

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 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 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2018</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ 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>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>01/01/1999</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u> <u>12500 WILLOWBROOK RD.</u> <u>CUMBERLAND, MD 21502</u>	2b	Employer Identification Number (EIN) <u>52-0591531</u>
		2c	Plan 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.	10/14/2019	KIM REPAC
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 2828
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 959 6a(2) 880 6b 1210 6c 621 6d 2711 6e 88 6f 2799 6g 6h 2
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) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	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
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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

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ 2 **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018	
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	102	01/01/2018	12/31/2018

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

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

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	(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** 5079530**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** 5450032**c** Additions: (1) Contributions deposited during the year **7c(1)**
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 169168
(4) Transferred from separate account **7c(4)**
(5) Other (specify below) **7c(5)** 1▶ **ROUNDING**(6) Total additions **7c(6)** 169169**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 5619201**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 495770
(2) Administration charge made by carrier **7e(2)**
(3) Transferred to separate account **7e(3)**
(4) Other (specify below) **7e(4)** 43901▶ **ADMINISTRATIVE EXPENSE**(5) Total deductions **7e(5)** 539671**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 5079530

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)	0
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)	0
(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)	0
(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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018	
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
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(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	2697	01/01/2018	12/31/2018

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

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	
5 Current value of plan's interest under this contract in separate accounts at year end	5	121792153

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	0
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)	0
d Total of balance and additions (add lines 7b and 7c(6))	7d	0
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)	0
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

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)	0
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)	0
(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)	0
(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. ▶

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2018</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018	
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	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	D Employer Identification Number (EIN) 52-0591531
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 01 Day 01 Year 2018			
2	Assets:			
a	Market value	2a	250784435	
b	Actuarial value	2b	236814705	
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	For retired participants and beneficiaries receiving payment	1260	120503563	120503563
b	For terminated vested participants	630	30543419	30543419
c	For active participants	963	74795320	77320598
d	Total	2853	225842302	228367580
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	5.75 %	
6	Target normal cost	6	4073281	

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		10/03/2019
BRIAN D. EVITTS, EA, MAAA		Date
Type or print name of actuary		17-05995
CBIZ BENEFITS & INSURANCE SERVICES		Most recent enrollment number
Firm name		215-825-4027
1845 WALNUT ST., 14TH FLOOR PHILADELPHIA, PA 19103		Telephone number (including area code)
Address of the firm		

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)	0	11959086
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	11959086
10 Interest on line 9 using prior year's actual return of <u>16.46</u> %	0	1968466
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		5043473
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.96</u> %		300591
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		5344064
d Portion of (c) to be added to prefunding balance		5344064
12 Other reductions in balances due to elections or deemed elections	0	10830200
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	8441416

Part III Funding Percentages

14 Funding target attainment percentage	14	100.00%
15 Adjusted funding target attainment percentage	15	103.69%
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	100.06%
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
06/14/2019	6000000	0			
09/11/2019	6000000	0			
Totals ▶			18(b)	12000000	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	10991101

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

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

21 Discount rate:				
a Segment rates:	1st segment: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%	☐ 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)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute
	Current regulation:	☐ 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	4073281
b Excess assets, if applicable, but not greater than line 31a	31b	5709
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
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	4067572
	Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement	0	0
36 Additional cash requirement (line 34 minus line 35)	36	4067572
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	10991101
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	6923529
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
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)
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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
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(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 ADMINISTRATOR	85122	Yes ☒ No ☐	Yes ☒ No ☐	0	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	43901	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 ☐

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
(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
(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
(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
(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
(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:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE 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	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)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP SEP ACCT-I3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-020</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>13166602</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIQUID ASSETS SA-I3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-024</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6083080</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL EM MKT SEP ACCT-I4</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-013</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>7517473</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIV INTL SA-I5</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-015</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>13485983</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP VAL III SA-13</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-022</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>11547965</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN EQUITY INCOME SA-I3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-120</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>40978469</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INCOME SEP ACCT I3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE CO</u>				
c EIN-PN <u>42-0127290-118</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>29012581</u>		

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
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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
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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
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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
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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)

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
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
---------------	--------------------------------------

