# 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).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2021**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**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.)
- [X] 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:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

**E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
THE CCHS RETIREMENT PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1941

**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)
THE CLEVELAND CLINIC FOUNDATION

9500 EUCLID AVENUE AC-244
CLEVELAND, OH 44195-0001

**2b** Employer Identification Number (EIN) 34-0714585

**2c** Plan Sponsor's telephone number 216-448-0801

**2d** Business code (see instructions) 622000

**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. | 10/13/2022 | TIMOTHY LONGVILLE |
| | **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 |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**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** | 29142 |
| **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 | **6a(1)** | 15536 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 14345 |
| **b** | Retired or separated participants receiving benefits | **6b** | 5726 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 7321 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 27392 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 414 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 27806 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **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 1C 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)** [X] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] 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)** [X] Trust
- **(4)** [ ] General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

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

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [X] 1 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **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 2021 Form M-1 annual report. If the plan was not required to file the 2021 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

**2021**

**This Form is Open to Public Inspection**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
THE CCHS RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND CLINIC FOUNDATION

**D** Employer Identification Number (EIN)
34-0714585

**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.

**1** Coverage Information:

**(a)** Name of insurance carrier
EQUITABLE FINANCIAL LIFE INSURANCE COMPANY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 13-5570651 | 62944 | 1573 | 3 | 01/01/2021 | 12/31/2021 |

**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** | 30422 |
| **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 ▶ BOOK VALUE BASIS

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | **7b** | 33442 |
| **c** | Additions: (1) Contributions deposited during the year | **7c(1)** | | | |
| | (2) Dividends and credits | **7c(2)** | | | |
| | (3) Interest credited during the year | **7c(3)** | 795 | | |
| | (4) Transferred from separate account | **7c(4)** | | | |
| | (5) Other (specify below) | **7c(5)** | 1540 | | |
| | ▶ ADJUSTMENT | | | | |
| | (6) Total additions | | | **7c(6)** | 2335 |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**) | | | **7d** | 35777 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | **7e(1)** | 4558 | | |
| | (2) Administration charge made by carrier | **7e(2)** | | | |
| | (3) Transferred to separate account | **7e(3)** | | | |
| | (4) Other (specify below) | **7e(4)** | 797 | | |
| | ▶ ADJUSTMENT | | | | |
| | (5) Total deductions | | | **7e(5)** | 5355 |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | **7f** | 30422 |

## 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 SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

**2021**

**This Form is Open to Public Inspection**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

▶ **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
THE CCHS 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
THE CLEVELAND CLINIC FOUNDATION

**D** Employer Identification Number (EIN)
34-0714585

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2021

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 1525005664 |
| **b** Actuarial value | **2b** | 1525005664 |

**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 | 6011 | 333627072 | 333627072 |
| **b** For terminated vested participants | 7649 | 257556569 | 257556569 |
| **c** For active participants | 15590 | 585555111 | 596178171 |
| **d** Total | 29250 | 1176738752 | 1187361812 |

**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** | 5.48 % |
| **6** Target normal cost | | |
| **a** Present value of current plan year accruals | **6a** | 0 |
| **b** Expected plan-related expenses | **6b** | 5684320 |
| **c** Total (line 6a + line 6b) | **6c** | 5684320 |

**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

09/22/2022
Date

DAVID M HAUER
Type or print name of actuary

20-06576
Most recent enrollment number

WILLIS TOWERS WATSON US LLC
Firm name

216-937-4000
Telephone number (including area code)

1001 LAKESIDE AVENUE, SUITE 1500
CLEVELAND, OH 44114-1172
Address of the firm

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

## 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 | 0 |
| 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 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 16.46 % | 0 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 0 |
| | 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 5.24 % | | 0 |
| | 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 | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 0 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 128.43 % |
| 15 | Adjusted funding target attainment percentage | 15 | 128.43 % |
| 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 | 113.25 % |
| 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 |
|---|---|---|---|---|---|
| 09/14/2022 | 16700000 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 16700000 | 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 | 15249756 |

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: 4.75 % | 2nd segment: 5.36 % | 3rd segment: 6.11 % | ☐ N/A, full yield curve used |
| **b** Applicable month (enter code) | | | **21b** | 4 |
| **22** Weighted average retirement age | | | **22** | 63 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

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

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6c) | **31a** | 5684320 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 5684320 |

| **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** | 0 |

| | 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** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 15249756 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 15249756 |
| **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

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

# 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

**2021**

**This Form is Open to Public Inspection.**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
THE CCHS RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND CLINIC FOUNDATION

**D** Employer Identification Number (EIN)
34-0714585

## 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: CLEVELAND CLINIC HEALTH SYS PENSION

**b** Name of sponsor of entity listed in (a): THE CLEVELAND CLINIC FOUNDATION

| **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) |
|---|---|---|
| 81-7002373-013 | M | 1429796819 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

## 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 |
|---|---|

**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

**2021**

**This Form is Open to Public Inspection**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
THE CCHS RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND CLINIC FOUNDATION

**D** Employer Identification Number (EIN)
34-0714585

## 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) | 0 | 16700000 |
| **(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) | | |
| **(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) | 33442 | 0 |
| **(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) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 1525005664 | 1429796819 |
| **(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) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 0 | 30422 |
| **(15)** Other | 1c(15) | | |

| | | | **(a)** Beginning of Year | **(b)** End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(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 | 1525039106 | 1446527241 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 198024 | 227341 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 198024 | 227341 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 1524841082 | 1446299900 |

## 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) | 16700000 | |
| | **(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) | | 16700000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | 795 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 795 |
| | **(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) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(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) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (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) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 22408725 |
| (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) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 39109520 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 113876316 | |
| (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) | | 113876316 |
| 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) | 949524 | |
| (3) Investment advisory and management fees | 2i(3) | 115369 | |
| (4) Other | 2i(4) | 2709493 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 3774386 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 117650702 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -78541182 |
| 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)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

**(1)** Name: MAYER HOFFMAN MCCANN P.C. **(2)** EIN: 43-1947695

**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:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **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.) | 4a | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| **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.) | **4b** | | X | |
| **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 | | 25000000 |
| **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** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 443465.

# 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

**2021**

**This Form is Open to Public Inspection.**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

**A** Name of plan
THE CCHS RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE CLEVELAND CLINIC FOUNDATION

**D** Employer Identification Number (EIN)
34-0714585

## 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** 0

**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): 13-5160382

**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** 1234

## 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

**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.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

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

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14c** | |

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

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

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

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

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: 6.1 % Investment-Grade Debt: 65.4 % High-Yield Debt: 8.4 % Real Estate: 0.0 % Other: 20.1 %

**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):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

# THE CCHS RETIREMENT PLAN

## FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

Mayer Hoffman McCann P.C.
4040 Embassy Pkwy, Suite 100 ■ Akron, OH 44333
Main: 330.668.6500 ■ Fax: 330.666.8789 ■ www.mhmcpa.com

# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator

**THE CCHS RETIREMENT PLAN**

**Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements**

We have performed the audit of the financial statements of The CCHS Retirement Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

**Opinion on the 2021 Financial Statements**

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material

respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

**Basis for Opinion on the 2021 Financial Statements**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

**Responsibilities of Management for the 2021 Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the 2021 financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

**Auditors' Responsibilities for the Audit of the 2021 Financial Statements**

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Matter - Supplemental Schedule Required by ERISA**

The supplemental schedule of assets (held at end of year) as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to

the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

**Other Matter - Auditors' Report on the 2020 Financial Statements**

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by the qualified institution. In our report dated October 7, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Mayer Hoffman McCann P.C.

