

Halifax Health

Halifax Pension Plan

Actuarial Valuation Report as of October 1, 2018
for the plan year ending September 30, 2019

October 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.

This report and the accompanying exhibits present the results of the annual actuarial valuation of the Halifax Pension Plan as of October 1, 2018, applicable to the plan year ending September 30, 2019. The purpose of the valuation is to provide Halifax Health with an actuarially determined contribution for funding the plan. The actuarially determined contribution is equal to the normal cost plus amortization of the unfunded actuarial accrued liability.

Unfunded Actuarial Accrued Liability

An initial unfunded actuarial accrued liability was established at 10/1/2012 to be amortized over 10 years. Changes to the unfunded accrued liability result from plan experience different than assumed and changes to assumptions. Each year a new amortization amount is established as a 10 year payment of the change to the unfunded actuarial accrued liability. Changes to the unfunded liability that have occurred over time are summarized in Exhibit III – B.

Changes as of as of October 1, 2018

- Plan experience different than was assumed due to demographic changes and investment returns
Increase of \$4,221,252.
- Change in assumption due to the annual update of mortality table used for cash-out determination
Increase of \$28,380.

Actuarially Determined Contribution

A comparison of the actuarially determined contributions for 2017 and 2018 is as follows:

Item	2017	2018
1) Normal Cost	\$ 74,000	\$ 71,000
2) Amortization Payments	19,613,238	20,173,500
3) Actuarially Determined Contribution: (1) + (2)	\$ 19,687,238	\$ 20,244,500
4) Actual Contribution made October 1st	19,876,000	19,500,000
5) Excess (Shortfall): (4) - (3)	\$ 188,762	\$ (744,500)

Funding Policy

The funding policy of Halifax Health is to contribute an amount on the first day of the plan year (10/1) that is equal to the estimated actuarially determined contribution for the plan year using estimated liabilities and market value of assets. Upon completion of the annual valuation, if the actuarially determined contribution for the plan year is significantly different than the estimate, Halifax Health may make an additional contribution.

Halifax contributed \$19,500,000 on October 1, 2018, based on the estimate we provided.

Based on the results of this valuation, the actuarially determined contribution for the year is slightly more than the amount contributed, as shown above. The shortfall is not significant and therefore no additional contribution is recommended at this time for the plan year ending September 30, 2019. Note that Halifax Health has contributed \$23,472,000 for the plan year ending September 30, 2020, based on our estimate for that plan year.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS			
ITEM	ACTUARIAL VALUATION AS OF:		
	October 1, 2018	October 1, 2017	
1. Participant Data			
a) Number of active participants	414	449	
b) Total annual payroll	\$ 32,091,771	33,515,244	
c) Present Value of future salaries	\$ 168,681,854	184,115,046	
d) Number of retired participants and beneficiaries	1,031	1,004	
e) Total annualized benefits for (d)	18,619,970	17,526,234	
f) Number of terminated vested participants	493	525	
g) Total annualized benefits for (f)	3,155,853	3,477,533	
2. Assets			
a) Actuarial Value	280,098,351	266,359,289	
b) Market Value	280,098,351	266,359,289	
3. Liabilities			
a) Present Value of future benefits for:			
-Active participants	\$ 81,711,828	\$	86,672,838
-Terminated vested participants	28,725,956		31,003,555
-Retired participants and beneficiaries	251,834,780		241,478,605
Total	\$ 362,272,564	\$	359,154,998
b) Actuarial Accrued Liability	362,272,564	359,154,998	
c) Unfunded Actuarial Accrued Liability: (3)(b) - (2)(a)	82,174,213	92,795,709	
4. Present Value of Accrued Benefits			
Inactive participants and beneficiaries	\$ 280,560,736	\$	272,482,160
Active participants	81,711,828		86,672,838
Nonvested accrued benefits	0		0
Total	362,272,564		359,154,998
<i>See Exhibit V for further details</i>			
5. Pension Contribution for Year Beginning on Valuation Date			
a) Normal Cost	\$ 71,000	\$	74,000
b) Payment to amortize unfunded liability	20,173,500		19,613,238
c) Expected (or actual for prior year) contributions	19,500,000		19,876,000
d) (c) as % of payroll	60.76%		59.30%
e) Amount to be contributed by participants	0		0
f) (e) as % of payroll	0		0
6. Past contributions			
a) Recommended for years ending 9/30/2018 and 9/30/2017 respectively (beginning of year amount)	\$ 19,687,238	\$	20,449,389
b) Amount contributed by participants	0		0
c) Actual contributions made by Halifax Health, years ending 9/30/2018 and 9/30/2017 respectively	19,876,000		21,060,000
7. Net actuarial gain (loss)	(4,221,252)		6,374,807