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) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	12000000	12000000
(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)	1193312	1510580
(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)	129942123	121792153
(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)	96003363	89245134
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	5450032	5079530
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	6585660	6402952
(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	251174490	236030349

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	251174490	236030349
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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)	12000000	
(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)		12000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	22267	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)	295000	
(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)		317267
(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)	3058871	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3058871
(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)	-182707	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-182707

		(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)		-10541670
(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)		-6817099
c Other income.....	2c		169167
d Total income. Add all income amounts in column (b) and enter total	2d		-1996171

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11352983	
(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)		11352983
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)	129023	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	1665964	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1794987
j Total expenses. Add all expense amounts in column (b) and enter total	2j		13147970

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-15144141
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.)	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.).....	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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?.....	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?.....	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.)	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.)	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?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....	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?..... ☐ Yes ☒ No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4151275. (See instructions.)

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 sections 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 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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
--	--	-----------------------------------	-------------------------------	-----------------------------

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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: 67.9% Investment-Grade Debt: 24.4% High-Yield Debt: 2.2% Real Estate: 0.0% Other: 5.5%

- 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):

Western Maryland Health System, Inc. Retirement Plan

Financial Statements – Modified Cash Basis

Years Ended December 31, 2018 and 2017



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Independent Auditors' Report

Plan Administrator
Western Maryland Health System, Inc. Retirement Plan
Cumberland, Maryland

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Western Maryland Health System, Inc. Retirement Plan (the "Plan"), which comprise of the statements of net assets available for benefits and accumulated plan benefits – modified cash basis as of December 31, 2018 and 2017, and the related statements of changes in net assets available for plan benefits and accumulated benefits – modified cash basis for the years 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 the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), 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, the custodian, and Principal Trust Company, the trustee, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian and trustee hold 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, 2018 and 2017 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. Accordingly, we do not express an opinion on these financial statements.



Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter – Supplementary Information

The supplemental schedule of assets (held at end of year) as of December 31, 2018 and the supplemental schedule of reportable transactions for the year ended December 31, 2018 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA 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.

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 the custodian and trustee, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Dixon Hughes Goodman LLP

Gaithersburg, Maryland
October 10, 2019

Western Maryland Health System, Inc. Retirement Plan
Statements of Net Assets Available for Benefits
and Accumulated Plan Benefits - Modified Cash Basis
December 31, 2018 and 2017
(Dollars in thousands)

	<u>2018</u>	<u>2017</u>
Net assets available for benefits:		
Prudential Financial, Inc. investment accounts:		
Immediate participation guarantee fund	\$ 5,080	\$ 5,450
Principal Financial Group investment accounts:		
Maryland state municipal bonds	6,403	6,586
Mutual funds	89,245	96,003
Pooled separate accounts	<u>123,302</u>	<u>131,135</u>
Net assets available for benefits	<u>\$ 224,030</u>	<u>\$ 239,174</u>
Accumulated plan benefits:		
Actuarial present value of vested benefits:		
Participants currently receiving benefits	\$ 122,136	\$ 107,366
Other participants	<u>107,998</u>	<u>91,065</u>
	230,134	198,431
Actuarial present value of nonvested benefits	<u>1,602</u>	<u>1,887</u>
Total actuarial present value of accumulated plan benefits	<u>231,736</u>	<u>200,318</u>
Excess (deficit) of net assets available for benefits over actuarial present value of accumulated plan benefits	<u>\$ (7,706)</u>	<u>\$ 38,856</u>

Western Maryland Health System, Inc. Retirement Plan
Statements of Net Assets Available for Benefits
and Accumulated Plan Benefits - Modified Cash Basis
Years Ended December 31, 2018 and 2017
(Dollars in thousands)