Akron, Ohio
September 26, 2022

**THE CCHS RETIREMENT PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

December 31, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| Investments at fair value | | |
| Alternative investments | $ 30,422 | $ 33,442 |
| Plan Interest in Master Trust | 1,429,796,819 | 1,525,005,664 |
| Receivable | | |
| Employer contribution | 16,700,000 | - |
| TOTAL ASSETS | 1,446,527,241 | 1,525,039,106 |
| **LIABILITIES** | | |
| Accrued expenses | 227,341 | 198,024 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 1,446,299,900 | $ 1,524,841,082 |

See Notes to Financial Statements

**THE CCHS RETIREMENT PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

Years Ended December 31, 2021 and 2020

| | 2021 | 2020 |
|---|---|---|
| Investment income | | |
| Net investment income - participation in Master Trust | $ 22,409,520 | $ 220,580,788 |
| Interest | - | 214 |
| Net investment income | 22,409,520 | 220,581,002 |
| Employer Contribution | 16,700,000 | - |
| TOTAL ADDITIONS | 39,109,520 | 220,581,002 |
| DEDUCTIONS | | |
| Benefits paid to participants | 113,876,316 | 108,576,663 |
| Administrative expenses | 3,774,386 | 3,810,966 |
| TOTAL DEDUCTIONS | 117,650,702 | 112,387,629 |
| NET (DECREASE) INCREASE | (78,541,182) | 108,193,373 |
| NET ASSETS AVAILABLE FOR BENEFITS | | |
| Beginning of year | 1,524,841,082 | 1,416,647,709 |
| End of year | $ 1,446,299,900 | $ 1,524,841,082 |

See Notes to Financial Statements

## ( 1 ) Description of Plan

The following description of The CCHS Retirement Plan (Plan) provides only general information. Participants should refer to the Plan document or the Summary Plan Description for a more complete description of the Plan's provisions. Additionally, key information about the Plan is contained in the brochure, *CCHS Retirement Plan.* Copies of these documents are available from the Total Rewards Department at The Cleveland Clinic Foundation (Foundation).

**General** - The Plan is a noncontributory cash balance defined benefit plan sponsored by the Foundation and certain of its controlled affiliates (System) and provides for retirement and death benefits for certain employees. Participants are eligible for normal retirement payments upon reaching age 65. The amount of individual pensions is based upon several factors including, among other items, compensation, years of service and age. The Plan also provides for the payment of early retirement benefits (at reduced amounts), as well as the payment of benefits to the surviving spouse of a participant. Benefits are fully vested after three years of service for employees active as of or hired on or after January 1, 2007. Employees that terminated prior to January 1, 2007 were vested after five years of service and those that terminated prior to January 1, 1989 were vested after ten years of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On June 30, 2019, the Martin Memorial Health Systems, Inc. Pension Plan ("Martin Health") was merged into the Plan. On that date Martin Memorial Hospital Systems, Inc. became a sponsor of the Plan. Participants and beneficiaries who were covered by the terms and provisions of the Martin Health plan immediately prior to the merger shall continue to be covered by the same terms and provisions including plan administration. The terms and provisions of the merged plan will be amended by any future amendments of the combined plan.

All benefit accruals under the Plan ceased by December 31, 2012, except for employees covered under the Martin Health plan that ceased benefit accruals as of January 1, 2013. Vested benefits earned through these dates will be available for distribution in accordance with the Plan.

The Plan contains a cash balance component for which amounts were credited by the System to the participants' hypothetical accounts prior to the cessation of benefit accruals in 2009. Interest will continue to accrue on these participants' hypothetical accounts in the cash balance component of the Plan. The interest rate is either 5% or 6% based on the participants' date of hire.

The Foundation is the plan administrator (Plan Administrator) and, by action of its Board, has established a Retirement Committee to act on its behalf as the Plan Administrator. The Retirement Committee has overall responsibility for the operation and administration of the Plan, including actions with respect to contracts, trusts, evaluation and engagement of investment fund managers and other Plan matters as required.

## ( 2 ) Summary of significant accounting policies

**Basis of accounting** - The financial statements of the Plan are prepared under the accrual method of accounting.

**Master Trust -** The investments of the Plan, along with the investments of certain other defined benefit plans sponsored by the Foundation and its affiliates were pooled for investment purposes into a master trust effective January 1, 2020 pursuant to an agreement between The Bank of New York/BNY Mellon N.A. and the Foundation – The Cleveland Clinic Health System Pension Trust ("Master Trust"). The Plan's interest in the Master Trust and all changes in that interest are presented in separate line items in both the statements of net assets available for benefits and the statements of changes in net assets available for benefits in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960): Employee Benefit Master Trust Reporting*. ASU 2017-16 also requires that the Plan disclose the general types of investments held by the Master Trust and also the dollar amount of the Plan's interest in each of those general types of investments. These disclosures are provided in Note 4. The pooling of the Plan's assets into the Master Trust had no impact on the Plan's net assets available for benefits.

**Use of estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

**Payment of benefits** - Benefits are recorded when paid.

**Administrative expenses** - The Plan's expenses are paid either by the Plan or the System, as provided by the Plan document. Expenses that are paid directly by the System are excluded from these financial statements. The System may obtain reimbursement from the Plan for certain administrative expenses paid on behalf of the Plan. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in net investment income – participation in Master Trust presented in the accompanying statements of changes in net assets available for benefits.

**Valuation of investments held by the Master Trust** – 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. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the investment trustee. See Note 5 for discussion of fair value measurements.

**( 2 ) Summary of significant accounting policies (continued)**

The Master Trust also holds investments in privately held registered investment company funds, common collective trusts and alternative investments which are valued using, as a practical expedient, the Net Asset Value (NAV) per share as provided by the respective investment companies, partnerships or third-party fund administrators.

**Recognition of income by the Master Trust** – Purchases and sales of securities are recorded on a trade-date basis. Interest is accrued when earned. Dividends are recorded on the ex-dividend date. Net investment income – participation in Master Trust includes gains and losses on investments bought and sold, as well as held during the year.

**Actuarial Present Value of Accumulated Plan Benefits** - Accumulated plan benefits (see Note 6) are those future periodic payments, including lump-sum, that are attributable under the Plan's provisions to services rendered by the employees to 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 are based on plan provisions in effect at the time of the employee's service, and consider compensation, age, and years of service. 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 to the valuation date.

**( 3 ) Information prepared and certified by the trustee**

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, The Bank of New York Mellon/BNY Mellon, N.A., ("BNY Mellon") the trustee of the Plan, certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate with respect to investments:

- Plan interest in Master Trust
- Net investment income – participation in Master Trust
- Interest

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## ( 4 ) Master Trust

The following is financial information with respect to the Master Trust:

The Plan's investments are held in the Cleveland Clinic Health System Pension Trust, which was established for the investment of assets of the Plan and several other Foundation sponsored defined benefit retirement plans. Each participating plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by BNY Mellon, the trustee.

The value of the Plan's interest in the Master Trust is based on the beginning of the year value of the Plan's interest in the Master Trust plus actual contributions and an allocation of investment income (loss), less actual distributions and allocated administrative expenses. The Plan's interest in the Net Assets of Master Trust was approximately 83.37% and 83.52% at December 31, 2021 and 2020, respectively.

