

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1999</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1999</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u> <u>12500 WILLOWBROOK RD.</u> <u>CUMBERLAND, MD 21502</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-0591531</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>240-964-7000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>622000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-0591531</u>	2c Sponsor's telephone number <u>240-964-7000</u>	2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>52-0591531</u>					
2c Sponsor's telephone number <u>240-964-7000</u>					
2d Business code (see instructions) <u>622000</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	DENISE G. KIRALY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	DENISE G. KIRALY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		3c Administrator's telephone number
a Sponsor's name		
4b EIN		
4c PN		
5 Total number of participants at the beginning of the plan year		5 3390
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants		6a 1576
b Retired or separated participants receiving benefits		6b 929
c Other retired or separated participants entitled to future benefits		6c 724
d Subtotal. Add lines 6a , 6b , and 6c		6d 3229
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e 72
f Total. Add lines 6d and 6e		6f 3301
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 48
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☒ <u>2</u> A (Insurance Information)	
	(4) ☒ C (Service Provider Information)	
	(5) ☒ D (DFE/Participating Plan Information)	
	(6) ☐ G (Financial Transaction Schedules)	

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2013 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	003150		01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
--

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 7139235**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 7628014**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 353050(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 353050**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 7981064**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 800660(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 41169

▶ ADMINISTRATIVE EXPENSE

(5) Total deductions **7e(5)** 841829**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 7139235

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2013 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	619023	3140	01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	71753

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

CBIZ FINANCIAL SOLUTIONS INC
P.O. BOX 643792
CINCINNATI, OH 45264-3792

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	71753	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	76773356

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add lines 7b and 7c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u>	D Employer Identification Number (EIN) <u>52-0591531</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month _____ Day _____ Year _____	
2 Assets:	
a Market value	2a <u>160919740</u>
b Actuarial value	2b <u>160276887</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>958</u> <u>69709454</u>
b For terminated vested participants.....	3b <u>653</u> <u>20753496</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>6212895</u>
(2) Vested benefits	3c(2) <u>64468620</u>
(3) Total active.....	3c(3) <u>1738</u> <u>70681515</u>
d Total.....	3d <u>3349</u> <u>161144465</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.74 %</u>
6 Target normal cost	6 <u>4690407</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/13/2014</u>
Signature of actuary		Date
<u>JON S. KETZNER, FCA, MAAA</u>		<u>14-01826</u>
Type or print name of actuary		Most recent enrollment number
<u>CBIZ BENEFITS & INSURANCE SERVICES</u>		<u>301-777-1500</u>
Firm name		Telephone number (including area code)
<u>44 BALTIMORE STREET</u> <u>CUMBERLAND, MD 21502</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	4274291	14107450
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	4274291	2475265
9 Amount remaining (line 7 minus line 8)	0	11632185
10 Interest on line 9 using prior year's actual return of <u>10.14</u> %		1179504
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		7458829
b Interest on (a) using prior year's effective interest rate of <u>7.08</u> % except as otherwise provided (see instructions)		734622
c Total available at beginning of current plan year to add to prefunding balance		8193451
d Portion of (c) to be added to prefunding balance		8193451
12 Other reductions in balances due to elections or deemed elections	0	6893451
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	14111689

Part III Funding Percentages		
14 Funding target attainment percentage	14	90.70 %
15 Adjusted funding target attainment percentage	15	90.70 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.57 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
05/16/2014	9500000	0			
			Totals ►	18(b)	9500000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 8687988
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.23%	2nd segment: 6.51%	3rd segment: 7.16 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	4690407
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		14979267	3453728
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	8144135
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	8144135	8144135
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	8687988
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	8687988
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	8144135
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531

Part I	Service Provider Information (see instructions)
---------------	--

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
--

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50 64	CONTRACT ADMIN	164055	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

CBIZ FINANCIAL SOLUTIONS

52-1396995

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	58638	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	CONTRACT ADMIN	41169	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2013</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
<p>For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013</p>		
<p>A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</p>		<p>B Three-digit plan number (PN) ▶ 001</p>
<p>C Plan or DFE sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION</p>		<p>D Employer Identification Number (EIN) 52-0591531</p>
<p>Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)</p>		
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP BLEND SEP ACCT-I3</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-020</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3917976</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MONEY MARKET SA-I3</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-024</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 939239</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL EM MKT SEP ACCT-I4</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-013</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4678665</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DIV INTL SA-I5</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-015</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6418249</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-I5</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-028</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2079166</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INFLATION PROT SA-I2</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-099</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5514472</p>
<p>a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INCOME SEP ACCT I3</p>		
<p>b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO</p>		
<p>c EIN-PN 42-0127290-118</p>	<p>d Entity code P</p>	<p>e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 23696823</p>

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN EQUITY INCOME SA-I3**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO

c EIN-PN 42-0127290-120	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17433521
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SHORT-TERM INCOME SA-I3**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE CO

c EIN-PN 42-0127290-124	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12095245
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	9000000	9500000
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	306840	598897
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)	77906429	76773356
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	59877656	76609856
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	7628014	7139235
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	6409191	5937495
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	161128130	176558839

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	161128130	176558839
---	----	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	9500000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		9500000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	47	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)	292025	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		292072
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2259638	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		2259638
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-471695	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-471695

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		5186139
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		6417279
c Other income.....	2c		356705
d Total income. Add all income amounts in column (b) and enter total.....	2d		23540138

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	7409597	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		7409597
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	263863	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	435969	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		699832
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		8109429

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		15430709
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: DIXON HUGHES GOODMAN LLP

(2) EIN: 56-0747981

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u>	D Employer Identification Number (EIN) <u>52-0591531</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u> <u>06-1050034</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>10</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 32% Investment-Grade Debt: 65% High-Yield Debt: 0% Real Estate: 0% Other: 3%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

***Financial Statements and
Supplemental Schedules
December 31, 2013 and 2012***

***Western Maryland Health System
Corporation Retirement Plan***



DIXON HUGHES GOODMAN^{LLP}
Certified Public Accountants and Advisors

Western Maryland Health System Corporation Retirement Plan

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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Report of Independent Auditors

The Plan Administrator
Western Maryland Health System Corporation Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the ***Western Maryland Health System Corporation Retirement Plan*** (the Plan), which comprise of the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to certain information summarized in *Note 3*, which was certified by Prudential Retirement Insurance and Annuity Company (Prudential), the custodian, and Principal Trust Company (Principal), the trustee, except for comparing such information with the related information included in the 2013 financial statements. We have been informed by the Plan Administrator that the custodian and trustee hold primarily all of the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the custodian and trustee as of and for the years ended December 31, 2013 that the information provided to the Plan Administrator is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2013 financial statements. Accordingly, we do not express an opinion on the 2013 financial statements.