Summary of Risk Measures

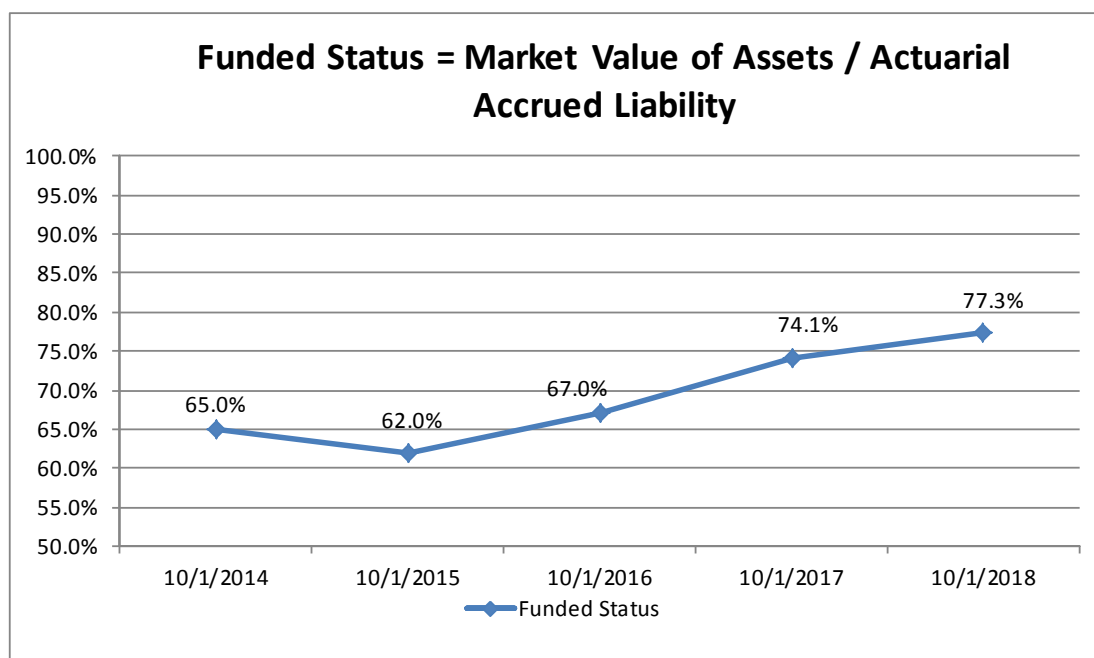
The valuation of a defined benefit plan is dependent upon uncertain events. Although your organization is subject to many sources of risk, it is important that Halifax Health understands that the results provided in this report represent only a single measurement of potential results based on the assumptions and methods identified herein. These assumptions and methods, although chosen in accordance with appropriate actuarial guidelines, can not predict the future with certainty. Thus, fluctuations in results will occur. As such, we are including this section to alert Halifax Health to potential sources of deviation. The summary provided below is not intended to be a complete and exhaustive list of all risks facing the Plan, but is intended to help Halifax Health understand the effect to which variations have and may affect your plan.