Investment holdings at December 31, 2021:

| | Master Trust Balances | Plan's Interest in Master Trust Balances |
|---|---|---|
| Investments at fair value | | |
| Cash and cash equivalents | $ 73,768,786 | $ 61,503,000 |
| Corporate bonds and notes | 646,010,919 | 538,596,492 |
| U.S. government and related securities | 408,055,809 | 340,206,985 |
| Common and preferred stocks | 1,802,640 | 1,502,909 |
| Common collective trusts | 102,184,034 | 85,193,548 |
| Registered investment companies | 217,970,370 | 181,727,697 |
| Alternative investments | 265,197,040 | 221,101,829 |
| | 1,714,989,598 | 1,429,832,460 |
| Receivables | 31,644,811 | 26,383,121 |
| Liabilities | (31,687,560) | (26,418,762) |
| Master Trust net assets | $ 1,714,946,849 | $ 1,429,796,819 |

## ( 4 ) Master Trust (continued)

Investment holdings at December 31, 2020:

| | Master Trust Balances | Plan's Interest in Master Trust Balances |
|---|---|---|
| Investments at fair value | | |
| Cash and cash equivalents | $ 56,158,462 | $ 46,903,285 |
| Corporate bonds and notes | 294,193,486 | 245,709,027 |
| U.S. government and related securities | 513,973,270 | 429,268,077 |
| Common and preferred stocks | 39,863,524 | 33,293,829 |
| Common collective trusts | 338,481,986 | 282,698,575 |
| Registered investment companies | 242,817,311 | 202,799,885 |
| Alternative investments | 341,506,773 | 285,224,863 |
| | 1,826,994,812 | 1,525,897,541 |
| Receivables | 18,276,006 | 15,264,035 |
| Liabilities | (19,343,873) | (16,155,912) |
| Master Trust net assets | $ 1,825,926,945 | $ 1,525,005,664 |

Statement of changes in net assets of the Master Trust for the years ended December 31, 2021 and 2020:

| | Years Ended December 31, 2021 | 2020 |
|---|---|---|
| Investment income | | |
| Net (depreciation) appreciation in investments | $ (722,850) | $ 236,119,829 |
| Interest | 18,780,589 | 14,483,566 |
| Dividends | 15,420,808 | 18,118,213 |
| Investment fees | (6,643,048) | (4,941,130) |
| Total investment income | 26,835,499 | 263,780,478 |
| Benefit payments | (133,333,143) | (124,298,121) |
| Administrative expenses | (4,483,210) | (5,159,638) |
| Transfers in from participating plans | 758 | 1,691,604,226 |
| Net (decrease) increase | (110,980,096) | 1,825,926,945 |
| Master Trust net assets | | |
| Beginning of year | 1,825,926,945 | - |
| End of year | $ 1,714,946,849 | $ 1,825,926,945 |

## ( 5 ) Fair value measurements

Authoritative guidance provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at December 31, 2021:

| | Master Trust Investments at Fair Value as of December 31, 2021 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | $ 73,732,867 | $ 35,919 | $ - | $ 73,768,786 |
| Fixed income securities: | | | | |
| Corporate bonds and notes | - | 646,010,919 | - | 646,010,919 |
| U.S. government and related securities | 398,653,662 | 9,402,147 | - | 408,055,809 |
| Common and preferred stocks | 1,801,177 | 1,463 | - | 1,802,640 |
| Registered investment companies | 84 | - | - | 84 |
| Investments measured at fair value | $ 474,187,790 | $ 655,450,448 | $ - | $ 1,129,638,238 |

## ( 5 ) Fair value measurements (continued)

Total Master Trust investments at fair value at December 31, 2021 are comprised of the following:

| | | |
|---|---|---|
| Investments measured at fair value | $ | 1,129,638,238 |
| Investments measured at net asset value[(a)] | | |
| Privately held registered investment company funds | | 217,970,286 |
| Common collective trust funds | | 102,184,034 |
| Alternative investments: | | |
| Hedge funds | | 182,101,548 |
| Private equity funds | | 83,095,492 |
| Total investments at fair value | $ | 1,714,989,598 |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to total investments at fair value held by the Master Trust.

Additionally at December 31, 2021 the Plan held certain assets that were not included in the Master Trust. These alternative investments had a net asset value of $30,422.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at December 31, 2020:

| | Master Trust Investments at Fair Value as of December 31, 2020 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | $ 56,122,461 | $ 36,001 | $ - | $ 56,158,462 |
| Fixed income securities: | | | | |
| Corporate bonds and notes | - | 294,193,486 | - | 294,193,486 |
| U.S. government and related securities | 505,516,546 | 8,456,724 | - | 513,973,270 |
| Common and preferred stocks | 38,419,647 | 1,443,877 | - | 39,863,524 |
| Registered investment companies | 7,347,636 | - | - | 7,347,636 |
| Investments measured at fair value | $ 607,406,290 | $ 304,130,088 | $ - | $ 911,536,378 |

## ( 5 ) Fair value measurements (continued)

Total Master Trust investments at fair value at December 31, 2020 are comprised of the following:

| | | |
|---|---|---|
| Investments measured at fair value | $ | 911,536,378 |
| Investments measured at net asset value[(a)] | | |
| Privately held registered investment company funds | | 235,469,675 |
| Common collective trust funds | | 338,481,986 |
| Alternative investments: | | |
| Hedge funds | | 269,107,261 |
| Private equity funds | | 72,399,512 |
| Total investments at fair value | $ | 1,826,994,812 |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Additionally at December 31, 2020 the Plan held certain assets that were not included in the Master Trust. These alternative investments had a net asset value of $33,442.

Fair value for Level 1 investments is based upon quoted market prices. Level 1 investments are actively-traded, liquid securities that are traded on many of the world's major exchanges, and fair value is determined at the closing prices on the respective exchange or market. Level 1 investments in registered investment companies are open-end mutual funds that are registered with the Securities and Exchange Commission, and are required to publish and transact at their daily NAV.

Fair value for Level 2 investments for fixed income securities and common and preferred stocks is primarily determined using techniques that are consistent with the market approach. Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs include broker/dealer quotes, reported/comparable trades, and benchmark yields. These inputs are obtained from various sources including market participants, dealers, and brokers.

Hedge funds generally contain lock-up provisions that do not allow for redemption of investments for up to 2 years after acquisition. Following the lock-up period, the funds can generally be redeemed providing there are no restrictions on the underlying securities. Redemptions are determined by the fund's management and have redemption frequencies ranging from monthly to annually which require redemption notifications that range from 10 to 120 days. The Master Trust had unfunded commitments in these funds totaling $1,678,500 as of December 31, 2021.

**( 5 ) Fair value measurements (continued)**

Private equity funds do not have redemption rights. Distribution from such funds will be received as the underlying investments in the fund are liquidated. It is estimated that the investments in these funds would be liquidated over a weighted average period of approximately 4 years. The Master Trust had unfunded commitments in these funds totaling $49,468,192 as of December 31, 2021.

**( 6 ) Actuarial present value of accumulated plan benefits**

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The actuarial present value of accumulated plan benefits is presented based on a beginning-of-year benefit information date.

The significant assumptions underlying the actuarial computations are as follows:

| | |
|---|---|
| Long-term rate of return | 5.79% per year |
| Mortality | IRS prescribed mortality (PRI-2012) with separate annuitants and non-annuitants tables (Scale MP 2020) |
| Retirement | Rates varying by age (55 to 75) |

The foregoing 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.

A summary of the actuarial present value of accumulated plan benefits as of January 1, 2021 is as follows:

| | |
|---|---|
| Vested benefits | |
| Participants currently receiving payments | $ 320,849,212 |
| Other participants | 828,890,941 |
| Total vested benefits | 1,149,740,153 |
| Nonvested benefits | 7,837,377 |
| Total actuarial present value of accumulated plan benefits | $ 1,157,577,530 |

**( 6 ) Actuarial present value of accumulated plan benefits (continued)**

The change in the actuarial present value of accumulated plan benefits for the year ending January 1, 2021 consists of the following:

| | |
|---|---|
| Actuarial present value of accumulated plan benefits at January 1, 2020 | $ 1,119,770,851 |
| Change in actuarial assumptions | 70,673,978 |
| Actuarial losses | 5,433,758 |
| Increase due to passage of time | 70,275,606 |
| Decrease due to benefits paid | (108,576,663) |
| Actuarial present value of accumulated plan benefits at January 1, 2021 | $ 1,157,577,530 |

**( 7 ) Funding policy**

The System has voluntarily agreed to contribute such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to plan participants. The contributions of the System are made in amounts sufficient to fund the Plan's current service cost on a current basis and to fund past service cost plus interest thereon over a period of 30 years. The System may elect to increase its contributions above the minimum amount required by ERISA. The Plan has met the ERISA minimum funding requirements in 2021 and 2020.

**( 8 ) Related party transactions and party-in-interest transactions**

Certain plan investments are managed by BNY Mellon. BNY Mellon is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees for legal, accounting and other services are paid by the System. Administrative and trustee fees are paid by the Plan. Other party-in-interest transactions include the purchase and sale of investments through the trustee. Such transactions are exempt from being prohibited transactions. Certain fees incurred by the Plan for the investment management services are included in net investment income – participation in Master Trust, as they are deducted from the NAV of the respective investment, rather than through a direct payment.

