

## SUMMARY PLAN DESCRIPTION MATERIAL MODIFICATIONS

### I INTRODUCTION

This is a Summary of Material Modifications regarding the Honor Health 403(b) Retirement Security Plan ("Plan"). This is merely a summary of the most important changes to the Plan and information contained in the Summary Plan Description ("SPD") previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control. Unless otherwise noted, these changes are effective for plan years beginning after December 31, 2018.

### II SUMMARY OF CHANGES TO HARDSHIP DISTRIBUTION PROVISIONS

The Plan allows you to withdraw money for financial hardship if you satisfy certain conditions. The Plan's hardship distribution provisions have been amended as described below. You should note that all the other hardship provisions set forth in the Plan and explained in the Summary Plan Description continue to apply.

**Hardship conditions.** If you have a qualifying hardship expense, the Plan requires that certain conditions be satisfied to demonstrate the necessity of the distribution. The following changes have been made in these conditions:

1. Beginning no later than January 1, 2020 (or, if later, when the plan is adopted or hardship distributions are permitted) , you will be required to certify in writing or electronically, as a condition of receiving a hardship distribution, that you have insufficient cash or other liquid assets reasonably available to meet your financial hardship.
2. You are no longer required to suspend making salary deferrals and after-tax voluntary contributions, if applicable for six (6) months after receipt of the hardship distribution. This means you may continue making these contributions even though you have received a hardship distribution.
3. You are no longer required to obtain all nontaxable loans currently available under all plans that your Employer maintains.

**Hardship Events.** If the Plan permits hardship distributions using the hardship reasons as defined by the Internal Revenue Service ("IRS"), effective January 1, 2018 the Plan has expanded the list of expenses which qualify for a hardship distribution. You can now receive a hardship distribution if your principal residence or place of employment at the time of a disaster was in an area FEMA designates as qualifying for individual assistance in connection with a federally declared disaster. The distribution can cover your expenses and losses (including loss of income) on account of the disaster. Additionally, the definition of residential casualty loss has been broadened to include residential casualties even if they are not part of a federally declared disaster. For certain hardship events, a Participant's hardship may include an immediate and heavy financial need of the Participant's primary Designated Beneficiary under the Plan.