is the applicable mortality table for the determination of present values under IRC Section 417(e)(3)(B). This table is currently a 50/50 blend of male and female rates from the 2018 sex distinct optional combined mortality tables, as prescribed under IRC Section 430.

**Cash-Out Funding Adjustment Factor for Future Retirements:** 95%

**Married Percentage:** 100%

**II. Funding Method**

The funding method (actuarial cost method) is the Unit Credit Cost Method without projection.

Under this cost method, as a result of the amendment freezing benefit accruals, there is no actuarial Normal Cost amount. The Actuarial Accrued Liability is determined as the actuarial present value of benefits earned prior to the date of determination for each participant. In future years, actuarial gains and losses will result in the establishment of Supplemental Actuarial Accrued Liabilities. All Actuarial Accrued Liabilities are amortized by contributions made by the employer for this purpose.

**III. Asset Valuation Method**

Market Value of Assets.



**Summary of Plan Provisions****Effective Date of Plan**

October 1, 1992.

**Anniversary Date of Plan**

October 1, 1992 and each October 1st thereafter.

**Plan Year**

Each period of 12 consecutive months beginning on October 1.

**Eligibility**

On October 1, 1992, each employee of the Halifax Hospice, Inc. who was covered by the Florida Retirement System on September 30, 1992 is immediately eligible to participate in this plan. Future employees of the Hospice are eligible when they have completed one (1) year of service, provided they have attained age 21. Employees whose employment is covered by a collective bargaining agreement shall not be eligible to participate in this plan unless such agreement expressly provides for such participation.

On February 6, 1994, each employee of Halifax Staffing, Inc. who was covered under the Florida Retirement System is immediately eligible to participate in this plan. Future employees of Halifax Staffing, Inc. are eligible when they have completed one (1) year of service, provided they have attained age 21.

On March 20, 1994, each employee of Halifax Home Health, Inc. who was a participant in the Halifax Management System, Inc. Money Purchase Pension Plan is immediately eligible to participate in this plan. All other employees are eligible when they have completed one (1) year of service, provided they have attained age 21.

On October 1, 1994, employees of Associates In Medicine, Inc. are eligible to participate in the plan provided they have completed one (1) year of service and have attained age 21.

Notwithstanding the above, employees whose initial hire date or rehire date is on or after October 1, 2000, and temporary and per diem employees are not eligible to participate in the plan.

**Normal Retirement Date**

The earlier of attainment of age 62 or completion of 30 Benefit Years.

**Early Retirement Date**

Upon completion of 10 Benefit Years.

**Disability Retirement Date**

Total and permanent disability, with a minimum of 10 Benefit Years.

**Normal Retirement Benefit**

A monthly annuity of 1.6% of high-3 year average compensation for each Benefit Year. For a participant of this Plan as of October 1, 1992, (February 6, 1994 for employees of Halifax Staffing, Inc.) such benefit is reduced by any vested benefit payable from the Florida Retirement System. Average compensation is generally based on total pay during a calendar year, excluding bonuses and severance pay, subject to a maximum of \$250,000 (adjusted for changes in the cost-of-living after 2012). However, compensation used for years before October 1, 1992 (February 6, 1994 for employees of Halifax Staffing, Inc.) is based on pay used to determine benefits under the Florida Retirement System. Effective October 1, 2013, benefit accruals were frozen for active participants.

**Later Retirement Benefit**

A monthly annuity equal to the accrued benefit as of the date of later retirement (based on compensation and service as of that date) and substituting for 1.6%, in accordance with the following schedule:

Age 63, or 31 Benefit Years	1.63%
Age 64, or 32 Benefit Years	1.65%
Age 65 or later, or 33 Benefit Years or more	1.68%

**Early Retirement Benefit**

A monthly annuity equal to the accrued benefit at the Early Retirement Date, reduced by 5/12% for each month that the Benefit Commencement Date precedes age 62.

**Disability Retirement Benefit**

A monthly annuity equal to the accrued benefit as of the date of disability, with no actuarial reduction (subject to a minimum disability pension, before the reduction for the FRS offset, of 25% of average compensation). Payments cease if the disability ends before attainment of age 62 and continue if the participant is still disabled at age 62.

**Benefit Years**

For participants as of October 1, 1992 (February 6, 1994 for employees of Halifax Staffing, Inc.), Benefit Years shall include all years of service credited under the Florida Retirement System through September 30, 1992 (February 6, 1994 for employees of Halifax Staffing, Inc.), as well as service with Halifax Hospice, Inc. and Halifax Staffing, Inc. after that date.

Benefit Years for employees of Halifax Home Health, Inc. who were participants in the Halifax Management System, Inc. Money Purchase Pension Plan shall not include service before March 20, 1994. Benefit Years for employees of Associates in Medicine, Inc. shall not include any service with a partnership or P.C. before its purchase by or merger with Associates in Medicine, Inc.

Effective for plan years beginning on and after October 1, 2000, a Benefit Year will be credited only if a participant has completed at least 1,000 hours of service in that Plan Year. Effective October 1, 2013, benefit years were frozen for active participants.

**Accrued Benefit Prior to Normal Retirement Date**

Based on average compensation and Benefit Years as of the date of determination.

**Cost-of-Living Increase**

Generally, a 3% increase annually after retirement.

**Vesting**

A participant will become vested in his Accrued Benefit in accordance with the following schedule:

Vesting Years	Vested Percentage
Less than 5	0%
5 or more	100%

In addition, a participant is 100% vested upon satisfaction of the requirements for Disability, Early or Normal Retirement. For employees affected by certain mergers, as defined in the plan document, the five year vesting requirement is waived. Vested benefits may be forfeited in the event of certain misconduct, as defined in the plan document.