## ( 9 ) Plan termination

Although it has not expressed any intention to do so, the System has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency of the Plan's net assets to provide those benefits, the financial condition of the System, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

## ( 10 ) Tax status

The Plan received a determination letter from the Internal Revenue Service (IRS) dated June 2, 2020, stating that the Plan (as restated June 30, 2019) is qualified under Section 401(a) of the Internal Revenue Code, and therefore the related trust is exempt from taxation.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no tax audits for any periods.

During 2021, the Plan was selected for an examination by the IRS for the 2019 plan year. The IRS completed its examination of the Plan subsequent to year end with no changes noted.

## ( 11 ) Risks and uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. 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 statements 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 estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

## ( 12 ) Subsequent events

The Plan has evaluated events that have occurred subsequent to the year ended December 31, 2021 through September 26, 2022, which is the date the financial statements were available to be issued. Except as disclosed in Note 10, no significant matters were identified for disclosure during this evaluation.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26
## Schedule of Active Participant Data as of January 1, 2021

| Attained Age | Years of Credited Service[1] | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 & Over | |
| | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit | No. | Avg. Benefit |
| Under 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 – 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 – 34 | 109 | 220 | 238 | 687 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 - 39 | 141 | 342 | 1,040 | 1,359 | 259 | 3,622 | 23 | 2,174 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 - 44 | 105 | 279 | 827 | 1,317 | 773 | 5,015 | 156 | 5,607 | 22 | 4,124 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 - 49 | 97 | 271 | 661 | 1,180 | 719 | 4,418 | 596 | 7,537 | 143 | 8,430 | 8 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 - 54 | 69 | 282 | 624 | 906 | 706 | 3,865 | 666 | 6,639 | 501 | 9,728 | 101 | 10,028 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55 - 59 | 62 | 138 | 531 | 794 | 674 | 3,437 | 615 | 5,963 | 445 | 8,796 | 419 | 12,566 | 121 | 16,159 | 17 | 0 | 1 | 0 | 0 | 0 |
| 60 - 64 | 45 | 252 | 463 | 709 | 629 | 2,880 | 554 | 5,467 | 376 | 8,135 | 328 | 11,255 | 288 | 14,665 | 120 | 16,293 | 13 | 0 | 1 | 0 |
| 65 - 69 | 20 | 70 | 167 | 714 | 241 | 3,170 | 189 | 5,923 | 123 | 7,570 | 79 | 12,824 | 91 | 15,617 | 94 | 16,887 | 26 | 19,778 | 0 | 0 |
| 70 & Over | 6 | 0 | 61 | 623 | 63 | 4,856 | 31 | 6,590 | 33 | 8,113 | 13 | 0 | 19 | 0 | 11 | 0 | 14 | 0 | 2 | 0 |

[1] The plan is hard frozen.

Plan Name: The CCHS Retirement Plan
EIN / PN: 34-0714585/001
Plan Sponsor: The Cleveland Clinic Foundation
Valuation Date: January 1, 2021

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26

## Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2021

| Attained Age | Years of Credited Service | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | | 1 to 4 | | 5 to 9 | | 10 to 14 | | 15 to 19 | | 20 to 24 | | 25 to 29 | | 30 to 34 | | 35 to 39 | | 40 & Over | |
| | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. |
| Under 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 – 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 – 34 | 105 | 595 | 224 | 1,843 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 - 39 | 139 | 1,071 | 1,019 | 4,348 | 249 | 10,490 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 - 44 | 103 | 1,087 | 805 | 5,271 | 759 | 16,967 | 132 | 22,403 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 - 49 | 95 | 1,245 | 642 | 5,933 | 698 | 19,608 | 559 | 33,949 | 111 | 44,785 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 - 54 | 68 | 1,222 | 601 | 5,740 | 685 | 22,364 | 578 | 38,962 | 404 | 60,939 | 74 | 69,662 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55 - 59 | 60 | 1,125 | 505 | 6,188 | 632 | 25,998 | 514 | 45,488 | 310 | 66,860 | 332 | 92,064 | 87 | 109,508 | 8 | 0 | 0 | 0 | 0 | 0 |
| 60 - 64 | 43 | 972 | 444 | 6,431 | 587 | 28,616 | 454 | 53,217 | 228 | 75,449 | 230 | 100,719 | 216 | 129,563 | 99 | 147,865 | 1 | 0 | 0 | 0 |
| 65 - 69 | 20 | 801 | 159 | 5,392 | 227 | 35,400 | 157 | 60,966 | 69 | 82,857 | 48 | 117,567 | 58 | 158,064 | 73 | 175,189 | 24 | 197,081 | 0 | 0 |
| 70 & Over | 6 | 0 | 57 | 5,264 | 52 | 52,324 | 21 | 55,231 | 19 | 0 | 9 | 0 | 6 | 0 | 6 | 0 | 9 | 0 | 2 | 0 |

Plan Name: The CCHS Retirement Plan
EIN / PN: 34-0714585/001
Plan Sponsor: The Cleveland Clinic Foundation
Valuation Date: January 1, 2021

# SCHEDULE SB ATTACHMENTS

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

### Economic Assumptions

**Interest rate basis:**

| | |
|---|---|
| ■ Applicable month | September 2020 |
| ■ Interest rate basis | Segment Rates from fourth month preceding valuation date |

| **Interest rates:** | **Reflecting Corridors** | **Not Reflecting Corridors** |
|---|---|---|
| ■ First segment rate | 4.75% | 2.22% |
| ■ Second segment rate | 5.36% | 3.38% |
| ■ Third segment rate | 6.11% | 3.92% |
| ■ Effective interest rate | 5.48% | 3.45% |

**Annual rates of increase:**

| | |
|---|---|
| ■ Compensation | N/A |
| ■ Future Social Security wage bases | N/A |
| ■ Statutory limits on compensation | N/A |
| ■ Cash balance crediting rate[1] | 6.00% |
| ■ Lump sum interest rate | September 2020 segment rates |

| | |
|---|---|
| **Plan-related expenses** | $5,684,320 |

[1] 5.00% for participants with the CCHS Cash Balance Formula hired on or after May 1, 2004.

# SCHEDULE SB ATTACHMENTS

## Demographic Assumptions

**Inclusion date**

The valuation date coincident with or next following the date on which the employee becomes a participant.

**New or rehired employees**

It was assumed there will be no new or rehired employees.

**Mortality:**

- Healthy

Separate rates for non-annuitants (based on RP-2014 "Employees" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019) and annuitants (based on RP-2014 "Healthy Annuitants" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014 and then projected forward with static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019).

- Disabled

Rates for annuitants (based on RP-2014 "Healthy Annuitants" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014 and then projected forward with static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019).

**Termination**

Rates varying by age and service.

| Representative Rates | | | | |
|---|---|---|---|---|
| Age / Service | 0 – 2 | 3 – 4 | 5 – 9 | 10 and Over |
| Less than 26 | 29% | 21% | 19% | 12% |
| 27 – 30 | 22% | 16% | 12% | 12% |
| 31 – 35 | 20% | 14% | 9% | 7% |
| 36 – 40 | 18% | 13% | 8% | 5% |
| 41 – 45 | 16% | 13% | 8% | 5% |
| 46 – 50 | 15% | 11% | 8% | 4% |
| Over 51 | 12% | 11% | 8% | 4% |

# SCHEDULE SB ATTACHMENTS

**Disability**

*Non-Martin Memorial Participants*

Rates varying by age and gender.

| Representative Rates | | | | |
|---|---|---|---|---|
| | Age 25 | Age 35 | Age 45 | Age 55 |
| Male | 0.0003 | 0.0004 | 0.0016 | 0.0069 |
| Female | 0.0003 | 0.0007 | 0.0024 | 0.0064 |

*Martin Memorial Participants*

None.

