



Pipeline-Westlake Hospital, LLC Overview of Benefits When Employment Ends

As your employment ends with Pipeline-Westlake Hospital, we wanted to provide answers to commonly asked questions about benefit plans. If you have other questions, please contact your hospital Human Resources Representative.

General Information

On August 6, 2019 ("Petition Date"), Pipeline-Westlake Hospital, LLC ("Westlake") filed a voluntary petition for relief under chapter 7 of Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware ("Delaware Bankruptcy Court"). On August 13, 2019, the Delaware Bankruptcy Court transferred Westlake's bankruptcy case to the United States Bankruptcy Court for the Northern District of Illinois ("Illinois Bankruptcy Court").

On August 14, 2019, the Office of the United States Trustee appointed Ira Bodenstein, not individually, but solely as the chapter 7 trustee for the bankruptcy estate of Pipeline-Westlake Hospital, LLC in Westlake's bankruptcy case pending in the Illinois Bankruptcy Court. The overarching duty of the Trustee is to administer Westlake's assets and liabilities, collect and liquidate the property of the Westlake's assets and distribute the proceeds, pursuant to applicable laws. The Trustee's specific statutory duties are detailed in the Bankruptcy Code.

As you are aware, the Westlake hospital located at 1225 W. Lake Street, Melrose Park, Illinois 60160 ("Hospital") is closed and not operating. The Trustee is not authorized to operate the Hospital by operation of law without an order of the Bankruptcy Court. The Bankruptcy Court has not authorized the Trustee to operate the Hospital and Westlake does not have the resources to continue funding payroll for all employees. As reflected in the Trustee's letter dated August 19, 2019, your position was eliminated in connection with this closing and your last day of work was Friday, August 16, 2019.

As a result of the transfer of the bankruptcy case from the Delaware Bankruptcy Court, your final paychecks will be paid in two installments. The first installment will be paid on Tuesday, August 27, 2019 for all hours worked between August 11, 2019 and August 13, 2019. The second installment will be paid on Friday, August 30, 2019 for all hours worked between August 14, 2019 and August 16, 2019.

The Trustee has not been authorized to pay any Paid Time Off ("PTO") that accrued prior to the Petition Date. Therefore, your final paycheck will not include any accrued PTO that accrued prior to the Petition Date. Whether PTO may be paid as part of the bankruptcy case will be addressed at a later date.

Health & Welfare Information

Medical, Dental and Vision

Your current medical, dental and vision coverage, if any, will end at the end of the calendar month from the date of your termination. For example, if your termination date is August 16, 2019, you will have coverage through August 31, 2019. Under most circumstances, you will be eligible to continue these benefits at your own expense through COBRA (Consolidated Omnibus Budget Reconciliation Act).

Pipeline Chicago COBRA administrator is Discovery Benefits (“DBI”). Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered in writing to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. If you’re enrolled in medical, dental or vision coverage, information about COBRA continuation coverage will be sent by mail by DBI. This will outline the costs for each of the plans as well as how to continue enrollment. DBI’s direct contact information is (866) 451-3399 Option 1, then 2. If you want to elect COBRA you must do so within the time frame set out in DBI’s COBRA notice. Listed below are the 2019 medical, dental and vision COBRA costs:

BCBS IL Medical Gold		BCBS IL Medical Silver	
Coverage Level		Coverage Level	
EE	\$ 725.88	EE	\$ 647.89
EE+DOMESTICPARTNER	\$ 1,560.66	EE+DOMESTICPARTNER	\$ 1,392.97
EE+SPOUSE	\$ 1,560.66	EE+SPOUSE	\$ 1,392.97
EE+CHILD	\$ 1,161.42	EE+CHILD	\$ 1,036.64
EE+CHILDREN	\$ 1,596.95	EE+CHILDREN	\$ 1,425.38
EE+FAMILY	\$ 2,250.23	EE+FAMILY	\$ 2,008.46

Note: Medical plans include CVS Prescription Drug Plan

Delta Dental IL Enhanced		Delta Dental IL Preventive	
Coverage Level		Coverage Level	
EE	\$ 31.27	EE	\$ 10.91
EE+DOMESTICPARTNER	\$ 72.02	EE+DOMESTICPARTNER	\$ 28.06
EE+SPOUSE	\$ 72.02	EE+SPOUSE	\$ 28.06
EE+CHILD	\$ 72.02	EE+CHILD	\$ 28.06
EE+CHILDREN	\$ 105.24	EE+CHILDREN	\$ 42.00
EE+FAMILY	\$ 105.24	EE+FAMILY	\$ 42.00

VSP Vision	
Coverage Level	
EE	\$ 6.43
EE+DOMESTICPARTNER	\$ 12.85
EE+SPOUSE	\$ 12.85
EE+CHILD	\$ 12.85
EE+CHILDREN	\$ 13.75
EE+FAMILY	\$ 21.97

Health Savings Account (“HSA”)

Funds in your HSA belong to you and you can continue using the debit card. Contact Discovery Benefits at (800) 451-3399 or at customerservice@discoverybenefits.com with any questions.