Other Matter – Supplemental Schedules

The supplemental schedule of assets (held at end of year) as of December 31, 2013 and the supplemental schedule of reportable transactions for the year ended December 31, 2013 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Other Matter – 2012 Financial Statements

The 2012 financial statements of the Plan were audited by Cohen Rutherford + Knight, P.C., certain of whose shareholders joined Dixon Hughes Goodman LLP as of June 1, 2014. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed Cohen Rutherford + Knight, P.C., not to perform and they did not perform, any auditing procedures with respect to the information certified by the custodian and trustee. Their report, dated October 15, 2013, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements, and (b) the form and content of the information included in the financial statements, other than that derived from the information certified by the custodian and trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by Prudential, Principal and Mass Mutual (as applicable), have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Dixon Hughes Goodman LLP

Tysons, Virginia
October 13, 2014

Western Maryland Health System Corporation Retirement Plan

Statements of Net Assets Available for Benefits

(Dollars in thousands)

Years Ended December 31,	2013	2012
Net assets available for benefits		
Prudential Financial, Inc. investment accounts:		
Immediate participation guarantee fund	\$ 7,139	\$ 7,628
CBIZ Financial Solutions investment accounts:		
Fixed income	-	6,716
Principal Financial Group investment accounts:		
US government obligations	5,937	-
Mutual funds	76,610	59,878
Pooled separate accounts	77,372	77,906
Net assets available for benefits	<u>\$ 167,058</u>	<u>\$ 152,128</u>
Accumulated plan benefits:		
Actuarial present value of vested benefits:		
Participants currently receiving benefits	\$ 66,129	\$ 58,619
Other participants	77,661	70,300
	<u>143,790</u>	<u>128,919</u>
Actuarial present value of nonvested benefits	<u>7,339</u>	<u>8,444</u>
Total actuarial present value of accumulated plan benefits	<u>151,129</u>	<u>137,363</u>
Excess of net assets available for benefits over actuarial present value of accumulated plan benefits	<u>\$ 15,929</u>	<u>\$ 14,765</u>

The accompanying notes are an integral part of these financial statements.

Western Maryland Health System Corporation Retirement Plan

Statements of Changes in Net Assets

(Dollars in thousands)

December 31,	2013	2012
Net increase in net assets available for benefits:		
Net changes in Massachusetts Mutual Life Insurance Company investment accounts:		
Employer contributions	\$ -	\$ 8,420
Investment income	-	12,117
Benefits paid to participants	-	(6,633)
Contract termination	-	(122,164)
Administrative expenses	-	313
	-	(107,947)
Net changes in Prudential Financial, Inc. investment accounts:		
Investment income	353	416
Benefits paid to participants	(801)	(856)
Administrative expenses	(41)	(40)
	(489)	(480)
Net changes in CBIZ Financial Solutions investment accounts:		
Withdrawals	(6,598)	(14,851)
Investment income	(118)	1,040
	(6,716)	(13,811)
Net changes in Principal Financial Group investment accounts:		
Purchases	-	137,015
Contribution	9,004	-
Investment income	2,260	516
Other cash receipts	6,875	-
Realized loss	(378)	-
Unrealized gain	11,838	253
Benefits paid to participants	(6,641)	-
Administrative expenses	(660)	-
Other cash disbursements	(163)	-
	22,135	137,784
Net increase in net assets available for benefits	\$ 14,930	\$ 15,546
Net increase in actuarial present value of accumulated plan benefits:		
Increase during the year attributable to:		
Change in actuarial assumptions	\$ 4,039	\$ -
Benefits accumulated	5,776	6,279
Increase for interest due to decrease in discount period	11,361	10,538
Benefits paid	(7,410)	(6,864)
Net increase in actuarial present value of accumulated plan benefits	13,766	9,953
Change in excess of net assets available for benefits over actuarial present value of accumulated plan benefits	1,164	5,593
Excess of net assets available for benefits over actuarial present value of accumulated plan benefits:		
Beginning of year	14,765	9,172
End of year	\$ 15,929	\$ 14,765

The accompanying notes are an integral part of these financial statements.

***Western Maryland Health System Corporation
Retirement Plan***

Notes to the Financial Statements

(Dollars in thousands)

December 31, 2013 and 2012

1. Plan Description

The ***Western Maryland Health System Corporation Retirement Plan*** (the Plan) was established January 1, 1999. Assets of approximately \$32,600 and \$53 were transferred into the Plan to provide for benefits of active and inactive participants from the plan assets of the Memorial Hospital and Medical Center of Cumberland, Inc. Pension Plan and the Medilab of Cumberland Retirement Plan, respectively. Assets of approximately \$18,000 were transferred from the Ascension Health Retirement Plan into the Plan to provide for the benefits of the active participants of Sacred Heart Hospital, St. Vincent DePaul Nursing Center, and Haystack Consolidated Services, Inc.

The Plan is a noncontributory defined benefit plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). As of December 1, 2012, the Plan voluntarily replaced Massachusetts Mutual Life Insurance Company (Mass Mutual) as a provider of certain investment and administrative services for the Plan with Principal Life Insurance Company (Principal). In order to facilitate this transition, certain investments were sold at the transition date by Mass Mutual so that comparable financial instruments could be purchased by Principal.

The Plan covers all eligible employees of Western Maryland Health System Corporation (WMHS) and the following participating organizations, each of which is wholly owned or controlled, as applicable, by WMHS:

- Frostburg Nursing and Rehabilitation Center
- Haystack Consolidated Services, Inc.
- Memorial Hospital and Medical Center of Cumberland, Inc.
- Braddock Hospital

Eligibility for participation begins on January 1 or July 1 coinciding with or following a year of eligible service. One year of eligible service is credited to an employee at the end of the 12 months during which 832 or more hours have been completed. The Plan was amended effective January 1, 2010, to offer an Early Retirement Incentive Program (ERIP) to certain employees. The ERIP was offered for a limited time only, beginning May 14, 2010 and ending July 6, 2010. Participation in the ERIP was voluntary. Additional information regarding the ERIP is published in the Plan document and other sources. In 2011, Plan management elected to freeze eligibility to participate in the Plan. Employees hired or re-hired after June 30, 2011 are not eligible to become a participant in the Plan on or after July 1, 2011. Employees re-hired after June 30, 2011 are not eligible to accrue any additional benefit under the Plan based on service or compensation after June 30, 2011. Benefits will continue to accrue in the Plan for current participants, and no changes to the formula used to calculate benefits will be made.

Retirement Benefits

Generally, Plan benefits are based on the benefit formula adopted by WMHS, participant earnings, covered compensation, and credited service. An employee is 100% vested in his or her accrued benefit after completing five years of vesting service. The Plan also provides for full benefits on an early retirement date if certain conditions are met.

Death Benefits

The Plan includes provisions for death benefits to be paid to the surviving spouse or family unit, commencement of which would begin in the first month after the participant's death.

Funding Policy

The funding policy of WMHS is to remit amounts sufficient to provide the Plan with assets with which to pay pension benefits to Plan participants. The Plan has met the minimum funding requirements for 2013 and 2012 under ERISA.