**Retirement**

Rates varying by age

| Age | Rates |
|---|---|
| 55 – 60 | 5% |
| 61 | 8% |
| 62 – 64 | 15% |
| 65 | 20% |
| 66 | 30% |
| 67 | 25% |
| 68 – 69 | 20% |
| 70 | 25% |
| 71 – 74 | 20% |
| Over 74 | 100% |

- Preretirement death benefit: The later of the death of the active participant or the earliest eligible commencement date.
- Deferred vested benefit: Active caregivers:
  - 50% the later of age 65 or termination of employment; 50% upon termination of employment
  - Martin Memorial participants at the early of age 60 with 10 years of service or age 65

  All current terminated vested participants: age 65 or age 60 if retirement eligible and a Martin Memorial participant.
- Disability benefit: Lakewood Hospital Association: upon disablement.

  All Others: the later of age 65 or disablement.
- Retirement benefit: Upon termination of employment.

# SCHEDULE SB ATTACHMENTS

| | |
|---|---|
| **Form of payment** | |
| *Non-Martin Memorial Participants* | Retirement: 50% lump sum at retirement, 30% lump sum at normal retirement age, 10% single life annuity, 10% 50% joint annuity.<br><br>Termination: 50% single lump sum distribution assumed upon termination, 42.5% single lump distribution at normal retirement and 7.5% straight life annuity at normal retirement (or 50% joint and survivor for married Medina Hospital caregivers). |
| *Martin Memorial Participants* | Retirement: 60% straight lump sum distribution, 40% straight life annuity.<br><br>Termination: For future deferred vested participants: 60% lump sum distribution at age 60 (or 65 if not eligible), 40% straight life annuity.<br><br>For current terminated vested participants: 75% lump sum distribution at age 60 (or 65 if not eligible), 25% straight life annuity. |
| **Percent married** | 85% for plans with a final average earnings formula; 100% for plans with a cash balance formula. |
| **Spouse age** | Wives are assumed to be three years younger than husbands. |
| **Covered pay** | Not applicable. |
| **Administrative expenses** | Return on asset assumption is net of expense paid by the trust; $5,684,320 is included in the target normal cost for plan year 2021. |
| **Timing of benefit payments** | Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement. |

# SCHEDULE SB ATTACHMENTS

## Methods

| | |
|---|---|
| **Valuation date** | First day of plan year. |
| **Funding target** | Present value of accrued benefits as required by regulations under IRC §430. |
| **Target normal cost** | Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430. |
| **Actuarial value of assets** | The actuarial value of assets is equal to the market value of assets as of the valuation date plus the discounted present value of contributions made after the valuation date for the prior plan year, discounted using the effective interest rate for the prior plan year. |
| **Benefits not valued** | Benefits for employees who have terminated without vested rights but may be rehired in time to have benefits restored were not valued. |

## Sources of Data and Other Information

Alight furnished participant data as of January 1, 2021. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data were adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

# SCHEDULE SB ATTACHMENTS

## Assumptions Rationale - Significant Economic Assumptions

| | |
|---|---|
| **Discount rate** | The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time. |
| **Cash balance interest crediting rate** | The CCHS Retirement Plan credits interest to cash balance accounts at a rate of 6.00% for Lakewood, ABP and CCHS participants hired prior to May 1, 2004. CCHS participants hired on or after May 1, 2004 receive interest credits equal to the one-year T-bill rate, but with a minimum interest credit rate of 5.00%. Due to the expected one-year T-bill rate environment, a rate of 5.00% has been selected by the plan sponsor for CCHS participants hired on or after May 1, 2004. After examining historical variability in this rate and considering the increase in interest crediting expected to be caused by the minimum interest credit, we believe the selected assumption does not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations consistent with other economic assumptions used. |
| **Lump sum conversion rate** | As required by IRC §430, lump sum benefits are valued using "annuity substitution," so the interest rates assumed are effectively the same as described above for the discount rate. |
| **Annuity conversion rate for hybrid plans** | As required by IRC §430, annuity benefits are valued by converting accounts to annuities using the current IRC §430 interest rates, so the interest rates assumed are effectively the same as described above for the discount rate. |

## Assumptions Rationale - Significant Demographic Assumptions

| | |
|---|---|
| **Healthy mortality** | Assumptions used for funding purposes are as prescribed by IRC §430(h). |
| **Disabled mortality** | Assumptions used for funding purposes are as prescribed by IRC §430(h). |
| **Termination** | Termination rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.<br><br>Assumed termination rates differ by age and service because of observed differences in termination rates by service. |

# SCHEDULE SB ATTACHMENTS

**Disability**

Disability rates were based on a published table for pension participants believed to have reasonably similar characteristics participating in pension plans with similar disability provisions.

Assumed disability rates differ by gender because of expected differences in disability rates by gender.

**Retirement**

Retirement rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

**Benefit commencement date for deferred benefits**

- Preretirement death benefit

Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so a later commencement date is expected to be of approximately equal value, and experience indicates most spouses do take the benefit as soon as it is available.

- Deferred vested benefit

Deferred vested participants are assumed to begin benefits at age 65 (or current age if later). Deferred vested early commencement factors are not subsidized so the difference between this approach and using assumed commencement rates at earlier ages is not expected to be significant.

**Form of payment**

The percentage of retiring participants assumed to take lump sums is based on a best estimate of future experience.

**Percent married**

The assumed percentage married is based on general population statistics on the marital status of individuals of retirement age.

**Spouse age**

The assumed age difference for spouses is based on general population statistics of the age difference for married individuals of retirement age.

# SCHEDULE SB ATTACHMENTS

## Source of Prescribed Methods

**Funding methods**

The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law," as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430 or were selected by the plan sponsor from a range of methods permitted by IRC §430.

# SCHEDULE SB ATTACHMENTS

## Changes in Assumptions and Methods

**Change in assumptions and methods since prior valuation**

- The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430. Segment interest rates under ARPA were first reflected with the January 1, 2021 valuation.
- The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC §430.
- The mortality table used to complete §417(e) conversions when calculating the funding target were revised from the IRS table applicable for plan year 2020 to the IRS table applicable for plan year 2021.
- The assumed plan-related expenses added to the target normal cost were changed from $6,018,278 for the prior valuation to $5,684,320 for the current valuation to account for lower expected expenses to be paid from the trust.
- Termination and retirement rates were updated to reflect the results of an experience study performed in 2020. Termination and retirement rates were also updated for Martin Memorial caregivers to align with the assumptions used for the rest of the CCHS Retirement Plan.
- Form of payment for those retiring from the CCHS Retirement Plan were updated to reflect the results of an experience study performed in 2020. Note: form of payment assumptions for legacy Martin Health caregivers in the CCHS Retirement Plan remain unchanged.

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

**2021**

**This Form is Open to Public Inspection**

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

▶ **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
The CCHS 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
The Cleveland Clinic Foundation

**D** Employer Identification Number (EIN)
34-0714585

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2021

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 1,525,005,664 |
| **b** Actuarial value | **2b** | 1,525,005,664 |

**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 | 6,011 | 333,627,072 | 333,627,072 |
| **b** For terminated vested participants | 7,649 | 257,556,569 | 257,556,569 |
| **c** For active participants | 15,590 | 585,555,111 | 596,178,171 |
| **d** Total | 29,250 | 1,176,738,752 | 1,187,361,812 |

**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** | 5.48% |
| **6** Target normal cost | | |
| **a** Present value of current plan year accruals | **6a** | 0 |
| **b** Expected plan-related expenses | **6b** | 5,684,320 |
| **c** Total (line 6a + line 6b) | **6c** | 5,684,320 |

**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**

DMH

Signature of actuary

SEPTEMBER 22, 2022

Date

David M Hauer

Type or print name of actuary

2006576

Most recent enrollment number

Willis Towers Watson US LLC

Firm name

216-937-4000

Telephone number (including area code)