Health Care Spending Account (“HCFSA”)

Your deductions stop once your employment ends; however, you may be able to continue your participation in the HCFSA by electing coverage under COBRA, but your HCFSA participation will discontinue at the end of the calendar year in which you elect COBRA coverage. If it is determined you are eligible for COBRA, DBI will send you a package with enrollments instructions. Contact Discovery Benefits at (800) 451-3399 or at customerservice@discoverybenefits.com with any questions.

Dependent Day Care Spending Account (“DCFSA”)

Your deductions stop once your employment ends. You cannot elect DCFSA under COBRA.

Commuter Benefits

Your deductions stop once your employment ends. You cannot elect Commuter Benefits under COBRA.

Short Term Disability

Short Term Disability coverage was discontinued as of your last day worked. No conversion policy will be available.

Long Term Disability

Long Term Disability coverage was discontinued as of your last day worked. Conversion is available provided that you timely elect coverage within 31 days of your last day worked. Additional information is attached.

Life / Accidental Death and Dismemberment (“AD&D”)

Life / AD&D coverage was discontinued as of your last day worked. Conversion and portability is available provided that you timely elect coverage within 31 days of your last day worked. Additional information is attached.

Retirement Information

401(k) Retirement Savings Plan

Contributions to the 401(k) Plan: If you are currently contributing to the Pipeline Health System 401(k) Plan, your contributions will stop when your regular paychecks stop.

Benefit Payment: When you leave the company, you are entitled to receive the full value of your Before-Tax Account, Catch-up Account, Roth 401(k) Account, Roth Catch-up Account, After-Tax Account, QNEC Account, QMAC Account, QVEC Account, and Rollover Account plus the vested portion of your Employer Matching Account. Please call Transamerica at 1-800-401-8726 request a rollover or withdrawal, no sooner than 30 days after the employment separation date.

Vested Balances: Your vesting percentage will be calculated from your hire date with Pipeline or from your original hire date if you transitioned from Tenet. Employer matching contributions are subject to a 5 year graded vesting schedule.

A payment from the Plan that is eligible for “rollover” can be taken in two ways. (A rollover is a payment of your Plan benefits to your individual retirement plan (IRA) or to another employer’s qualified retirement plan.) You can have all or any portion of your payment either 1) paid in a “direct rollover” or 2) paid to you.

If you choose a **direct rollover**:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You are not subject to the IRS 10% penalty.
- Your payment will be made directly to your traditional IRA or, if you choose, to another employer’s qualified retirement plan that accepts your rollover. The check will be made payable to the Plan or IRA account receiving the rollover and the check will be mailed to you. You will be responsible for forwarding the check to the applicable plan or IRA account.
- Your Plan payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or an education IRA because these are **not** traditional IRAs.
- Your payment will be taxed later when you take it out of the traditional IRA or the qualified employer plan.

If you choose to have your Plan benefit **paid to you**:

- You will receive only 80% of the payment, because the Plan administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over within 60 days of receipt. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 ½, you may also have to pay an additional 10% tax.
- You can roll over the payment by paying it to your IRA or to another employer’s qualified plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer’s qualified plan.
- If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you be taxed on the 20% that was withheld and not rolled over.

Or, the below may occur:

- If your account balance is less than \$5,000 but \$1,000 or more, your 401(k) balance will be automatically rolled over to an IRA. Transamerica will notify you prior to processing the automatic rollover provided that your address is current at Transamerica.
- If your account balance is less than \$1,000, you will be required to take a withdrawal from the plan. Transamerica will notify you prior to processing the automatic withdrawal provided that your address is current at Transamerica.

OUTSTANDING 401(K) LOAN

If you have an 401(k) outstanding loan when your employment ends you will need to take action.

Default Your loan will be in default if a scheduled payment is not made by the end of the "cure period." The "cure period" is the repayment period which will not extend beyond the last day of the calendar quarter following the calendar quarter during which the last scheduled installment payment was due and not paid. If you leave employment, you must make arrangements to pay off your outstanding balance of the loan prior to the "cure period" or the outstanding balance will be taxable income to you. If you request a distribution prior to the "cure period" without paying off the outstanding balance, the loan will be defaulted at that time.

A defaulted loan means that the outstanding principal and interest are considered to be a distribution from your plan account. It becomes taxable income to you for the taxable year in which the default occurs and it may be subject to a 10% federal early withdrawal penalty if you are under age 59 ½. State taxes may also apply. **If you wish to pay off your loan, contact Transamerica for the pay-off amount and procedures.**

2019 Carrier Contact Information

The plan documents will govern if any provisions of this document are found to be in conflict with the plan documents. If you have any questions about your benefits, please contact your hospital HR Representative.

Plans	Carrier Name	Phone	Website
Medical	Blue Cross Blue Shield of IL	855-691-8002	www.bcbsil.com
Prescription Drug	CVS/Caremark	855-273-2800	www.caremark.com
Dental	Delta Dental	800-323-1743	www.deltadentalins.com
Vision	VSP	800-877-7195	www.vsp.com
Health Savings Account (HSA)	Discovery Benefits	866-453-3399	www.discoverybenefits.com
Flexible Spending Account (FSA)			
Short-term disability/Long-term disability	UNUM	800-445-0402	www.unum.com
Life and Accidental Death & Dismemberment (AD&D)			
401(k)	Transamerica	800-401-8726	www.TA-Retirement.com