	<u>2018</u>	<u>2017</u>
Net change in net assets available for benefits:		
Net changes in Prudential Financial, Inc. investment accounts:		
Investment income	\$ 169	\$ 212
Benefits paid to participants	(496)	(539)
Administrative expenses	(43)	(43)
	<u>(370)</u>	<u>(370)</u>
Net changes in Principal Financial Group investment accounts:		
Contribution	12,000	16,000
Dividends and interest	3,376	2,322
Other cash receipts	-	12
Realized gain (loss)	(12)	1,739
Unrealized gain (loss)	(17,530)	29,499
Benefits paid to participants	(10,857)	(17,007)
Administrative expenses	(1,751)	(1,653)
Other cash disbursements	-	(11)
	<u>(14,774)</u>	<u>30,901</u>
Net change in net assets available for benefits	<u>(15,144)</u>	<u>30,531</u>
Net increase in actuarial present value of accumulated plan benefits:		
Increase during the year attributable to:		
Change in actuarial assumptions	23,159	-
Benefits accumulated	5,987	7,030
Increase for interest due to decrease in discount period	13,625	13,330
Benefits paid	(11,353)	(17,534)
Net increase in actuarial present value of accumulated plan benefits	<u>31,418</u>	<u>2,826</u>
Change in excess (deficit) of net assets available for benefits over actuarial present value of accumulated plan benefits	(46,562)	27,705
Excess (deficit) of net assets available for benefits over actuarial present value of accumulated plan benefits:		
Beginning of year	<u>38,856</u>	<u>11,151</u>
End of year	<u>\$ (7,706)</u>	<u>\$ 38,856</u>

See accompanying notes.

Notes to Financial Statements

1. Plan Description

The Western Maryland Health System, Inc. 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"). The Plan covers all eligible employees of Western Maryland Health System, Inc. ("WMHS") and other participating healthcare organizations that were transferred into the Plan at inception.

Eligibility for participation began on January 1 or July 1 coinciding with or following a year of eligible service. One year of eligible service was credited to an employee at the end of the twelve months during which 832 or more hours had been completed. In 2011, plan management elected to freeze eligibility for new employees to participate in the Plan. Employees hired or re-hired after June 30, 2011 were not eligible to become a participant in the Plan on or after July 1, 2011. Employees re-hired after June 30, 2011 were not eligible to accrue any additional benefit under the Plan based on service or compensation after June 30, 2011. Benefits continued to accrue in the Plan for current participants, and no changes to the formula used to calculate benefits were made. In 2017, the Plan was amended to freeze benefits effective January 1, 2018 for all active participants except employees participating in the Plan on December 31, 2007 who had at least twenty-five (25) or more years continuous "Years of Hospital Service" as of December 31, 2007, who continue as an eligible employee on and after January 1, 2008 or any participant who as of December 31, 2017 will be at least age 55 and have at least twenty (20) years of benefit accrual service or certain individuals in positions identified in the amendment. The 2017 plan amendment additionally added a window from September 1, 2017 to October 16, 2017 for certain terminated participants to elect to receive immediate payment or the commencement of an annuity payment. During 2017, approximately \$6,821 in lump sum payments were made under this temporary provision.

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 in the event of a participant's death. The death benefits vary based on whether the participant is an active employee, retiree or termed vested participant at the time of their 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 2018 and 2017 under ERISA.

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

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 previously; 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 January 30, 2018 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.

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 accounts of the Plan are maintained, and the accompanying financial statements have been prepared on the modified cash basis; investment income and contributions are recognized when received and disbursements are recognized when made. Additionally, investment securities are reflected at fair value. Accordingly, the financial statements are not intended to present the net assets available for benefits and changes in net assets available for benefits of the Plan in conformity with accounting principles generally accepted in the United States of America.

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

Uses of estimates

The preparation of financial statements in conformity with the modified cash basis of accounting 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

Investments are reported at fair value. Fair value is 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. Plan management determines the Plan's valuation policies utilizing information provided by the trustee and custodian. See Note 4 for additional information with respect to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded when received. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits

Benefit payments to participants are recorded upon distribution.