Plan Termination

Although it has not expressed any intention to do so, WMHS has the right under the Plan to discontinue its operations at any time and to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- 1) Retirement income called for under the Plan for those former participants or beneficiaries who have been receiving monthly payments for three years, or who would have been receiving monthly payments for three years if they had been eligible to and elected to retire three years ago; in both cases based on the terms of the Plan in effect five years preceding the date of termination of the Plan.
- 2) Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency, up to the applicable limitations.
- 3) All other vested benefits not insured by the PBGC.
- 4) All nonvested benefits.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated October 10, 2012 stating that the Plan is qualified under Section 401(a) of the Code; therefore, the related trust is exempt from taxation.

Management has also considered the impact of unrelated business activities, and has concluded that the Plan is not subject to unrelated business tax or any other taxes that could be imposed by the Internal Revenue Code or state taxing authorities. As such, no provision is made for income taxes and no asset or liability has been recognized for deferred taxes. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

Current accounting standards require the Plan to recognize the impact of an uncertain tax position in its financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. In the opinion of Plan management, there are no uncertain tax positions required to be accrued or disclosed in the Plan's financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared using the accrual method of accounting except for contributions to the Plan, which are recorded in the period paid.

Uses of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The fair value of fixed maturity securities and common stock is determined by Prudential Financial Inc. (Prudential); Principal Life Insurance Company (Principal); and CBIZ Financial Solutions (CBIZ) based on the last reported sales price on the last business day of the year. If no sale was reported on that date, they are valued at the average of the bid and asked price on the last business day of the year.

A portion of the Plan's assets are invested in mutual funds managed by Principal for 2013 and 2012 have been determined by the Plan from observable market quotations, when available.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Actuarial Present Value at Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments and lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee service rendered as of the valuation date.

The Plan's consulting actuary estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for events such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Actuarial assumptions at December 31, 2013 and 2012 are as follows:

2013				2012		
Pre-Retirement for Retirement and Spousal Benefits						
Interest Discount	Segment Rates (Four month lookback; reflects MAP-21)			Segment Rates (Four month lookback; reflects MAP-21)		
		<u>For 430 and</u>	<u>For</u>	<u>For 430 and</u>	<u>For</u>	
		<u>436</u>	<u>404</u>	<u>436</u>	<u>404</u>	
	First Segment:	5.23%	1.75%	First Segment:	5.54%	2.06%
	Second			Second		
	Segment:	6.51%	4.62%	Segment:	6.85%	5.25%
	Third			Third		
	Segment:	7.16%	5.72%	Segment:	7.52%	6.32%
Mortality	2013 Static Mortality for non-annuitants			2012 Static Mortality for non-annuitants		
Salary Scale	3.50%			2.0% per year through 2012 and 3.5% 2013 and beyond		
Retirement Age	Varying by age as shown below:			Varying by age as shown below:		
	<u>Rate</u>	<u>Age</u>		<u>Rate</u>	<u>Age</u>	
	6.00%	57-61		6.00%	57-61	
	10.00%	62-63		10.00%	62-63	
	20.00%	64		20.00%	64	
	17.50%	65-66		17.50%	65-66	
	100.00%	67+		100.00%	67+	
Expenses	Based on estimated administrative expenses paid from Plan assets			Based on estimated administrative expenses paid from Plan assets		

	2013	2012
<i>Post-Retirement for Retirement Benefits</i>		
Interest Discount	Same as pre-retirement assumption	Same as pre-retirement assumption
Mortality	2013 Static Mortality for annuitants	2012 Static Mortality for annuitants
<i>Asset Valuation Method</i>	24 month average limited by 90%/110% corridor	24 month average limited by 90%/110% corridor
<i>Effective Interest Rate</i>	6.74%	7.08%
<i>Assumed Earnings Rate</i>	7.50%	7.00%
<i>Compliance Testing</i>	Based on the data provided, the plan meets the requirements of IRC Sections 401(a)(4), 401(a)(26), 410(b) and 415(b) for the current Plan year. The Plan is not considered "top heavy" for the current Plan year.	Based on the data provided, the plan meets the requirements of IRC Sections 401(a)(4), 401(a)(26), 410(b) and 415(b) for the current Plan year. The Plan is not considered "top heavy" for the current Plan year.

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Subsequent Events

Subsequent events have been evaluated by management through October 13, 2014 which is the date the financial statements were available to be issued.

3. Investments

The investment information summarized below and included in the Plan's financial statements is unaudited (except for investments held by CBIZ) and has been certified as complete and accurate by Prudential, Principal or Mass Mutual, as applicable, as of and for the years ended December 31, 2013 and 2012, respectively.

	<u>2013</u>	<u>2012</u>
Investments:		
Unallocated fund account with Prudential		
Immediate participation guarantee fund	\$ 7,139	\$ 7,628
Investments with CBIZ Financial Solutions		
Fixed maturity	-	6,716
Investments with Principal		
US government obligations	5,937	-
Mutual funds	76,610	59,878
Pooled separate accounts	77,372	77,906
	<u>\$ 167,058</u>	<u>\$ 152,128</u>
Investment income:		
Unallocated fund account with Prudential		
Interest income	\$ 353	\$ 416
Investments with Mass Mutual		
Net appreciation in fair value of investments	-	12,117
Investments with CBIZ Financial Solutions		
Net appreciation in fair value of investments	(410)	581
Dividend and interest income	292	459
Investments with Principal		
Net appreciation in fair value of investments	13,720	769
	<u>\$ 13,955</u>	<u>\$ 14,342</u>

Based upon the information certified by Prudential, Principal or Mass Mutual (as applicable) and provided by CBIZ, the following table summarizes the fair value of those investments representing 5% or more of the Plan's net assets available for benefits at December 31:

	2013	2012
Immediate participation guarantee fund	\$ *	\$ 7,628
Gateway Y Fund	17,266	15,031
Loomis Sayles Bd Inst Fd	14,768	13,199
Metro West Total Rtn Bd I	14,055	13,209
Vanguard Growth Index Inst	20,088	14,413
BlackRock Inflation Prot SA-I2	*	10,818
Edge Asset Mgmt Eqty income SA-I3	23,697	23,788
Edge Asset Mgmt Income SA-I3	17,434	13,025
Edge Asset Mgmt Sh Term Inc SA-I3	12,095	11,284

**Investment did not represent more than 5% of plan assets at year end.*

4. Fair Value Measurements

Currently applicable standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

A portion of the Plan's assets is in an unallocated fund account (the immediate participation guarantee fund) held by Prudential at December 31, 2013 and 2012. The unallocated fund account contains assets commingled with other assets of Prudential and is stated at fair value, which is estimated by Prudential discounting cash flows based on current yields of similar instruments with comparable durations. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Equity securities invested in the pooled separate accounts consist of mostly domestic and international stocks. The majority of the underlying securities have observable level 1 or 2 pricing inputs, including quoted prices for similar assets in active or non-active markets. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the values of most of the domestic stocks are quoted prices (level 1), the net asset value (NAV) of a separate account is not publicly quoted. For international stocks, when markets move outside of set thresholds in a day, instead of accepting the exchange quote from IDC, Principal uses prices determined by the Fair Market Value mode which is a multi-factor regression model. This model is used to adjust closing prices on foreign markets for activity between the closing of the foreign and U.S markets.