Investment Risk

As your Plan's assets are invested in a portfolio in which returns are subject to market fluctuations, deviations in investment returns from that expected by Halifax Health and/or the Plan's investment managers will occur. All pension plans are required to have an investment and funding policy, so it is important to review and update that policy, as needed, to reflect changes in the organization and Plan. Some considerations that may be useful in evaluating such are the following:

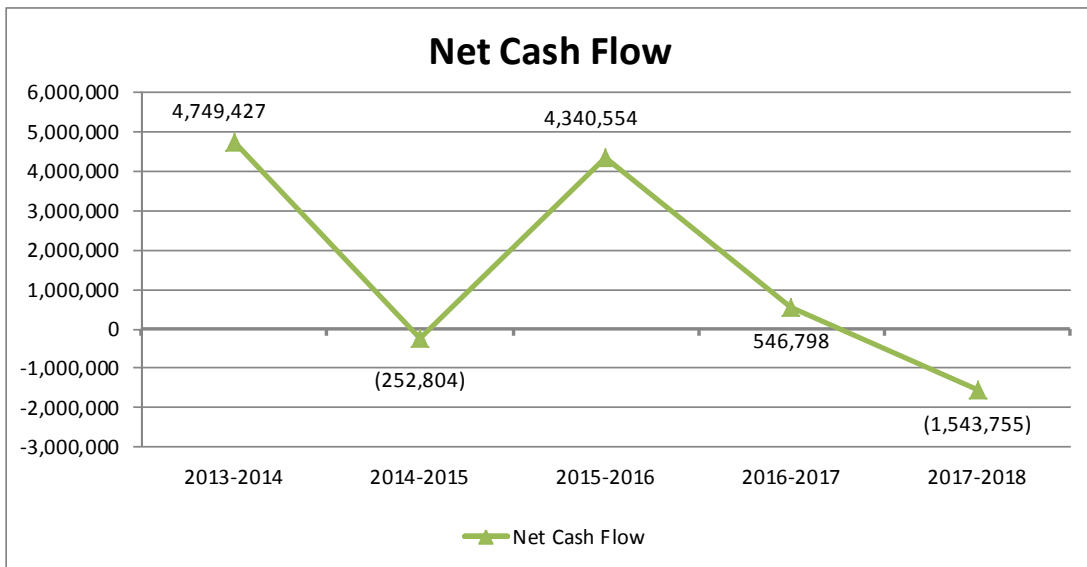
- A. The current funded status of the Plan:

The following exhibit presents the Plan's historical funded status using the ratio of the Plan's Market Value of Assets to Actuarial Accrued Liability.