Actuarial present value of accumulated plan benefits and summary of actuarial assumptions

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, 2018 and 2017 are as follows:

	2018		2017			
Pre-Retirement for Retirement and Spousal Benefits						
Investment Return	Segment Rates (Four-month lookback; reflects MAP-21)		Segment Rates (Four-month lookback; reflects MAP-21)			
	For 430 and 436	For 404	For 430 and 436	For 404		
	First Segment:	3.74%	2.28%	First Segment:	3.92%	1.75%
	Second Segment:	5.35%	3.81%	Second Segment:	5.52%	3.70%
	Third Segment:	6.11%	4.46%	Third Segment:	6.29%	4.56%
Mortality	2019 Static Mortality for non-annuitants		2018 Static Mortality for non-annuitants			
Salary Scale	2.50%		2.50%			
Retirement Age	Varying by age as shown below:		Varying by age as shown below:			

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

Pre-Retirement for Retirement and Spousal Benefits (Continued)

	2018		2017	
	<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%	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	

Post-Retirement for Retirement Benefits

	2018	2017
Investment Return	Same as pre-retirement assumption	Same as pre-retirement assumption
Mortality	2019 Static Mortality for annuitants	2018 Static Mortality for annuitants
Asset Valuation Method	24-month average limited by 90%/110% corridor	24-month average limited by 90%/110% corridor
Effective Interest Rate	5.57%	5.75%
Discount Rate	6.25%	7.00%

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 10, 2019, the date the financial statements were available to be issued.

The Pension Plan was amended effective January 1, 2019 to allow for additional service credit solely for the "Rule of 90" purposes. Two groups of employees were affected by this amendment. The first group are the employees who had their pension benefit accrual frozen as December 31, 2017 and continue to work for WMHS as an active employee. The second group are employees covered by the amendment are participants who previously worked for Trivergent Health Alliance MSO, LLC ("Trivergent"), who did not start their pension benefit or take a lump sum distribution and have since been rehired with WMHS. These two groups of employees will continue to have their service (including service with Trivergent, if applicable) count for the sole purpose of determining whether the participant's age and years of service equals 90. This Rule of 90 allows employees to retire with an unreduced benefit if their age and years of service equal 90 provided their minimum age is 62.

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

3. Unaudited Information Certified by Trustee and Custodian

The investment information summarized below and included in the Plan's financial statements is unaudited and has been certified as complete and accurate by Prudential and Principal as of and for the years ended December 31, 2017 and 2016, respectively.

	<u>2018</u>	<u>2017</u>
Investments:		
Unallocated fund account with Prudential		
Immediate participation guarantee fund	\$ 5,080	\$ 5,450
Investments with Principal		
Maryland state municipal bonds	6,403	6,586
Mutual funds	89,245	96,003
Pooled separate accounts	<u>123,302</u>	<u>131,135</u>
	<u>\$ 224,030</u>	<u>\$ 239,174</u>
	<u>2018</u>	<u>2017</u>
Investment income (loss):		
Unallocated fund account with Prudential		
Investment income	\$ 169	\$ 212
Investments with Principal		
Dividends and interest	3,376	2,322
Realized (loss) gain	(12)	1,739
Unrealized (loss) gain	<u>(17,530)</u>	<u>29,499</u>
	<u>\$ (13,997)</u>	<u>\$ 33,772</u>

4. Fair Value Measurements

Fair value, as defined under the modified cash basis, is an exit price representing 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. GAAP establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

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.

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

There have been no changes in the methodologies used to evaluate fair values of the Plan's investments at December 31, 2018 and 2017. The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds

Mutual funds are publicly traded investments and are valued daily at the closing price reported on the active market on which the funds are traded.

Pooled separate accounts

The Plan invests in pooled separate accounts for which quoted prices are not available in active markets for identical instruments. The Plan utilizes the Net Assets Value ("NAV") of units, as determined by Principal as the estimated fair value. Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

State municipal bonds

These investments are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Non-benefit-responsive guaranteed interest contract

The fair value of the non-benefit-responsive interest contract is estimated by Prudential. Disclosure of unobservable inputs to fair value measurement has not been included for the non-benefit-responsive investment contract because quantitative unobservable inputs are not developed by the Plan when measuring fair value and have not been made available to the Plan by Prudential.