1001 Lakeside Avenue, Suite 1500

Cleveland OH 44114-1172

Address of the firm

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

## 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 | 0 |
| 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 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 16.46% | 0 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 0 |
| | 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 5.24% | | 0 |
| | 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 | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 0 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 128.43% |
| 15 | Adjusted funding target attainment percentage | 15 | 128.43% |
| 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 | 113.25% |
| 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 |
|---|---|---|---|---|---|
| 09/14/2022 | 16,700,000 | 0 | | | |
| | | | | | |
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| | | | | | |
| | | Totals ► 18(b) | 16,700,000 | 18(c) | 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contributions from prior years | 19a | 0 |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 15,249,756 |

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: | 2nd segment: | 3rd segment: | ☐ N/A, full yield curve used |
|---|---|---|---|
| 4.75 % | 5.36 % | 6.11 % | |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | 21b | 4 |
| **22** Weighted average retirement age | 22 | 63 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

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

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

## Part VIII Minimum Required Contribution For Current Year

| | | |
|---|---|---|
| **31** Target normal cost and excess assets (see instructions): | | |
| **a** Target normal cost (line 6c) | 31a | 5,684,320 |
| **b** Excess assets, if applicable, but not greater than line 31a | 31b | 5,684,320 |

| **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 | 0 |

| | 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 | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | 37 | 15,249,756 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | 38a | 15,249,756 |
| **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

# SCHEDULE SB ATTACHMENTS

## Schedule SB – Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | The Cleveland Clinic Foundation |
| **EIN/PN** | 34-0714585/001 |
| **Plan Name** | The CCHS Retirement Plan |
| **Valuation Date** | January 1, 2021 |
| **Enrolled Actuary** | David M. Hauer |
| **Enrollment Number** | 20-06576 |

The actuarial assumptions not mandated by IRC §430 and regulations represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22
## Description of Weighted Average Retirement Age
## as of January 1, 2021

The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

| *Retirement Age* | *Assumed Rate* | *Participants At Beginning* | *Participants Retiring: (2)x(3)* | *Weighted Value (1)*(4)* |
|---|---|---|---|---|
| *(1)* | *(2)* | *(3)* | *(4)* | *(5)* |
| 55 | 5% | 1,000 | 50 | 2,750 |
| 56 | 5% | 950 | 48 | 2,660 |
| 57 | 5% | 903 | 45 | 2,572 |
| 58 | 5% | 857 | 43 | 2,486 |
| 59 | 5% | 815 | 41 | 2,403 |
| 60 | 5% | 774 | 39 | 2,321 |
| 61 | 8% | 735 | 59 | 3,587 |
| 62 | 15% | 676 | 101 | 6,289 |
| 63 | 15% | 575 | 86 | 5,432 |
| 64 | 15% | 489 | 73 | 4,691 |
| 65 | 20% | 415 | 83 | 5,399 |
| 66 | 30% | 332 | 100 | 6,579 |
| 67 | 25% | 233 | 58 | 3,896 |
| 68 | 20% | 174 | 35 | 2,373 |
| 69 | 20% | 140 | 28 | 1,926 |
| 70 | 25% | 112 | 28 | 1,954 |
| 71 | 20% | 84 | 17 | 1,189 |
| 72 | 20% | 67 | 13 | 965 |
| 73 | 20% | 54 | 11 | 783 |
| 74 | 20% | 43 | 9 | 634 |
| 75 | 100% | 34 | 34 | 2,572 |
| | | | 1,000 | 63,460 |

63,460 / 1,000 = 63 Average Retirement Age

Plan Name: The CCHS Retirement Plan
EIN / PN: 34-0714585/001
Plan Sponsor: The Cleveland Clinic Foundation
Valuation Date: January 1, 2021

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Summary of Plan Provisions

### Plan Provisions

The plan was restated effective June 30, 2019. The most recent amendment (the First Amendment) reflected in the following plan provisions was adopted on June 9, 2020.

| | |
|---|---|
| Plan name | The CCHS Retirement Plan |
| Covered employees | Regular participants of Cleveland Clinic main campus and affiliated hospitals (Children's Rehabilitation, Fairview, Lakewood, Martin, Marymount, Medina and Meridia); including those on long-term disability but excluding:<br>— Students<br>— Members of the Staff<br>— Key Administrative Staff<br>— Project Staff<br>— Associate Staff<br>— Resident Physicians<br>— Clinical Fellows (types A and B)<br>— Clinical Associates<br>— Research Associates<br>— Senior Exempt/Management Employees<br>— Clergy paid by non-Cleveland Clinic source<br>— Leased employees (Martin)<br>— "MASH Associate" employment status (Martin) |

The abbreviated names for the benefit formulas are as follows:

| | |
|---|---|
| CCHS | The CCHS Retirement Plan |
| *Prior Plans:*<br>ABP | The Account Balance Plan (including Children's Rehabilitation) |
| Fairview | The Fairview Health System Retirement Plan |
| Lakewood | The Lakewood Hospital Primary Pension Plan |
| Martin | The Martin Memorial Health Systems Pension Plan |
| Marymount | The Marymount Hospital–Greater Cleveland Hospital Association Retirement Plan |
| Medina | The Medina General Hospital Pension Plan |
| Meridia | The Meridia Health System Retirement Plan |

| | |
|---|---|
| Plan Name: | The CCHS Retirement Plan |
| EIN / PN: | 34-0714585/001 |
| Plan Sponsor: | The Cleveland Clinic Foundation |
| Valuation Date: | January 1, 2021 |

# SCHEDULE SB ATTACHMENTS

## Definitions

| Type of formula | Formulas | Type |
|---|---|---|
| | CCHS, ABP, Lakewood | Cash Balance |
| | Fairview, Martin, Marymount, Medina, Meridia, | Final Average Earnings |

| Participation date | Formulas | Age | Service | Date |
|---|---|---|---|---|
| | CCHS, ABP | 21 | 0 | First of the month coincident with or following |
| | Fairview, Lakewood, Martin, Marymount, Medina, Meridia | 21 | 1 | First of the month coincident with or following |

| Normal retirement date (NRD) | Formulas | Age | Service | Date |
|---|---|---|---|---|
| | CCHS, ABP | 65 | 0 | First of the month coincident with or following |
| | Fairview, Lakewood, Martin, Marymount, Medina, Meridia | 65 | 5 | First of the month coincident with or following |

| Early retirement date (ERD) | Formulas | Age | Service | Date |
|---|---|---|---|---|
| | ABP, Lakewood, Martin, Medina | 55 | 10 | First of the month coincident with or following |
| | CCHS, Fairview, Marymount, Meridia | 55 | 5 | First of the month coincident with or following |

| | |
|---|---|
| **Normal form** | Life annuity for single employees; 50% joint and survivor for married employees. |

# SCHEDULE SB ATTACHMENTS

| | | |
|---|---|---|
| **Credited service** | Formulas | Definition |
| | CCHS, ABP | Elapsed time from date of hire. |
| | Lakewood | 1,000 hours in a year from date of hire or in a calendar year; some grandfathered employees are measured using elapsed time. |
| | Fairview, Martin, Marymount, Meridia | 1,000 hours in a year from date of hire or in a calendar year. |
| | Medina | A full year of credited service is earned for each plan year that an employee works 1,976 hours as a covered employee; prorated credited service is earned if fewer hours are worked. |

| | |
|---|---|
| **Vesting** | Three years of credited service. Effective October 1, 2005; all Martin employees are 100% vested. |

| | | |
|---|---|---|
| **Benefit service** | Formulas | Definition |
| | CCHS, ABP | Elapsed time from date of participation. |
| | Lakewood, Martin | At least 1,000 hours in a calendar year is required; some grandfathered employees are measured using elapsed time. |
| | Fairview, Marymount | At least 1,000 hours in a calendar year is required; one year of service for 1,800 or more hours (1,700 for Fairview union employees); service prorated for hours between 1,000 and 1,800; 25-year maximum |
| | Medina | At least 1,000 hours in a calendar year is required; one year of service for 1,976 or more hours; service prorated for hours between 1,000 and 1,976. |
| | Meridia | At least 1,000 hours in a calendar year is required; one year of service for 1,800 or more hours; service prorated for hours between 1,000 and 1,800; 27-year maximum. |

# SCHEDULE SB ATTACHMENTS

**Projected benefit service**

Sum of:

(a) Benefit service at determination date; and

(b) The ratio of (a) to elapsed time from date of participation to the determination date, multiplied by the number of years from the date of determination to NRD.