The majority of each pooled separate accounts invest in a single mutual fund. The underlying mutual funds in which these pooled separate accounts invest have observable level 1 or 2 pricing inputs, including quoted prices for similar assets in active or non-active markets. Most of their prices were obtained from IDC. While the values of most of the mutual funds are quoted prices (level 1), the NAVs of these pooled separate accounts are not publicly quoted.

The level in the fair value hierarchy within which a fair value measurement is determined is based on the lowest level input that is significant to the fair value measurement in its entirety. The following table presents assets that are measured at fair value on a recurring basis as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Separate pooled accounts	\$	\$	\$	\$
Cash and cash equivalent	-	599	-	599
Money market (d)	-	939	-	939
Equity securities				
Blend (a)	-	17,093	-	17,093
Bond (b)	-	41,307	-	41,307
Value (c)	-	17,434	-	17,434
Mutual funds				
Long/Short Equity	17,266	-	-	17,266
Intermediate-Term Bond	14,055	-	-	14,055
Large Growth	20,088	-	-	20,088
Mid-Cap Value	3,639	-	-	3,639
Multisector Bond	14,768	-	-	14,768
Small Growth	1,865	-	-	1,865
Small Blend	4,929	-	-	4,929
US Government obligations	-	5,937	-	5,937
Immediate Participation Guaranty Fund	-	-	7,139	7,139
	<u>\$ 76,610</u>	<u>\$ 83,309</u>	<u>\$ 7,139</u>	<u>\$ 167,058</u>

The following table presents assets that are measured at fair value on a recurring basis as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Separate pooled accounts				
Money market (d)		5,083	-	5,083
Equity securities				
Blend (a)	-	13,908	-	13,908
Bond (b)	-	45,891	-	45,891
Value (c)	-	13,025	-	13,025
Mutual funds				
Long/Short Equity	15,031	-	-	15,031
Intermediate-Term Bond	13,209	-	-	13,209
Large Growth	14,413	-	-	14,413
Mid-Cap Value	2,742	-	-	2,742
Multisector Bond	13,199	-	-	13,199
Small Growth	1,283	-	-	1,283
Money market funds	-	307	-	307
Fixed income	-	6,409	-	6,409
Immediate Participation Guaranty Fund	-	-	7,628	7,628
	<u>\$ 59,877</u>	<u>\$ 84,623</u>	<u>\$ 7,628</u>	<u>\$ 152,128</u>

- (a) Blended funds seek to invest in securities that are balanced between securities whose primary objective is to appreciate and securities whose primary objectives is to pay dividends.
- (b) Bond funds seek to invest in a diversified portfolio of long duration fixed income securities.
- (c) Value funds seek to invest in corporate securities that are deemed to be undervalued in price and are likely to pay dividends.
- (d) Money market funds seek to provide stable returns that are relatively risk free.

The investments with a reported estimated fair value using net asset per value do not have an unfunded commitment, redemption restrictions or a redemption notice period. The redemption frequency is immediate.

No significant transfers were made between the fair value level hierarchies shown above during 2013 and 2012.

The following table presents the roll-forward of financial statements for which fair value measurement is determined using level 3 inputs:

Balance as of December 31, 2011	\$ 8,108
Withdrawals	(896)
Investment income	416
Balance as of December 31, 2012	<u>7,628</u>
Withdrawals	(842)
Investment income	<u>353</u>
Balance as of December 31, 2013	<u>\$ 7,139</u>

5. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

6. Differences Between Financial Statements and Federal Form 5500

The following is a reconciliation of net assets available for benefits per the accompanying Plan financial statements to the federal Form 5500:

	<u>2012</u>
Net assets available for benefits per the financial statements	\$ 152,128
Employer contributions made in 2013 applied to the 2012 plan year in the federal Form 5500	<u>9,000</u>
Net assets available for benefits per the federal Form 5500	<u>\$ 161,128</u>
	<u>2013</u>
Net assets available for benefits per the financial statements	\$ 167,058
Employer contributions made in 2014 applied to the 2013 plan year in the federal Form 5500	<u>9,500</u>
Net assets available for benefits per the federal Form 5500	<u>\$ 176,558</u>

7. Parties-In-Interest Transactions

Certain Plan investments are managed by CBIZ, Prudential, and Principal. Fees paid by the Plan to Prudential amounted to \$41 and \$40 for the years ended December 31, 2013 and 2012. Fees paid by the Plan to Principal amounted to \$164 and 0 for the years ended December 31, 2013 and 2012. Investment management fees to CBIZ and Principal for year 2013 and 2012 are paid from investment income of the Plan. Certain other fees are paid by the Plan Sponsor.

* * * * *

Western Maryland Health System Corporation Retirement Plan

Schedule of Assets (Held At End Of Year)
Schedule H, line 4i

EIN 52-0591531 Plan 001

(Dollars in thousands)

December 31, 2013

Identity of party involved	Description of investment	Cost	Current Value
* Principal	Northern Inst Govt Select	\$ 598	\$ 598
* Principal	MD St Health & Higher Ed 5.0 7/1/16	54	54
* Principal	MD St Health & Higher Ed 5.0 7/1/21	250	263
* Principal	MD St Health & Higher Ed 4.5 1/1/22	95	99
* Principal	MD St Health & Higher Ed 5.0 7/1/22	1,764	1,809
* Principal	MD St Health & Higher Ed 5.0 7/1/23	25	27
* Principal	MD St Health & Higher Ed 5.0 7/1/24	50	52
* Principal	MD St Health & Higher Ed 5.0 1/1/25	114	120
* Principal	MD St Health & Higher Ed 5.0 7/1/25	99	104
* Principal	MD St Health & Higher Ed 5.0 7/1/34	138	148
* Principal	MD St Health & Higher Ed 5.0 7/1/36	3,378	3,262
* Principal	AM. Century SM Company Inv Fnd	4,480	4,929
* Principal	Gateway Y Fund	16,281	17,266
* Principal	Janus Perkins Mid Cap Value I	3,448	3,639
* Principal	Loomis Sayles Bd Inst Fd	14,874	14,768
* Principal	Metro West Total Rtn Bd I	14,571	14,055
* Principal	Vanguard Growth Index Inst	15,437	20,088
* Principal	Vanguard SmCap Grth Index Adm	1,348	1,865
* Principal	Principal Div Intl SA-I5	5,304	6,418
* Principal	Principal Intl Emg Mkts SA-I4	4,792	4,679
* Principal	Principal MidCap Sep Acct I3	2,907	3,918
* Principal	Principal MM SA-I3	939	939
* Principal	Principal SmallCap S&P 600 Index SA-I5	1,439	2,079
* Principal	BlackRock Inflation Prot SA-I2	6,050	5,514
* Principal	Edge Asset Mgmt Eqty Income SA-I3	23,671	23,697
* Principal	Edge Asset Mgmt Income SA-I3	13,676	17,434
* Principal	Edge Asset Mgmt Sh Term Inc SA-I3	11,954	12,095
* Prudential	Immediate Participation Guarantee Fund	7,139	7,139
		\$ 154,875	\$ 167,058

*Represents a party-in-interest.