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 tables present assets that are measured at fair value on a recurring basis as of December 31, 2018 and 2017:

	Fair Value as of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 89,245	\$ -	\$ -	\$ 89,245
Municipal bonds	-	6,403	-	6,403
Non-benefit responsive investment contract	-	-	5,080	5,080
Total assets in FV hierarchy	<u>\$ 89,245</u>	<u>\$ 6,403</u>	<u>\$ 5,080</u>	
Investments measured at NAV (a)				<u>123,302</u>
Investments at fair value				<u>\$ 224,030</u>

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

	Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 96,003	\$ -	\$ -	\$ 96,003
Municipal bonds	-	6,586	-	6,586
Non-benefit responsive investment contract	-	-	5,450	5,450
Total assets in FV hierarchy	<u>\$ 96,003</u>	<u>\$ 6,586</u>	<u>\$ 5,450</u>	
Investments measured at NAV (a)				<u>131,135</u>
Investments at fair value				<u>\$ 239,174</u>

(a) In accordance with Topic 820, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of such amounts to the corresponding presentation in the statements of net assets available for benefits.

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2018 and 2017.

	Fair Value at December 31, 2018	Fair Value at December 31, 2017	Unfunded Commitments	Other Redemption Restrictions	Redemption Notice Period
Pooled separate accounts	\$ 123,302	\$ 131,135	None	Daily	None

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

	Immediate Participant Guarantee Fund
Balance as of December 31, 2016	\$ 5,820
Withdrawals	(582)
Investment income	<u>212</u>
Balance as of December 31, 2017	5,450
Withdrawals	(539)
Investment income	<u>169</u>
Balance as of December 31, 2018	<u>\$ 5,080</u>

Western Maryland Health System, Inc. Retirement Plan
Notes to Financial Statements
(Dollars in thousands)

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 financial statements to Schedule H of Form 5500:

	<u>2018</u>	<u>2017</u>
Net assets available for benefits per the financial statements	\$ 224,030	\$ 239,174
Employer contributions receivable not reflected on the financial statements	<u>12,000</u>	<u>12,000</u>
Net assets available for benefits per the federal Form 5500	<u>\$ 236,030</u>	<u>\$ 251,174</u>

7. Parties-In-Interest Transactions

Certain Plan investments are managed by Prudential and Principal, the custodian and trustee, respectively, as defined by the Plan. Therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan to Prudential amounted to approximately \$44 and \$43 for the years ended December 31, 2018 and 2017, respectively. Fees paid by the Plan to Principal amounted to approximately \$85 and \$112 for the years ended December 31, 2018 and 2017, respectively. Fees paid by the Plan to the PBGC amounted to approximately \$1,666 and \$1,541 for the years ended December 31, 2018 and 2017, respectively. Investment management fees to Prudential and Principal are paid from investment income of the Plan. Certain other fees are paid by the Plan Sponsor.

Supplementary Information

Western Maryland Health System, Inc. Retirement Plan
Schedule of Assets (Held At End Of Year) - Modified Cash Basis
Schedule H, line 4i
EIN: 52-0591531 Plan: 001
December 31, 2018
(Dollars in thousands)

(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	Vanguard Growth Index Fund	\$ 29,631	\$ 41,971
*	Principal	Edge Equity Income Fund	28,352	40,978
*	Principal	Metro West Total Return Bond Fund	34,714	33,403
*	Principal	Edge Income Account	26,431	29,012
*	Principal	AM. Century Small Company Investment Fund	15,301	13,871
*	Principal	Principal Diversified International Fund	12,201	13,486
*	Principal	Principal Mid Cap Blend Fund	9,110	13,167
*	Principal	Principal/Barrow Hanley Mid Cap Value III	11,024	11,548
*	Principal	Principal International Emerging Markets Fund	7,155	7,517
*	Principal	Principal Liquid Assets	6,035	6,083
*	Prudential	Immediate Participation Guarantee Fund	5,080	5,080
*	Principal	MD St Health & Higher Ed 5.25% 7/1/2025	2,858	2,829
*	Principal	MD St Health & Higher Ed 5.25% 7/1/2026	2,297	2,252
*	Principal	Northern Government Select Fund	1,511	1,511
*	Principal	MD St Health & Higher Ed 5.00% 7/1/2024	1,323	1,322
			<u>\$ 193,023</u>	<u>\$ 224,030</u>