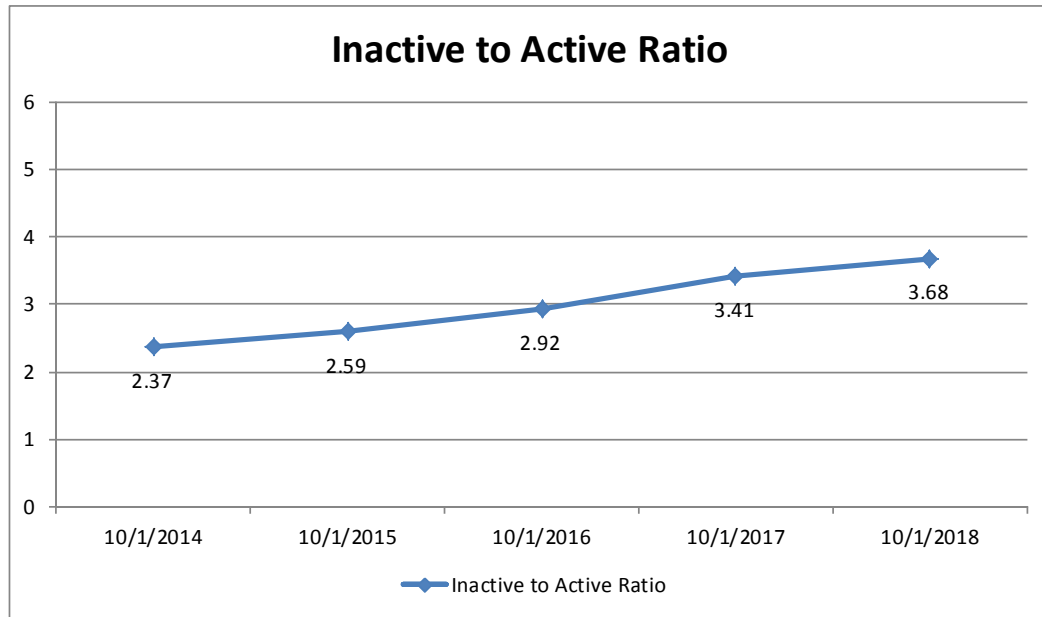
B. Net Cash Flows

If annual contributions do not exceed the sum of annual benefit payments and annual expenses of the Plan, future contributions to the Plan will be subject to greater volatility due to investment risk. In order to maintain the Plan's funded percentage, the investment returns plus contributions must keep pace with the growth of the liability due to benefits earned and interest cost offset by benefit payments and expenses. Thus, negative cash flows put greater emphasis on investment return and/or higher future contributions. The exhibit below shows a 5-year history of the Plan's net cash flows using Contributions less Benefit Payments less Expenses:



C. Plan Maturity

An increasing percentage of inactive members to active members may put greater stress on a Plan. Inactive participants are participants that are no longer employed by the Plan sponsor (or no longer in a pension eligible position). Typically inactive participants are older and may have accumulated substantial benefits under the Plan, which means the Plan may have large upcoming obligations to pay benefits. As the Plan is frozen to new entrants, this ratio will continue to increase in the future.



Longevity Risk

One of the key assumptions in any funding determination/analysis is the assumed rate or rates of mortality that will be experienced by the underlying covered population. As many Plans are not of sufficient size to produce mathematically credible results based on the experience of the underlying population, most Plans utilize mortality rates that are broadly seen as indicative of general pension eligible populations. Thus, the rates utilized are likely not specific to the health characteristics of the specific participants covered by the Plan. That being said, if the covered participants receive annuities and live longer than expected, they will receive payments over that longer lifetime. Alternatively, if they do not live as long as expected, they will receive payments over a shorter period.

Please note that the mortality tables used for development of the actuarially determined contribution for funding purposes for the Plan are based on the most recent tables used under the Florida Retirement System. These mortality tables do not reflect the specific demographic characteristics of the participants in the Plan and, as such, may overstate or understate the true liability associated with the Plan.

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. 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).

Our calculations were based on financial data and the employee data furnished by Halifax Health as of October 1, 2018. 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, 2018, which are summarized in Exhibit VII and the actuarial assumptions and methods described in Exhibit VI.

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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October 31, 2019

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Summary of Plan Participation as of October 1, 2018

ACTIVE PARTICIPANTS	
(1) Active at October 1, 2017	449
(2) Terminations During Year With Vested Rights	(2)
(3) Terminations During Year Without Vested Rights	0
(4) Deaths	(1)
(5) Retired	(21)
(6) New Participants or Rehires	0
(7) Lump Sum Distribution	(12)
(8) Adjustments (Includes employees leaving or returning to covered status)	1
(9) Active at October 1, 2018	414
RETIRED PARTICIPANTS & BENEFICIARIES	
(1) Retirees at October 1, 2017	1,004
(2) Deaths with Beneficiary	(10)
(3) Deaths with No Beneficiary	(16)
(4) Lump Sum Distributions	0
(5) Certain Provision Expired	0
(6) New Retirees & Beneficiaries	55
(7) Adjustments (Includes two participants previously indicated as receiving but who actually are deferred beneficiaries)	(2)
(8) Retirees at October 1, 2018	1,031
TERMINATED VESTED PARTICIPANTS & DEFERRED BENEFICIARIES	
(1) Terminated Vested at October 1, 2017	525
(2) New Terminated Vested or Deferred Beneficiary	4
(3) Lump Sum Distributions	(9)
(4) Deaths	(2)
(5) Adjustments (Including employees returned to covered status, data adjustment for participants previously indicated as receiving but who actually are deferred beneficiaries, participant determined to never have entered the plan)	0
(6) Retired	(25)
(7) Terminated Vested at October 1, 2018	493