Note - The above data is based upon information which has been certified as complete and accurate by Prudential Insurance Company and Principal Life Insurance Company, as applicable.

Western Maryland Health System Corporation Retirement Plan

Schedule of Reportable Transactions
Schedule H, part 4, line 4(j)

EIN 52-0591531 Plan 001

Year Ended December 31, 2013

Identity of party involved	Description of asset (including interest rate and maturity in case of loan	Units	Purchase Price	Selling Price	Cost of Asset	Current value of asset on transaction date	Net gain or loss
Principal Financial Group	Principal MM SA-I3	1,862,901	\$ 1,862,901		\$ 1,862,901	\$ 1,862,901	
Principal Financial Group	Principal MM SA-I3	6,006,634		\$6,006,634	\$ 6,006,634	\$ 6,006,634	

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 22 - Description of Weighted Average Retirement Age

EIN: 52-0591531

PN: 001

Year: 2013

Retirement Rates:

<u>Age</u>	<u>Rate</u>	<u>Surviving Percentage</u>
57	6.0%	94%
58	6.0%	88%
59	6.0%	83%
60	6.0%	78%
61	6.0%	73%
62	10.0%	66%
63	10.0%	59%
64	20.0%	48%
65	17.5%	39%
66	17.5%	32%
67	100.0%	0%

Weighted retirement age: 64

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

EIN: 52-0591531

PN: 001

Year: 2013

Actuarial Cost Method

Traditional Unit Credit

Actuarial Value of Assets

24 month average limited by 90%/110% corridor

Date of Calculations

January 1, 2013

Employees Included in the Calculations

All active employees hired on or before June 30, 2011 who have met the Plan's eligibility requirements as of the valuation date are included in the calculations. Former employees or their survivors who are receiving or are entitled to receive an immediate or deferred benefit under the provisions of the Plan are also included.

Source of Data

Data is as of the valuation date and is supplied to us by the Employer.

We rely on the Employer to inform us of any former participants who have been rehired and lost prior service because of the length of their break-in-service. These employees may have participation requirements different from other new employees.

Although we believe these to be accurate and complete, the data and financial information have not been audited by us.

Pre-retirement for Retirement and Spousal Benefits:

Investment Return - Segment Rates (4-month lookback)

		<u>For 404</u>	<u>For 430 and 436</u>
Sample Rates:	Rate 1:	1.75%	5.23%
	Rate 2:	4.62%	6.51%
	Rate 3:	5.72%	7.16%
Mortality:	2013 Static Mortality for non-annuitants		
Termination of Employment:	Varying by age and service as illustrated below:		

Select (Service-Based)

<u>Rate</u>	<u>YOS</u>
20.00%	1
20.00%	2
17.50%	3
15.50%	4
12.50%	5

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

EIN: 52-0591531

PN: 001

Year: 2013

Ultimate (Age-Based)

<u>Rate</u>	<u>Age</u>
10.00%	25
7.50%	30
6.50%	35
5.50%	40
5.00%	45
4.50%	50
0.00%	55

Salary Scale: 3.50%

Retirement Age: Varying by age as shown below:

<u>Rate</u>	<u>Age</u>
6.00%	57 - 61
10.00%	62 - 63
20.00%	64
17.50%	65 - 66
100.00%	67+

Post-retirement for Retirement Benefits:

Investment Return - Segment Rates (4-month lookback)

Sample Rates:		<u>For 404</u>	<u>For 430 and 436</u>
Rate 1:		1.75%	5.23%
Rate 2:		4.62%	6.51%
Rate 3:		5.72%	7.16%

Mortality: 2013 Static Mortality for annuitants

Plan Expenses: Based on estimated administrative expenses paid from plan assets.

Form of Benefit Payment: 100% of Participants are assumed to elect the Normal Form.

Effective Rate of Interest: 6.74%

Compliance Testing: Based on the data provided, the plan meets the requirements of IRC Sections 401(a)(4), 401(a)(26), 410(b) and 415(b) for the current plan year. The company is not considered Top Heavy for the current plan year.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2013

The following summary describes Principal Plan Provisions assumed in calculating the cost of the Pension Plan.

General Information

Original Effective Date	1/1/1999
Plan Year	January 1 through December 31
Employer ID No.	52-0591531
Plan Number	001

Eligibility

All employees of the Employer who have completed a year of eligibility service may participate in the Plan, excluding leased employees, individuals covered by a collective bargaining agreement that does not provide for participation in the plan, leased employees and non-resident aliens. A year of eligibility service is defined as a plan year in which the employee receives credit for at least 832 hours of service. Notwithstanding the above, no employee hired or rehired after 6/30/2011 shall be eligible to participate in the Plan.

Service

Effective 1/1/1999, service is credited for each plan year an employee is credited with at least 832 hours. Partial credit for completed months worked is granted for years of hire, rehire or termination in which the employee worked at the rate of 832 hours.

Service prior to the effective date of the plan is determined under prior plan provisions, as applicable.

Normal Retirement Date

Normal Retirement Date is the first of the month coinciding with or next following attainment of age 65.

Normal Retirement Benefit

The amount of annual benefit based on service to Normal Retirement Date is:

Post 1/1/2008 Career Average Formula:

Accrued Benefit as of 1/01/2008 **PLUS** for each subsequent year, 1.05% (1.25% if years of service as of the valuation date equals or exceeds 15) of Compensation **PLUS** .50% of the excess, if any, of Compensation over Covered Compensation (as limited by permitted disparity regulations). The participant must receive full or partial service credit to receive benefit accrual for the year.

OR

Grandfathered Formula:

1.05% of Final Average Compensation times years of credited service **PLUS** .50% of the excess, if any, of Final Average Compensation over Covered Compensation times years of Service limited to 35 total years.

Only employees participating in the Plan who had at least 25 years of continuous "Years of Hospital Service" as of 12/31/2007 are eligible for the Grandfathered Formula after 1/01/2008.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2013

Normal Retirement Benefit [continued]

A minimum annual benefit of \$180 per year of Service applies to all active participants.

Compensation

Amounts earned during the plan year for employment including W-2 pay plus pay excluded under IRC Sections 125, 401(k) and 403(b). Earnings exclude IRC Section 457 deferred compensation included in the year paid to the Employee and IRC Section 107 parsonage rental values. Earnings are subject to IRC 401(a)(17) limitations.

Final Average Compensation (Grandfathered Formula)

The average of the highest five consecutive plan years of Compensation paid during the ten years preceding actual retirement date. Years in which the participant is not credited with at least 832 hours are excluded.

Covered Compensation

The monthly average of the Social Security Wage Bases in effect for each calendar year during the 35 year period ending with the calendar year in which the Participant attains Social Security Retirement Age.

Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the Normal Retirement Benefit calculated using Compensation and Service as of the accrual date.

Early Retirement Benefit

Upon the completion of five years of Service and the attainment of age 55, a participant may elect to retire. The participant may receive an immediate benefit equal to the Normal Retirement Benefit based on service and compensation at early retirement, reduced by 5/12 of 1% for each month by which actual retirement precedes normal retirement. There is no reduction on or after age 62 if the sum of age and Service equals or exceeds 90.