* *Party-in-interest*

Western Maryland Health System, Inc. Retirement Plan
Schedule of Reportable Transactions - Modified Cash Basis
Schedule H, Part 4, Line 4(j)
EIN: 52-0591531 Plan: 001
Year Ended December 31, 2018

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		Net Gain or Loss
						Transaction Date		
Principal Financial Group	Principal Liquid Assets	217,595	\$ -	\$11,971,691	\$ 11,933,384	\$ 11,940,305	\$	\$ 38,308
Principal Financial Group	Principal Liquid Assets	276,362	\$15,201,305	-	\$ 15,201,305	\$ 15,201,305	\$	-

See independent auditors' report.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 26 - Schedule of Active Participants

EIN: 52-0591531

PN: 001

Year: 2018

Schedule of Active Participants

Age	Years of Service																				Total
	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	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
25 to 29	0	0	3	0	23	35,566	3	0	0	0	0	0	0	0	0	0	0	0	0	0	29
30 to 34	0	0	5	0	32	47,755	27	57,259	0	0	0	0	0	0	0	0	0	0	0	0	64
35 to 39	0	0	1	0	21	60,625	36	67,162	34	66,073	1	0	0	0	0	0	0	0	0	0	93
40 to 44	0	0	3	0	19	0	24	69,902	30	70,115	16	0	0	0	0	0	0	0	0	0	92
45 to 49	0	0	1	0	15	0	33	67,334	32	71,190	25	67,789	29	74,333	3	0	0	0	0	0	138
50 to 54	1	0	2	0	17	0	29	79,353	32	54,294	21	65,731	36	80,883	30	68,998	2	0	0	0	170
55 to 59	2	0	1	0	13	0	36	64,145	34	60,255	21	71,328	33	61,751	27	76,644	43	64,602	1	0	211
60 to 64	0	0	1	0	12	0	15	0	26	56,798	9	0	20	89,864	11	0	27	89,723	18	0	139
65 to 69	1	0	0	0	4	0	1	0	2	0	1	0	3	0	3	0	2	0	4	0	21
70 & up	0	0	0	0	1	0	2	0	0	0	0	0	0	0	0	0	0	0	1	0	4
Total	4	0	18	0	158	143,946	206	405,155	190	378,725	94	204,848	121	306,831	74	145,642	74	154,325	24	0	963

Plan Name: Western Maryland Health System Retirement Plan

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

EIN: 52-0591531

PN: 001

Year: 2018

Actuarial Cost Method

Traditional Unit Credit

Actuarial Value of Assets

24 month average limited by 90%/110% corridor

Date of Calculations

January 1, 2018

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. Entry into the plan was frozen effective January 1, 2018.

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)

Sample Rates:	For 404		For 430 and 436
	Rate 1:	Rate 2:	Rate 3:
	1.75%	3.76%	6.29%
			3.92%
			5.52%

Mortality: 2018 Static Mortality for non-annuitants, applying the option under 1.430(h)(3)-1(f)(2) to defer application of the updated tables until the 2019 plan year.

Salary Scale: 2.50%

**Increase in Taxable
Wage Base:** 2.00%

Plan Name: Western Maryland Health System Retirement Plan

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

EIN: 52-0591531

PN: 001

Year: 2018

Termination of Employment:

Varying by age as illustrated below:

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

Retirement Age:

Varying by age as shown below:

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

Post-retirement for Retirement Benefits:

Investment Return - Segment Rates (4-month lookback)

	For 404	For 430 and 436
Sample Rates:		
Rate 1:	1.75%	3.92%
Rate 2:	3.76%	5.52%
Rate 3:	4.66%	6.29%

Mortality:

2018 Static Mortality for annuitants, applying the option under 1.430(h)(3)-1(f)(2) to defer application of the updated tables until the 2019 plan year.

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:

5.96%

ASC 960 Liabilities:

ABO liabilities are based on the assumptions listed above except the discount rate used is 7.00%.

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.