Defined maximums to benefit service still apply.

**Credited service ratio (CSR)**

The numerator equals credited service at date of determination and the denominator equals credited service at the determination date plus the number of years from the date of determination to NRD.

**Tier groups (Martin)**

Age and service conditions as of October 1, 2005:

- Tier 1: Age 55 with 15 years of service or 20 years of service
- Tier 2: Age 40 with 10 years of service but not age 55 with 15 years of service or 20 years of service
- Tier 3: Not age 40 with 10 years of service

**Pension earnings**

W-2 pay plus amounts deferred under salary reduction agreements pursuant to IRC §125, §401(k) or §403(b) but limited to amounts required by law.

**Final average earnings**

| Formulas | Definition |
|---|---|
| CCHS, ABP, Lakewood | N/A |
| Fairview, Marymount, Meridia | Highest average of five consecutive years out of the last ten years. (Must have worked 1,000 hours in a year to be included in the average). |

**Average monthly compensation**

| | |
|---|---|
| Medina | Highest average of five consecutive years. |

# SCHEDULE SB ATTACHMENTS

**Social Security covered compensation (SSCC)**

The average of the Social Security Wage Base (SSWB) from the 35-year period ending with the year in which the participant attains his "Social Security Retirement Age," i.e., the age at which unreduced Social Security benefits are payable.

**Plan formula**

Benefit accruals other than interest credits were frozen effective December 31, 2009 (December 31, 2010 for Medina; December 31, 2012 for collectively bargained employees at Lutheran Hospital).

**CCHS (participants hired prior to May 1, 2004)**

| Age Plus Service Points | Credit for Earnings | Additional Credit for Earnings Above SSWB |
|---|---|---|
| Under 40 | 2.5% | 2.5% |
| 40 – 49 | 3.5% | 3.5% |
| 50 – 59 | 4.5% | 4.5% |
| Over 59 | 5.5% | 5.5% |

**CCHS (participants hired on or after May 1, 2004)**

| Years of Service | Credit for Earnings |
|---|---|
| Under 5 | 2.5% |
| Over 4 | 3.5% |

**ABP**

| Age Plus Service Points | Percent of Earnings |
|---|---|
| Under 34 | 2.1% |
| 34 -37 | 2.3% |
| 38 - 41 | 2.5% |
| 42 - 45 | 3.0% |
| 46 - 49 | 3.5% |
| 50 - 59 | 4.0% |
| 60 - 69 | 5.2% |
| 70 - 79 | 6.7% |
| 80 - 89 | 8.6% |
| Over 89 | 10.0% |

# SCHEDULE SB ATTACHMENTS

**Marymount**: Sum of 1.2% times final average earnings plus 0.65% times final average earnings in excess of SSCC times projected benefit service times CSR. (Minimum benefit: $15 per month times projected benefit service times CSR.)

**Plan formula (continued)**

**Lutheran Hospital (SEIU 1199)**: The greater of (a) or (b):

(a) Normal retirement benefit based on the following schedule (max of 30 years):

| Benefit Service | Dollars Per Month of Benefit service |
|---|---|
| Before 03/17/1980 | $6.00 |
| 03/17/1980 – 03/16/1982 | 8.00 |
| 03/17/1982 – 03/16/1983 | 9.00 |
| 03/17/1983 – 12/31/1987 | 10.00 |
| 01/01/1988 – 12/31/1989 | 12.00 |
| 01/01/1990 – 12/31/1990 | 14.00 |
| 01/01/1991 – 12/31/1991 | 15.00 |
| 01/01/1992 – 12/31/1992 | 16.00 |
| 01/01/1993 – 12/31/1994 | 17.00 |
| 01/01/1995 – 12/31/1995 | 19.00 |
| 01/01/1996 – 12/31/1999 | 21.00 |
| 01/01/2000 – 12/31/2003 | 25.00 |
| 01/01/2004 – 12/31/2004 | 26.00 |
| 01/01/2005 – 12/31/2005 | 27.00 |
| 01/01/2006 – 12/31/2006 | 27.50 |
| 01/01/2007 – 12/31/2007 | 28.50 |
| 01/01/2008 – 12/31/2009 | 29.50 |
| 01/01/2010 – 12/31/2010 | 31.50 |
| After 12/31/2010 | 33.50 |

(b) Accrued benefit under the plan provisions in effect as of March 16, 1978.

# SCHEDULE SB ATTACHMENTS

**Plan formula (continued)**

**Medina**:

If hired before October 1, 2005, and not participating in the Retirement Match program: Sum of (i) and (ii)

(i) Credited service earned (max of 30 years) times 1% of Average Monthly Compensation + 0.5% of Average Monthly Compensation in excess of SSCC.

(ii) Credited service earned in excess of 30 years times 0.5% of Average Monthly Compensation.

If hired on or after October 1, 2005, or made an election to participate in the Retirement Match program: Sum of (i), (ii), (iii) and (iv)

(i) Credited service earned prior to January 1, 2006 (max of 30 years), times 1% of Average Monthly Compensation + 0.5% of Average Monthly Compensation in excess of SSCC.

(ii) Credited service earned prior to January 1, 2006, in excess of 30 years times 0.5% of Average Monthly Compensation.

(iii) Credited service earned after January 1, 2006 (max of 30 years), times 0.5% of Average Monthly Compensation + 0.25% of Average Monthly Compensation in excess of SSCC.

(iv) Credited service earned after January 1, 2006, in excess of 30 years times 0.25% of Average Monthly Compensation.

**Meridia**: Sum of 1.2% times final average earnings plus 0.65% times final average earnings in excess of SSCC times benefit service. (Minimum benefit: $15 per month times benefit service.)

**Fairview**: Sum of 1.2% times final average earnings plus 0.65% times final average earnings in excess of SSCC times projected benefit service times CSR. (Minimum benefit: $12 per month times projected benefit service times CSR.)

**Martin:** Sum of 2.0% times final average earnings times credited service (not to exceed 25 years) offset by 2.0% of estimated Social Security benefit times anticipated credited service (not to exceed 25 years) times a fraction, not to exceed one, the numerator of which is credited service, the denominator of which is anticipated credited services. (Minimum benefit: $50 per month).

# SCHEDULE SB ATTACHMENTS

| **Interest credit** | Formulas | Definition |
|---|---|---|
| | **CCHS** | For participants hired prior to May 1, 2004: For 2001, the rate is based on the yield of the last one-year T-bill auction in 2000. For the 2002-2016 plan years, interest based on one-year T-bill rate as of the last business day in the prior plan year, subject to a minimum of 6% for participants until benefits commencement. For each plan year after December 31, 2016, interest credit is 6%.<br><br>For participants hired on or after May 1, 2004: Interest based on one-year T-Bill rates or of the last business day in the prior plan year, subject to a minimum of 5% and a maximum of 10%.<br><br>No interest is credited on pay credit in the year the pay credit is made. |
| | **ABP** | For 2001, the rate is based on the yield of the last one-year T-bill auction in 2000. For the 2002-2016 plan years, the rate is based on one-year T-bill rate as of the last business day in the prior plan year, subject to a minimum of 6% and a maximum of 10%. For each plan year after December 31, 2016, interest credit is 6%. |
| | **Lakewood** | For each plan year up to the benefit commencement date, 6% interest. No interest is credited on pay credit in the year the pay credit is made. |