Delayed Retirement

A participant may continue in the employment of the Employer after Normal Retirement Date. In such event, the participant will receive, at actual retirement, the greater of the actuarial equivalent of the prior year's Accrued Benefit or the benefit based on service and compensation as of the actual termination date.

Disability Retirement Benefit

For participants who become disabled on or after 1/01/2008, there is no disability benefit payable under the Plan. For participants who met the requirements for disability prior to 1/01/2008, the disability benefit is calculated under the grandfathered benefit formula based on projected salary and Service through the elected retirement date.

Death Benefit

A pre-retirement death benefit is generally payable to the beneficiary of an active participant and to the beneficiary of a vested, married terminated participant. For retired participants, the only death benefit payable is based on the elected annuity option.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2013

Severance Benefit

Upon termination of employment after five years of Service, a participant shall have a vested interest in their accrued benefit, which will be payable at Normal Retirement Date. The percentage vested shall be:

<u>Years of Vesting Service</u>	<u>Vested Percent</u>
Fewer than five	0%
Five or more	100%

An employee is also deemed fully-vested upon attainment of normal retirement age.

Normal Form of Payment

The Normal Form of Payment is an annuity paid in monthly installments for life, or if married, an actuarially equivalent Joint & 50% Survivor Annuity.

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the Normal Form of Payment.

The options available are as follows:

- (1) An equivalent benefit to be paid during the participant's lifetime with 50%, 66.67%, 75% or 100% of the adjusted benefit to be continued to the spouse for their lifetime after the participant's death.
- (2) An equivalent benefit to be paid for life with 60, 120 or 180 monthly payments guaranteed.
- (3) An equivalent benefit to be paid for life with no death benefit.
- (4) A lump sum benefit if the value is less than \$5,000.
- (5) For employees with a prior match account balance or employee contribution balance, they may elect a lump sum withdrawal of either or both balances, as applicable.

Optional Methods of Settlement are actuarially equivalent to the Normal Form of Payment based on the 1983 GAM (male) Table with a 4 year setback for participants (2 year setback for non-participants) and an 8.50% interest rate. Lump sum equivalence is generally based on the Applicable Mortality and Applicable Interest Rates as determined under IRC Section 417(e)(3). The lookback month is the second month preceding the first day of the plan year in which distribution occurs. The stability period is the plan year.

Additional Information

The above description is a summary only; for additional details, reference should be made to the formal Plan Document.

Schedule SB, line 26 - Schedule of Active Participants

Year: 2013

Years of Service

Age	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		
	Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		Avg.		
	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	No.	Comp.	
Under 25	0	0	54	22,923	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61
25 to 29	2	0	63	37,178	49	38,930	0	0	0	0	0	0	0	0	0	0	0	0	0	0	114
30 to 34	0	0	39	46,409	66	48,151	46	45,068	0	0	0	0	0	0	0	0	0	0	0	0	151
35 to 39	0	0	39	44,179	39	49,062	46	51,060	12	0	0	0	0	0	0	0	0	0	0	0	136
40 to 44	0	0	40	43,822	54	53,840	53	54,860	37	50,403	43	56,095	2	0	0	0	0	0	0	0	229
45 to 49	0	0	31	38,870	41	65,924	39	39,159	32	49,261	56	57,681	37	59,930	1	0	0	0	0	0	237
50 to 54	0	0	28	41,733	46	45,292	51	51,881	25	56,805	44	54,821	43	59,271	62	54,131	1	0	0	0	300
55 to 59	0	0	28	49,016	27	38,979	44	45,681	22	56,665	42	66,669	25	54,832	54	61,372	47	57,466	4	0	293
60 to 64	0	0	18	0	12	0	22	38,687	16	0	26	54,711	22	45,963	20	53,976	22	54,804	23	56,744	181
65 to 69	1	0	4	0	4	0	5	0	5	0	3	0	2	0	1	0	1	0	3	0	29
70 & up	0	0	0	0	2	0	0	0	2	0	1	0	0	0	1	0	0	0	1	0	7
Total	3		344		347		306		151		215		131		139		71		31		1,738

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 32 - Schedule of Amortization Bases

EIN: 52-0591531

PN: 001

Year: 2013

<u>Type</u>	<u>PV of</u> <u>Remaining</u>	<u>Valuation</u> <u>Date</u>	<u>Yrs</u> <u>Remaining</u>	<u>Installment</u>
Shortfall	2,210,995	1/1/2013	7	372,123
Shortfall	(8,519,849)	1/1/2012	6	(1,620,783)
Shortfall	<u>21,288,121</u>	1/1/2011	5	<u>4,702,388</u>
Total:	14,979,267			3,453,728

SB Actuary Signature

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2013

**This Form is Open to Public
Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Western Maryland Health System Retirement Plan	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">B Three-digit plan number (PN) ►</td> <td style="width:30%; text-align: center;">001</td> </tr> </table>	B Three-digit plan number (PN) ►	001
B Three-digit plan number (PN) ►	001		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Western Maryland Health System Corporation	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number (EIN) 52-0591531</td> </tr> </table>	D Employer Identification Number (EIN) 52-0591531	
D Employer Identification Number (EIN) 52-0591531			
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other			
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500			

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		160,919,740
b Actuarial value	2b		160,276,887
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	958	69,709,454
b For terminated vested participants.....	3b	653	20,753,496
c For active participants:			
(1) Non-vested benefits	3c(1)		6,212,895
(2) Vested benefits	3c(2)		64,468,620
(3) Total active.....	3c(3)	1,738	70,681,515
d Total.....	3d	3,349	161,144,465
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5		6.74 %
6 Target normal cost	6		4,690,407

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Signature of actuary Jon S. Ketzner, FCA, MAAA Type or print name of actuary CBIZ Benefits & Insurance Services Firm name 44 Baltimore Street Cumberland MD 21502 Address of the firm	10/13/2014 Date 14-01826 Most recent enrollment number (301) 777-1500 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2013
v. 130118**

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	4,274,291	14,107,450
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	4,274,291	2,475,265
9 Amount remaining (line 7 minus line 8)	0	11,632,185
10 Interest on line 9 using prior year's actual return of <u>10.14</u> %		1,179,504
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		7,458,829
b Interest on (a) using prior year's effective interest rate of <u>7.08</u> % except as otherwise provided (see instructions)		734,622
c Total available at beginning of current plan year to add to prefunding balance		8,193,451
d Portion of (c) to be added to prefunding balance		8,193,451
12 Other reductions in balances due to elections or deemed elections	0	6,893,451
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	14,111,689

Part III Funding Percentages

14 Funding target attainment percentage	14	90.70 %
15 Adjusted funding target attainment percentage	15	90.70 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.57 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
05/16/2014	9,500,000	0			
Totals ▶			18(b)	9,500,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	8,687,988