Western Maryland Health System, Inc. Retirement Plan
Schedule of Reportable Transactions - Modified Cash Basis
Schedule H, Part 4, Line 4(j)
EIN: 52-0591531 Plan: 001
Year Ended December 31, 2018

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 Liquid Assets	217,595	\$ -	\$11,971,691	\$ 11,933,384	\$ 11,940,305	\$ 38,308
Principal Financial Group	Principal Liquid Assets	276,362	\$15,201,305	-	\$ 15,201,305	\$ 15,201,305	\$ -

See independent auditors' report.

SB Actuary Signature

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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 8059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form Is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

▶ 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	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 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	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>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a	250,784,435	
b Actuarial value.....	2b	236,814,705	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	1,260	120,503,563	120,503,563
b For terminated vested participants.....	630	30,543,419	30,543,419
c For active participants.....	963	74,795,320	77,320,598
d Total.....	2,853	225,842,302	228,367,580
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	5.75%	
6 Target normal cost.....	6	4,073,281	

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	<u>10/3/2019</u> Date
Brian D. Evitts, EA, MAAA Type or print name of actuary CBIZ BENEFITS & INSURANCE SERVICES Firm name 1845 Walnut St., 14th Floor Philadelphia PA 19103 Address of the firm		1705995 Most recent enrollment number 215-825-4027 Telephone number (including area code)

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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2018
v. 171027

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

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

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ 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)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute
	Current regulation:	☐ 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	4,073,281	
b Excess assets, if applicable, but not greater than line 31a	31b	5,709	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
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	4,067,572	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	4,067,572	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	10,991,101	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	6,923,529	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

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 and no Employee shall be eligible to become a participant in the Plan on or after 1/1/2018.

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.

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

Normal Retirement Benefit [continued]

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

Effective 1/1/2018, benefits are frozen for all active participants who as of 12/31/2017 have not yet attained age 55 and have been credited with at least 20 years of benefit accrual service unless the participant is in an identified protected job classification or is eligible for the Grandfathered Formula after 1/1/2008.

Compensation

Total Compensation paid by the Employer during a Plan Year subject to income tax (W-2 wages) plus pay otherwise excluded under IRC Sections 125, 403(b), 457(b) and a qualified transportation benefit plan. Compensation excludes short-term disability payments, certain deferred compensation under a 457 (f) plan and supplemental payments made by the Employer because of a vesting event under a non-qualified deferred compensation plan. 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.

Effective 1/1/2018, benefits are frozen for all active participants who as of 12/31/2017 have not yet attained age 55 and have been credited with at least 20 years of benefit accrual service unless the participant is in an identified protected job classification or is eligible for the Grandfathered Formula after 1/1/2008.

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.

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

Disability Retirement Benefit

For participants who become disabled on or after 1/1/2008, there is no disability benefit payable under the Plan. For participants who met the requirements for disability prior to 1/1/2008, 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.

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.

SB Actuary Signature

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

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.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 26 - Schedule of Active Participants

EIN: 52-0591531

PN: 001

Year: 2018

Schedule of Active Participants

Age	Years of Service										Total	
	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.	No. Avg. Comp.	No. Avg. Comp.
Under 25	0 0	1 0	1 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	2
25 to 29	0 0	3 0	23 35,566	3 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	29
30 to 34	0 0	5 0	32 47,755	27 57,259	0 0	0 0	0 0	0 0	0 0	0 0	0 0	64
35 to 39	0 0	1 0	21 60,625	36 67,162	34 66,073	1 0	0 0	0 0	0 0	0 0	0 0	93
40 to 44	0 0	3 0	19 0	24 69,902	30 70,115	16 0	0 0	0 0	0 0	0 0	0 0	92
45 to 49	0 0	1 0	15 0	33 67,334	32 71,190	25 67,789	29 74,333	3 0	0 0	0 0	0 0	138
50 to 54	1 0	2 0	17 0	29 79,353	32 54,294	21 65,731	36 80,883	30 68,998	2 0	0 0	0 0	170
55 to 59	2 0	1 0	13 0	36 64,145	34 60,255	21 71,328	33 61,751	27 76,644	43 64,602	1 0	0 0	211
60 to 64	0 0	1 0	12 0	15 0	26 56,798	9 0	20 89,864	11 0	27 89,723	18 0	0 0	139
65 to 69	1 0	0 0	4 0	1 0	2 0	1 0	3 0	3 0	2 0	4 0	0 0	21
70 & up	0 0	0 0	1 0	2 0	0 0	0 0	0 0	0 0	0 0	1 0	0 0	4
Total	4 0	18 0	158 143,946	206 405,155	190 378,725	94 204,848	121 306,831	74 145,642	74 154,325	24 0	24 0	963