Assets of the Plan as Of September 30, 2018

SUMMARY OF ASSETS	
(1) Cash	\$ 143,616
(2) Bonds	123,951,856
(3) Stocks	156,002,879
(4) Other	-
Total Plan Assets	\$ 280,098,351

RECONCILIATION OF ASSETS	
(1) Assets as of October 1, 2017	\$ 266,359,289
(2) Contributions for the 2017-2018 Plan Year	19,876,000
(3) Interests and Dividends	5,790,251
(4) Realized Appreciation of Assets	2,884,340
(5) Unrealized Depreciation of Assets	6,608,226
(6) Benefit Payments	(21,348,524)
(7) Investment Expenses	0
(8) Administrative Expenses	(71,231)
Assets as of September 30, 2018	\$ 280,098,351

Note: All investments are valued at fair market value. The investment return for the 2017-2018 plan year, based on market value and net of investment expenses, was 5.75%

Actuarial Gain/Loss - Year Ending September 30, 2018	
(1) Actuarial Accrued Liability at 10/1/2018	362,272,564
(2) Actuarial Accrued Liability (prior to assumption changes) at 10/1/2018	362,244,184
(3) Assets at 10/1/2018 (Market Value)	280,098,351
(4) Unfunded Actuarial Accrued Liability at 10/1/2018: (1) - (3)	82,174,213
(5) Unfunded Actuarial Accrued Liability (prior to assumption changes) at 10/1/2018: (2) - (3)	82,145,833
(6) Supplemental Actuarial Accrued Liability due to assumption changes: (4) - (5)	\$ 28,380
(7) Unfunded Actuarial Accrued Liability at 10/1/2017	92,795,709
(8) Normal Cost, 10/1/2017	74,000
(9) Interest on (7) and (8) @ 6.75%	6,268,705
(10) Employer Contributions, Beginning of Year 2017	19,876,000
(11) Interest on (10) @ 6.75%	1,337,833
(12) Expected Unfunded Actuarial Accrued Liability at 10/1/2018: =(7) + (8) + (9) - (10) - (11)	77,924,581
(13) Actuarial (Gain)/Loss: (5) - (12)	\$ 4,221,252

Summary of Amortization Payments as of October 1, 2018

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	4	\$ 43,297,710	\$ 11,906,918
10/1/2013	SAAL (Actuarial Gain)	(3,558,094)	10	5	(2,067,011)	(469,090)
10/1/2013	SAAL (Assumption Change)	43,725,645	10	5	25,401,593	5,764,683
10/1/2014	SAAL (Actuarial Loss)	3,174,179	10	6	2,145,858	418,476
10/1/2014	SAAL (Assumption Change)	2,540,094	10	6	1,717,193	334,880
10/1/2015	SAAL (Actuarial Loss)	28,799,757	10	7	22,035,446	3,796,890
10/1/2015	SAAL (Assumption Change)	(6,046,657)	10	7	(4,626,453)	(797,177)
10/1/2016	SAAL (Actuarial Gain)	(2,116,286)	10	8	(1,795,845)	(279,006)
10/1/2016	SAAL (Assumption Change)	(2,194,272)	10	8	(1,862,021)	(289,288)
10/1/2017	SAAL (Actuarial Gain)	(6,374,807)	10	9	(5,907,938)	(840,439)
10/1/2017	SAAL (Assumption Change)	503,583	10	9	466,702	66,391
10/1/2018	SAAL (Actuarial Loss)	4,221,252	10	10	4,221,252	556,520
10/1/2018	SAAL (Assumption Change)	28,380	10	10	28,380	3,742
TOTAL CHARGES:					\$ 99,314,134	\$ 22,848,500
TOTAL CREDITS:					\$ (16,259,268)	\$ (2,675,000)
					\$ 83,054,866	\$ 20,173,500