# SCHEDULE SB ATTACHMENTS

## Eligibility for Benefits

| | | |
|---|---|---|
| **Normal retirement** | Monthly pension benefit determined as of NRD. | |
| **Early retirement** | **CCHS** | The greater of the current account balance annuity as of ERD or the current account balance annuity as of NRD reduced 5% for each year of payment before NRD. |
| | **ABP** | Prior plan transition benefits reduced 5% for each year of payment before NRD. The cash balance portion of a participant's pension benefit will be the greater of the current account balance annuity as of ERD or the current account balance annuity as of NRD reduced 5% for each year of payment before NRD. |
| | **Fairview** | Benefit actuarially equivalent to accrued benefit beginning at NRD. |
| | **Lakewood** | The greater of the current account balance annuity as of ERD or the benefit actuarially equivalent to accrued benefit beginning at NRD. |
| | **Martin** | Accrued benefit reduced by 2.5% for each year prior to NRD. |
| | **Marymount** | Benefit actuarially equivalent to accrued benefit beginning at NRD. |
| | **Medina** | Accrued benefit reduced by 5% for each year early retirement precedes NRD. No reduction is applied for a participant who is at least age 62 and the sum of age and service is at least 85. |
| | **Meridia** | Accrued benefit reduced 6.67% for each of the first five years prior to NRD, and 3.33% for each additional year. |
| **Postponed retirement** | Monthly pension benefit determined as of NRD payable at actual retirement date. Special considerations apply at age 70-1/2 for "prior plan" formulas. | |

# SCHEDULE SB ATTACHMENTS

**Deferred vested**

For vested employees who terminated for reasons other than death or normal retirement, the monthly pension benefit determined as of termination date payable at date of termination. The benefit will be paid as a lump sum if its actuarial present value is less than $5,000.

**Preretirement spouse**

Benefit payable to the surviving spouse of a vested employee.

| | |
|---|---|
| **CCHS, ABP, Lakewood** | For nonspouse beneficiary, an immediate lump sum. For spouse beneficiary, lump sum or monthly annuity payable immediately or deferred to age 65. |
| **Fairview, Martin, Marymount, Medina** | Vested benefit paid to spouse as 50% joint and survivor annuity at the earliest retirement date; if single, no benefit is paid. |
| **Meridia** | Vested benefit paid to spouse as 100% joint and survivor annuity at the earliest retirement date; if single, no benefit is paid. |

**Disability**

| Formulas | Age | Service | Description |
|---|---|---|---|
| **CCHS** | **Any** | **Any** | As long as employee receives STD or LTD, pay credits continue. Interest credits will continue until benefit commencement. |
| **ABP** | **Any** | **≥10** | Pay credits continue until age 65. Interest credits continue until benefit commencement. |
| | **Any** | **<10** | Pay credits continue for two years. Interest credits continue until benefit commencement. |
| **Lakewood** | **Any** | **Any** | Interest credits continue until benefit commencement. |
| **Fairview, Marymount** | **Any** | **10** | Immediate unreduced benefit. |

# SCHEDULE SB ATTACHMENTS

| | | | |
|---|---|---|---|
| **Meridia** | **Any** | **10** | As long as employee receives Social Security disability benefit, service will continue to accrue until normal retirement age. |
| **Martin** | **N/A** | **N/A** | N/A |

# SCHEDULE SB ATTACHMENTS

## Other Plan Provisions

| | | |
|---|---|---|
| **Optional forms** | CCHS | Single life annuity, qualified joint and survivor annuity (50%, 66-2/3%, 75%, 100%); five-year, ten-year certain and life annuity, lump sum. |
| | ABP | Single life annuity, qualified joint and survivor annuity (50%, 66-2/3%, 75%, 100%); ten-year certain and life annuity, lump sum. |
| | Fairview | Single life annuity, qualified joint and survivor annuity (50%, 66-2/3%, 75%, 100%); five-year, ten-year certain and life annuity, lump sum. |
| | Lakewood | Single life annuity, qualified joint and survivor annuity (50%, 75%), cash refund annuity, lump sum. |
| | Martin | Single life annuity, qualified joint and survivor annuity (50%, 75%, 100%); ten-year certain and life annuity, Social Security level income, lump sum. |
| | Marymount | Single life annuity, qualified joint and survivor annuity (50%, 66-2/3%, 75%, 100%); five-year, ten-year certain and life annuity, lump sum. |
| | Medina | Single life annuity, qualified joint and survivor annuity (50%, 75%, 100%); five-year, ten-year, 15-year certain and life annuity, lump sum. |
| | Meridia | Single life annuity, qualified joint and survivor annuity (50%, 66-2/3%, 75%, 100%); five-year, ten-year certain and life annuity, lump sum. |
| **Actuarial equivalence for forms of payment** | | |
| **All options unless specified by parts B, C, D and E of the plan** | Interest rate: 7.5%<br>Mortality: The “applicable mortality table” specified pursuant to IRC §417(e)(3)(A)(ii)(II). | |
| **Lump sum distribution for account balance formulas (Part B)** | Interest Rate: The interest rate in effect for August of the preceding plan year, pursuant to IRC §417(e)(3)(A)(ii)(II).<br>Mortality: The “applicable mortality table” specified pursuant to IRC §417(e)(3)(A)(ii)(I). | |

# SCHEDULE SB ATTACHMENTS

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|---|---|
| **Lakewood grandfathered lump sum (Part B)** | Interest Rate: The interest rate in effect for August of the preceding plan year, pursuant to IRC §417(e)(3)(A)(ii)(II).<br><br>Mortality: The "applicable mortality table" specified pursuant to IRC §417(e)(3)(A)(ii)(I). |
| **CCF Prior Lump Sum (as of December 31, 1996) (Part B)** | Interest Rate: The interest rate in effect for August of the preceding plan year, pursuant to IRC §417(e)(3)(A)(ii)(II).<br><br>Mortality: The UP-1984 Mortality Table set back three years for participants, but without setback for beneficiaries. |
| **Prior CCF Plan/Children's Rehab annuity benefits (Part B)** | Interest Rate: 7.5%<br><br>Mortality: UP-1984 Mortality Table set back three years for participants, but without setback for beneficiaries. |
| **Meridia, Fairview, and Marymount (Parts C, D and E)** | Interest Rate: 8.0%<br><br>Mortality: 1951 Group Annuity Mortality Table for Males, projected to 1975 by Projection Scale C, with an age setback of two years for males and females. |
| **Medina** | Interest Rate: 7.0%<br><br>Mortality: 1951 Group Annuity Mortality Table for Males, projected to 1970 by Scale C with a five-year setback for employees and no setback for spouses.<br><br>For a married participant selecting a form other than single life, the benefit is first actuarially increased to include a 50% joint and survivor feature. |
| **Martin** | Interest Rate: 7.0%<br><br>Mortality: 1951 Group Annuity Mortality Table, projected by Scale C to 1965 for males, where Participant's age shall be set back four years and the beneficiaries age shall be setback one year regardless of gender.<br><br>Actuarial equivalence shall produce an optional form not less than that which would be determined using the prescribed minimum lump sum mortality and interest rates defined in IRC §417(e). |

# SCHEDULE SB ATTACHMENTS

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|---|---|
| **Maximum on benefits and pay** | ***All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the IRC. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.*** |
| **Plan status for PBGC reporting purposes** | Benefits and participation frozen with the exception of participants on long-term disability. |

## Future Plan Changes

No future plan changes were recognized in determining funding requirements. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

## Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior valuation.

## THE CCHS RETIREMENT PLAN

## SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2021

EIN: 34-0714585
Plan Number: 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Units/ Shares | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Alternative investments** | | | |
| | AXA EQUITABLE LIFE ASSURANCE SOCIETY | 30,422 | 30,422 | 30,422 |
| | Total alternative investments | | $ 30,422 | $ 30,422 |

* Party-in-interest as defined by ERISA

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 24
## Change in Actuarial Assumptions

Termination and retirement rates were updated to reflect the results of an experience study performed in 2020. Termination and retirement rates were also updated for Martin Memorial caregivers to align with the assumptions used for the rest of the plan.

Assumed forms of payment elected at retirement were updated to reflect the results of an experience study performed in 2020. Note: form of payment assumptions for legacy Martin Health caregivers remain unchanged.

| | |
|---|---|
| Plan Name: | The CCHS Retirement Plan |
| EIN / PN: | 34-0714585/001 |
| Plan Sponsor: | The Cleveland Clinic Foundation |
| Valuation Date: | January 1, 2021 |