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.23 %	2nd segment: 6.51 %	3rd segment: 7.16 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	4,690,407	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	14,979,267		3,453,728
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	8,144,135	
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement.....	0	8,144,135	8,144,135
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	8,687,988	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	8,687,988	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	8,144,135	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 22 - Description of Weighted Average Retirement Age

EIN: 52-0591531

PN: 001

Year: 2013

Retirement Rates:

<u>Age</u>	<u>Rate</u>	<u>Surviving Percentage</u>
57	6.0%	94%
58	6.0%	88%
59	6.0%	83%
60	6.0%	78%
61	6.0%	73%
62	10.0%	66%
63	10.0%	59%
64	20.0%	48%
65	17.5%	39%
66	17.5%	32%
67	100.0%	0%

Weighted retirement age: 64

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

EIN: 52-0591531

PN: 001

Year: 2013

Actuarial Cost Method

Traditional Unit Credit

Actuarial Value of Assets

24 month average limited by 90%/110% corridor

Date of Calculations

January 1, 2013

Employees Included in the Calculations

All active employees hired on or before June 30, 2011 who have met the Plan's eligibility requirements as of the valuation date are included in the calculations. Former employees or their survivors who are receiving or are entitled to receive an immediate or deferred benefit under the provisions of the Plan are also included.

Source of Data

Data is as of the valuation date and is supplied to us by the Employer.

We rely on the Employer to inform us of any former participants who have been rehired and lost prior service because of the length of their break-in-service. These employees may have participation requirements different from other new employees.

Although we believe these to be accurate and complete, the data and financial information have not been audited by us.

Pre-retirement for Retirement and Spousal Benefits:

Investment Return - Segment Rates (4-month lookback)

		<u>For 404</u>	<u>For 430 and 436</u>
Sample Rates:	Rate 1:	1.75%	5.23%
	Rate 2:	4.62%	6.51%
	Rate 3:	5.72%	7.16%
Mortality:	2013 Static Mortality for non-annuitants		
Termination of Employment:	Varying by age and service as illustrated below:		

Select (Service-Based)

<u>Rate</u>	<u>YOS</u>
20.00%	1
20.00%	2
17.50%	3
15.50%	4
12.50%	5

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

EIN: 52-0591531

PN: 001

Year: 2013

Ultimate (Age-Based)

<u>Rate</u>	<u>Age</u>
10.00%	25
7.50%	30
6.50%	35
5.50%	40
5.00%	45
4.50%	50
0.00%	55

Salary Scale: 3.50%

Retirement Age: Varying by age as shown below:

<u>Rate</u>	<u>Age</u>
6.00%	57 - 61
10.00%	62 - 63
20.00%	64
17.50%	65 - 66
100.00%	67+

Post-retirement for Retirement Benefits:

Investment Return - Segment Rates (4-month lookback)

Sample Rates:		<u>For 404</u>	<u>For 430 and 436</u>
Rate 1:		1.75%	5.23%
Rate 2:		4.62%	6.51%
Rate 3:		5.72%	7.16%

Mortality: 2013 Static Mortality for annuitants

Plan Expenses: Based on estimated administrative expenses paid from plan assets.

Form of Benefit Payment: 100% of Participants are assumed to elect the Normal Form.

Effective Rate of Interest: 6.74%

Compliance Testing: Based on the data provided, the plan meets the requirements of IRC Sections 401(a)(4), 401(a)(26), 410(b) and 415(b) for the current plan year. The company is not considered Top Heavy for the current plan year.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531
PN: 001
Year: 2013

The following summary describes Principal Plan Provisions assumed in calculating the cost of the Pension Plan.

General Information

Original Effective Date	1/1/1999
Plan Year	January 1 through December 31
Employer ID No.	52-0591531
Plan Number	001

Eligibility

All employees of the Employer who have completed a year of eligibility service may participate in the Plan, excluding leased employees, individuals covered by a collective bargaining agreement that does not provide for participation in the plan, leased employees and non-resident aliens. A year of eligibility service is defined as a plan year in which the employee receives credit for at least 832 hours of service. Notwithstanding the above, no employee hired or rehired after 6/30/2011 shall be eligible to participate in the Plan.

Service

Effective 1/1/1999, service is credited for each plan year an employee is credited with at least 832 hours. Partial credit for completed months worked is granted for years of hire, rehire or termination in which the employee worked at the rate of 832 hours.

Service prior to the effective date of the plan is determined under prior plan provisions, as applicable.

Normal Retirement Date

Normal Retirement Date is the first of the month coinciding with or next following attainment of age 65.

Normal Retirement Benefit

The amount of annual benefit based on service to Normal Retirement Date is:

Post 1/1/2008 Career Average Formula:

Accrued Benefit as of 1/01/2008 **PLUS** for each subsequent year, 1.05% (1.25% if years of service as of the valuation date equals or exceeds 15) of Compensation **PLUS** .50% of the excess, if any, of Compensation over Covered Compensation (as limited by permitted disparity regulations). The participant must receive full or partial service credit to receive benefit accrual for the year.

OR

Grandfathered Formula:

1.05% of Final Average Compensation times years of credited service **PLUS** .50% of the excess, if any, of Final Average Compensation over Covered Compensation times years of Service limited to 35 total years.

Only employees participating in the Plan who had at least 25 years of continuous "Years of Hospital Service" as of 12/31/2007 are eligible for the Grandfathered Formula after 1/01/2008.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2013

Normal Retirement Benefit [continued]

A minimum annual benefit of \$180 per year of Service applies to all active participants.

Compensation

Amounts earned during the plan year for employment including W-2 pay plus pay excluded under IRC Sections 125, 401(k) and 403(b). Earnings exclude IRC Section 457 deferred compensation included in the year paid to the Employee and IRC Section 107 parsonage rental values. Earnings are subject to IRC 401(a)(17) limitations.

Final Average Compensation (Grandfathered Formula)

The average of the highest five consecutive plan years of Compensation paid during the ten years preceding actual retirement date. Years in which the participant is not credited with at least 832 hours are excluded.

Covered Compensation

The monthly average of the Social Security Wage Bases in effect for each calendar year during the 35 year period ending with the calendar year in which the Participant attains Social Security Retirement Age.

Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the Normal Retirement Benefit calculated using Compensation and Service as of the accrual date.

Early Retirement Benefit

Upon the completion of five years of Service and the attainment of age 55, a participant may elect to retire. The participant may receive an immediate benefit equal to the Normal Retirement Benefit based on service and compensation at early retirement, reduced by 5/12 of 1% for each month by which actual retirement precedes normal retirement. There is no reduction on or after age 62 if the sum of age and Service equals or exceeds 90.

Delayed Retirement

A participant may continue in the employment of the Employer after Normal Retirement Date. In such event, the participant will receive, at actual retirement, the greater of the actuarial equivalent of the prior year's Accrued Benefit or the benefit based on service and compensation as of the actual termination date.

Disability Retirement Benefit

For participants who become disabled on or after 1/01/2008, there is no disability benefit payable under the Plan. For participants who met the requirements for disability prior to 1/01/2008, the disability benefit is calculated under the grandfathered benefit formula based on projected salary and Service through the elected retirement date.