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
		10/1/2019	10/1/2020	10/1/2021	10/1/2019	10/1/2020	10/1/2021	
10/1/2012	Fresh Start - UAL	\$ 33,509,670	\$ 23,060,938	\$ 11,906,916	\$ 11,906,918	\$ 11,906,918	\$ 11,906,918	9/30/2022
10/1/2013	SAAL (Actuarial Gain)	(1,705,781)	(1,320,168)	(908,526)	(469,090)	(469,090)	(469,090)	9/30/2023
10/1/2013	SAAL (Assumption Change)	20,962,401	16,223,564	11,164,855	5,764,683	5,764,683	5,764,683	9/30/2023
10/1/2014	SAAL (Actuarial Loss)	1,843,980	1,521,726	1,177,719	418,476	418,476	418,476	9/30/2024
10/1/2014	SAAL (Assumption Change)	1,475,619	1,217,739	942,452	334,880	334,880	334,880	9/30/2024
10/1/2015	SAAL (Actuarial Loss)	19,469,659	16,730,681	13,806,822	3,796,890	3,796,890	3,796,890	9/30/2025
10/1/2015	SAAL (Assumption Change)	(4,087,752)	(3,512,689)	(2,898,809)	(797,177)	(797,177)	(797,177)	9/30/2025
10/1/2016	SAAL (Actuarial Gain)	(1,619,226)	(1,430,685)	(1,229,417)	(279,006)	(279,006)	(279,006)	9/30/2026
10/1/2016	SAAL (Assumption Change)	(1,678,892)	(1,483,402)	(1,274,717)	(289,288)	(289,288)	(289,288)	9/30/2026
10/1/2017	SAAL (Actuarial Gain)	(5,409,555)	(4,877,531)	(4,309,596)	(840,439)	(840,439)	(840,439)	9/30/2027
10/1/2017	SAAL (Assumption Change)	427,332	385,305	340,441	66,391	66,391	66,391	9/30/2027
10/1/2018	SAAL (Actuarial Loss)	3,912,101	3,582,083	3,229,789	556,520	556,520	556,520	9/30/2028
10/1/2018	SAAL (Assumption Change)	26,301	24,082	21,713	3,742	3,742	3,742	9/30/2028
TOTAL CHARGES:		\$ 81,627,063	\$ 62,746,118	\$ 42,590,707	\$ 22,848,500	\$ 22,848,500	\$ 22,848,500	
TOTAL CREDITS:		\$ (14,501,206)	\$ (12,624,475)	\$ (10,621,065)	\$ (2,675,000)	\$ (2,675,000)	\$ (2,675,000)	
TOTAL NET:		\$ 67,125,857	\$ 50,121,643	\$ 31,969,642	\$ 20,173,500	\$ 20,173,500	\$ 20,173,500	

Contribution for Plan Year Ending September 30, 2019

A. ACTUARIALLY DETERMINED CONTRIBUTION	
(1) Normal Cost as of October 1, 2018	\$ 71,000
(2) Net Minimum Amortization Amounts (Exhibit III-B)	20,173,500
(3) Actuarially Determined Contribution for Plan Year October 1, 2018 - September 30, 2019: (1) + (2)	20,244,500
(4) Actual Contribution made October 2018	\$ 19,500,000
(5) Excess (Shortfall): (4) - (3)	\$ (744,500)
(6) Additional contribution for plan year ending September 30, 2019	\$ 0

B. ALLOCATION OF CONTRIBUTION BY PARTICIPATING EMPLOYER BASED ON ACTUAL CONTRIBUTION MADE ON OCTOBER 1, 2018	
Halifax Staffing, Inc.	\$ 18,586,795
Halifax Hospice, Inc.	913,205
Total:	\$ 19,500,000

C. ALLOCATION OF ADDITIONAL CONTRIBUTION BY PARTICIPATING EMPLOYER MADE ON SEPTEMBER 30, 2019	
Halifax Staffing, Inc.	\$ 0
Halifax Hospice, Inc.	0
Total:	\$ 0

The allocation of the contribution between employers is based on the methodology used to determine expense allocation for the fiscal year ending September 30, 2019, which is the present value of future salaries based on the October 1, 2017 active data.

Halifax Health makes a contribution on the first day of the plan year equal to an estimated amount. Differences between the actuarially determined contribution and the estimate will occur. Halifax may make an additional contribution if the prior estimate is not a reasonable approximation of the actuarially determined contribution for the plan year. No additional amount is recommended at this time for the plan year ending 9/30/2019.