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: 2018

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

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: 2018

Actuarial Cost Method

Traditional Unit Credit

Actuarial Value of Assets

24 month average limited by 90%/110% corridor

Date of Calculations

January 1, 2018

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. Entry into the plan was frozen effective January 1, 2018.

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)

		For 404	For 430 and 436
Sample Rates:	Rate 1:	1.75%	3.92%
	Rate 2:	3.76%	5.52%
	Rate 3:	4.66%	6.29%

Mortality: 2018 Static Mortality for non-annuitants, applying the option under 1.430(h)(3)-1(f)(2) to defer application of the updated tables until the 2019 plan year.

Salary Scale: 2.50%

**Increase in Taxable
Wage Base:** 2.00%

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: 2018

Termination of Employment:

Varying by age as illustrated below:

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

Retirement Age:

Varying by age as shown below:

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

Post-retirement for Retirement Benefits:

Investment Return - Segment Rates (4-month lookback)

	For 404	For 430 and 436
Sample Rates:	Rate 1: 1.75%	3.92%
	Rate 2: 3.76%	5.52%
	Rate 3: 4.66%	6.29%

Mortality:

2018 Static Mortality for annuitants, applying the option under 1.430(h)(3)-1(f)(2) to defer application of the updated tables until the 2019 plan year.

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:

5.96%

ASC 960 Liabilities:

ABO liabilities are based on the assumptions listed above except the discount rate used is 7.00%.

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, line 22 - Description of Weighted Average Retirement Age

EIN: 52-0591531

PN: 001

Year: 2018

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 Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

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 and no Employee shall be eligible to become a participant in the Plan on or after 1/1/2018.

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

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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.

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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: 2018

Normal Retirement Benefit [continued]

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

Effective 1/1/2018, benefits are frozen for all active participants who as of 12/31/2017 have not yet attained age 55 and have been credited with at least 20 years of benefit accrual service unless the participant is in an identified protected job classification or is eligible for the Grandfathered Formula after 1/1/2008.

Compensation

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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.

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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.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

Disability Retirement Benefit

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

Death Benefit

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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%
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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

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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.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Plan Provisions

EIN: 52-0591531

PN: 001

Year: 2018

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.

Western Maryland Health System, Inc. Retirement Plan
Schedule of Assets (Held At End Of Year) - Modified Cash Basis
Schedule H, line 4i
EIN: 52-0591531 Plan: 001
December 31, 2018
(Dollars in thousands)

(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	Vanguard Growth Index Fund	\$ 29,631	\$ 41,971
*	Principal	Edge Equity Income Fund	28,352	40,978
*	Principal	Metro West Total Return Bond Fund	34,714	33,403
*	Principal	Edge Income Account	26,431	29,012
*	Principal	AM. Century Small Company Investment Fund	15,301	13,871
*	Principal	Principal Diversified International Fund	12,201	13,486
*	Principal	Principal Mid Cap Blend Fund	9,110	13,167
*	Principal	Principal/Barrow Hanley Mid Cap Value III	11,024	11,548
*	Principal	Principal International Emerging Markets Fund	7,155	7,517
*	Principal	Principal Liquid Assets	6,035	6,083
*	Prudential	Immediate Participation Guarantee Fund	5,080	5,080
*	Principal	MD St Health & Higher Ed 5.25% 7/1/2025	2,858	2,829
*	Principal	MD St Health & Higher Ed 5.25% 7/1/2026	2,297	2,252
*	Principal	Northern Government Select Fund	1,511	1,511
*	Principal	MD St Health & Higher Ed 5.00% 7/1/2024	1,323	1,322
			<u>\$ 193,023</u>	<u>\$ 224,030</u>

* *Party-in-interest*