Death Benefit

A pre-retirement death benefit is generally payable to the beneficiary of an active participant and to the beneficiary of a vested, married terminated participant. For retired participants, the only death benefit payable is based on the elected annuity option.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2013

Severance Benefit

Upon termination of employment after five years of Service, a participant shall have a vested interest in their accrued benefit, which will be payable at Normal Retirement Date. The percentage vested shall be:

<u>Years of Vesting Service</u>	<u>Vested Percent</u>
Fewer than five	0%
Five or more	100%

An employee is also deemed fully-vested upon attainment of normal retirement age.

Normal Form of Payment

The Normal Form of Payment is an annuity paid in monthly installments for life, or if married, an actuarially equivalent Joint & 50% Survivor Annuity.

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the Normal Form of Payment. The options available are as follows:

- (1) An equivalent benefit to be paid during the participant's lifetime with 50%, 66.67%, 75% or 100% of the adjusted benefit to be continued to the spouse for their lifetime after the participant's death.
- (2) An equivalent benefit to be paid for life with 60, 120 or 180 monthly payments guaranteed.
- (3) An equivalent benefit to be paid for life with no death benefit.
- (4) A lump sum benefit if the value is less than \$5,000.
- (5) For employees with a prior match account balance or employee contribution balance, they may elect a lump sum withdrawal of either or both balances, as applicable.

Optional Methods of Settlement are actuarially equivalent to the Normal Form of Payment based on the 1983 GAM (male) Table with a 4 year setback for participants (2 year setback for non-participants) and an 8.50% interest rate. Lump sum equivalence is generally based on the Applicable Mortality and Applicable Interest Rates as determined under IRC Section 417(e)(3). The lookback month is the second month preceding the first day of the plan year in which distribution occurs. The stability period is the plan year.

Additional Information

The above description is a summary only; for additional details, reference should be made to the formal Plan Document.

Schedule SB, line 26 - Schedule of Active Participants

EIN: 52-0591531

PN: 001

Year: 2013

Schedule of Active Participants

Age	Years of Service																				
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	
Under 25	0	0	54	22,923	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61
25 to 29	2	0	63	37,178	49	38,930	0	0	0	0	0	0	0	0	0	0	0	0	0	0	114
30 to 34	0	0	39	46,409	66	48,151	46	45,068	0	0	0	0	0	0	0	0	0	0	0	0	151
35 to 39	0	0	39	44,179	39	49,062	46	51,060	12	0	0	0	0	0	0	0	0	0	0	0	136
40 to 44	0	0	40	43,822	54	53,840	53	54,860	37	50,403	43	56,095	2	0	0	0	0	0	0	0	229
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65 to 69	1	0	4	0	4	0	5	0	5	0	3	0	2	0	1	0	1	0	3	0	29
70 & up	0	0	0	0	2	0	0	0	2	0	1	0	0	0	1	0	0	0	1	0	7
Total	3		344	347	306	151	215	131	139	71	31	1,738									

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 32 - Schedule of Amortization Bases

EIN: 52-0591531

PN: 001

Year: 2013

<u>Type</u>	<u>PV of</u> <u>Remaining</u>	<u>Valuation</u> <u>Date</u>	<u>Yrs</u> <u>Remaining</u>	<u>Installment</u>
Shortfall	2,210,995	1/1/2013	7	372,123
Shortfall	(8,519,849)	1/1/2012	6	(1,620,783)
Shortfall	<u>21,288,121</u>	1/1/2011	5	<u>4,702,388</u>
Total:	14,979,267			3,453,728

A. Name of Plan Western Maryland Health System Retirement Plan	B. Three-digit Plan Number 001
C. Plan sponsor's Name as shown on line 2a of form 5500 Western Maryland Health System Corporation	D. Employer Identification Number 520591531

Sch H, Part 4, Line 4(l) Schedule of Assets Held for Investment Purposes

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
Principal Trust Company		Contract #6-19023 - Cash Equivents		
		Northern Inst Govt Select	598,893	598,893
		Contract #6-19023 - Employer Bonds		
		MD St Health & Higher Ed 5.0 7/1/16	53,984	53,657
		MD St Health & Higher Ed 5.0 7/1/21	250,341	262,738
		MD St Health & Higher Ed 4.5 1/1/22	95,025	98,922
		MD St Health & Higher Ed 5.0 7/1/22	1,763,893	1,809,209
		MD St Health & Higher Ed 5.0 7/1/23	25,475	26,666
		MD St Health & Higher Ed 5.0 7/1/24	50,867	52,563
		MD St Health & Higher Ed 5.0 1/1/25	113,782	119,658
		MD St Health & Higher Ed 5.0 7/1/25	98,766	104,050
		MD St Health & Higher Ed 5.0 7/1/34	138,469	147,545
		MD St Health & Higher Ed 5.0 7/1/36	3,377,525	3,262,490
		Contract #6-19023 - Reg Investment Co.		
		Gateway Y Fund	16,281,053	17,265,836
		American Century Small Company Inv	4,480,000	4,928,787
		Janus Perkins Mid Cap Value I	3,448,136	3,638,983
		Vanguard Growth Index Inst	15,438,112	20,088,093
		Vanguard SmCap Grth Index Adm	1,348,210	1,865,207
		Loomis Sayles Bd Inst Fd	14,873,377	14,768,434
		Metro West Total Rtn Bd I	14,549,405	14,054,516
		Contract #6-19023 - Pooled Sep Acct's		
		Principal Div Intl SA-I5	5,303,520	6,418,249
		Principal Intl Emg Mkts SA-I4	4,791,935	4,678,665
		Principal MidCap Blend I3	2,907,133	3,917,976
		Principal MM SA-I3	939,478	939,239
		Principal SmallCap S&P 600 Index SA-1	1,439,268	2,079,167
		BlackRock Inflation Prot SA-I2	6,049,632	5,514,472
		Edge Asset Mgmt Eqly Income SA-I3	13,675,772	17,433,522
		Edge Asset Mgmt Income SA-I3	23,670,559	23,696,823
		Edge Asset Mgmt Sh Term Inc SA-I3	11,953,518	12,095,245
Prudential Retirement Insurance and Annuity Co		Contract IN-3150 - Ins Gen Acct		
		General Account	7,139,235	7,139,235
			154,855,343	167,058,835

A. Name of Plan Western Maryland Health System Retirement Plan	B. Three-digit Plan Number 001
C. Plan sponsor's Name as shown on line 2a of form 5500 Western Maryland Health System Corporation	D. EmployerID Number 520591531

Sch H , PART 4, Line 4(j) - Schedule of Tranactions in Excess of 5%

(a) Identity of party involved	(b) Description of asset	Units	(c) Purchase Price	(d) Selling Price	(e)	(f)	(g) Cost of Asset	(h) Current Value of asset on transaction date	(i) Net gain or (loss)
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Principal Financial Group Contract #6-19023 - Pooled Sep Acct's									
Principal MM SA-I3		1,862,901	1,862,901				1,862,901	1,862,901	
Principal MM SA-I3		6,006,634		6,006,634			6,006,634	6,006,634	