Actuarial Present Value of Accumulated Plan Benefits

(A) CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
(1) Actuarial present value of accumulated plan benefits as of September 30, 2017	\$ 359,154,998
(2) Increase (decrease) during the year attributable to	
(a) Increase for interest due to the decrease in the discount period	23,534,215
(b) Actuarial (gain)/loss	903,496
(c) Assumption Change	28,380
(d) Benefits paid	(21,348,524)
(e) Net increase	3,117,566
(3) Actuarial present value of accumulated plan benefits as of September 30, 2018	\$ 362,272,564
(B) STATEMENT OF ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF SEPTEMBER 30, 2018	
(1) Actuarial present value of accumulated plan benefits:	
(a) Vested benefits:	
(i) Participants currently receiving payments	\$ 251,834,780
(ii) Other Participants	110,437,784
Sub-total	\$ 362,272,564
(b) Non-vested benefits	0
(2) Total actuarial present value of accumulated plan benefits	\$ 362,272,564
(3) Plan Assets (at Market) as of September 30, 2018	\$ 280,098,351

The actuarial assumptions should reasonably reflect the anticipated experience under the Plan. Effective October 1, 2018, an annual update to the mortality tables used in the calculation of lump sum cash-outs was made. No other changes or updates 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 below:

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, 2017, 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 (\$71,000).

**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%

Actuarial Cost 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.

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 66²/₃% 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 terminate employment and again at normal retirement date.

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, 2013 and prior to January 1, 2018, 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%

For the cash-out amount on or after January 1, 2018, the following assumptions are used:

Mortality Table:	The applicable mortality table for the determination of present values under IRC Section 417(e)(3)(B)
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	1	0	0	0
40 to 44	0	0	0	0	0	0	0	0	10	58,977	10	64,105
45 to 49	0	0	0	0	0	0	0	0	8	88,421	26	81,533
50 to 54	0	0	0	0	0	0	0	0	15	67,816	26	80,326
55 to 59	0	0	0	0	0	0	0	0	17	64,187	41	66,491
60 to 64	0	0	0	0	0	0	0	0	9	73,159	39	77,893
65 to 69	0	0	0	0	0	0	0	0	4	67,146	5	154,868
70 & up	0	0	0	0	0	0	0	0	0	0	2	101,635
Total	0	0	0	0	0	0	0	0	64	68,074	149	77,792

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	1	0
40 to 44	0	0	0	0	0	0	0	0	20	61,541
45 to 49	15	71,137	2	38,646	0	0	0	0	51	77,874
50 to 54	28	71,322	18	51,218	2	46,528	0	0	89	68,738
55 to 59	32	70,094	20	66,003	9	44,253	0	0	119	65,367
60 to 64	17	71,633	24	71,744	10	64,364	5	56,929	104	72,732
65 to 69	8	114,711	4	66,940	1	0	1	0	23	101,775
70 & up	2	32,577	1	0	0	0	1	0	6	74,614
Total	102	73,605	69	63,937	22	55,007	7	56,918	413	71,369

- (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)
- (3) Average compensation has been removed for categories with only 1 employee for privacy protection

TABLE TWO

Age Distribution of Non-Active Members

Age	Retirees and Beneficiaries	Total Annualized Benefits
Under 55	11	\$ 296,701
55-59	59	1,613,111
60-64	174	4,138,589
65-69	275	5,318,192
70-74	244	4,254,332
75-79	140	1,813,457
80-84	88	761,795
85 and over	40	423,794
Total	1,031	\$ 18,619,971
Average Age	70.44	

Age	Vested Terminations	Total Annualized Benefits
Under 25	0	\$0
25-29	0	0
30-34	0	0
35-39	3	11,777
40-44	27	105,154
45-49	73	363,410
50-54	130	877,925
55-59	150	1,071,702
60-64	87	621,783
65-69	9	56,571
70 and over	14	47,530
Total	493	\$ 3,155,852
Average Age	54.63	

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.