**Vesting Year**

Vesting Years shall generally be calculated in accordance with Benefit Years, however vesting years are not frozen.

**Termination Benefit**

A deferred benefit commencing at age 62 based on the participant's Vested Accrued Benefit as of his date of termination.

**Normal Form of Retirement Benefit**

If the participant is not married, benefits are determined on a life annuity form of benefit. However, if a participant is married, and does not elect otherwise, the normal form of benefit payment will be an actuarially reduced joint and 100% survivor annuity, with the spouse as beneficiary.

**Optional Forms of Retirement Benefit**

Actuarially reduced joint and 50% or joint and 66<sup>2</sup>/<sub>3</sub>% survivor annuity, or joint and 75% survivor annuity, or 10 year certain and life annuity.

**Death Benefit**

The survivor portion of an actuarially reduced joint and 100% survivor annuity, reduced further to reflect payment before the participant would have attained age 62, is payable to the participant's spouse or designated financial dependent at the earlier of the participant's death or earliest retirement date. Further, if the designated financial dependent is not the spouse, the survivor portion of the joint and survivor annuity may be limited to something less than 100%, pursuant to IRS regulations.

**Early Retirement Incentives**

Special incentives were offered to a selected group of participants in September 1995, March 2001 and July 2008.

**2005 and 2010 Amendments**

Effective January 1, 2005 and October 1, 2010, plan amendments increased benefits for certain participants. The plan was also amended and restated, effective October 1, 2010, for GUST and other Federal legislation.

**2012 Amendment**

Prior to October 1, 2012, changes to the plan were adopted to 1) freeze benefit accruals for active participants, effective October 1, 2013, and 2) offer a cash-out option to all participants. The cash-out offering to all terminated vested participants and retired participants (including beneficiaries) was made during a 90-day window period which ended on March 31, 2013. Terminated vested participants who elected not to take the cash-out during the 90-day period will again have the opportunity to do so when they retire and become eligible to receive benefits. A cash-out to active participants who retire after March 31, 2013 will be offered when they retire.

**Basis for Cash-out Assumption**

The cash-out amount prior to January 1, 2014 was calculated based on the following assumptions: 1994 Group Annuity Mortality Table (sex-distinct) projected to 2000, 7.25% interest, no cost-of-living adjustment, retirement at age 62 for active and terminated vested participants and a Funding Adjustment Factor of 85.934%. The Funding Adjustment Factor is designed to make sure that the plan remains equitably funded for participants who elect not to take the cash-out and is subject to change periodically based on the funded status of the plan.

For the cash-out amount after December 31, 2014 the following assumptions were used:

Mortality Table:	RP-2000 Mortality Table Projected to the Plan Year with Scale AA
Interest Rate:	6.75%
Funding Adjustment factor:	95%

Other assumptions remain unchanged.

**TABLE ONE**

Employee Distribution by Age, Service and Compensation

Attained Age	Years of Service											
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24	
	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	3	36,395	0	0
40 to 44	0	0	0	0	0	0	0	0	17	64,049	8	56,163
45 to 49	0	0	0	0	0	0	0	0	14	69,071	29	78,139
50 to 54	0	0	0	0	0	0	0	0	20	68,781	28	69,768
55 to 59	0	0	0	0	0	0	0	0	24	70,629	34	64,748
60 to 64	0	0	0	0	0	0	0	0	16	75,261	34	76,298
65 to 69	0	0	0	0	0	0	0	0	3	144,181	7	134,575
70 & up	0	0	0	0	0	0	0	0	1	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>70,497</b>	<b>140</b>	<b>74,332</b>

Attained Age	25 to 29		30 to 34		35 to 39		40 & up		Total	
	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	3	36,395
40 to 44	0	0	0	0	0	0	0	0	25	61,526
45 to 49	19	70,093	2	28,877	0	0	0	0	64	72,227
50 to 54	36	65,139	18	59,251	0	0	0	0	102	66,085
55 to 59	43	69,862	12	64,574	11	48,368	0	0	124	66,190
60 to 64	21	62,034	22	66,258	9	60,228	4	63,221	106	69,374
65 to 69	6	99,103	3	97,004	1	0	0	0	20	114,516
70 & up	2	31,373	0	0	1	0	0	0	4	43,638
<b>Total</b>	<b>127</b>	<b>68,039</b>	<b>57</b>	<b>63,997</b>	<b>22</b>	<b>53,626</b>	<b>4</b>	<b>63,221</b>	<b>448</b>	<b>69,278</b>

(1) Compensation per participant is limited to \$250,000 as applicable during the final year of benefit accrual.

(2) Excludes 1 employee receiving minimum benefits under Code 401(a)(9)

**TABLE TWO**

Age Distribution of Non-Active Members

Age	Retirees and Beneficiaries
Under 55	12
55-59	64
60-64	188
65-69	268
70-74	249
75-79	108
80-84	83
85 and over	32
<b>Total</b>	<b>1004</b>
<b>Average Age</b>	<b>69.96</b>

Age	Vested Terminations
Under 25	0
25-29	0
30-34	0
35-39	5
40-44	33
45-49	87
50-54	141
55-59	165
60-64	71
65-69	9
70 and over	14
<b>Total</b>	<b>525</b>
<b>Average Age</b>	<b>54.78</b>

**TABLE THREE**

Expected Benefit Payment Projection

The following is a projection of benefit payments expected to be paid from the trust during the next ten plan years.

