

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... [X] an amended return/report [] a short plan year return/report... 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... 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 HCSC EMPLOYEE PENSION PLAN 1b Three-digit plan number (PN) 004 1c Effective date of plan 01/15/1948 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) HEALTH CARE SERVICE CORPORATION, A MUTUTAL LEGAL RESERVE CO. GENE GEORGE-DVP, HCSC EXECUTIVE DIRECTOR FINANCIAL BENEFITS ADMIN. A02.012 1001 E LOOKOUT DR RICHARDSON, TX 75082-4144 A02.012 1001 E LOOKOUT DR RICHARDSON, TX 75082-4144 2b Employer Identification Number (EIN) 36-1236610 2c Plan Sponsor's telephone number 972-766-6192 2d Business code (see instructions) 524140

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.

Table with 4 columns: SIGN HERE, Signature, Date, Name. Rows include: 1. Filed with authorized/valid electronic signature, 10/29/2025, GENE GEORGE, Signature of plan administrator. 2. Filed with authorized/valid electronic signature, 10/29/2025, GENE GEORGE, Signature of employer/plan sponsor. 3. Signature of DFE, Date, Enter name of individual signing as DFE.

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

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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 36-1233610 4d PN
5 Total number of participants at the beginning of the plan year	5 24258
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 24258 6a(2) 25584 6b 1986 6c 4902 6d 32472 6e 412 6f 32884 6g(1) 6g(2) 6h 555
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

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) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____ (5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____ (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
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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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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 SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

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

A Name of plan <u>THE HCSC EMPLOYEE PENSION PLAN</u>	B Three-digit plan number (PN) ▶	<u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>HEALTH CARE SERVICE CORPORATION, A MUTUTAL LEGAL RESERVE CO.</u>	D Employer Identification Number (EIN) <u>36-1236610</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information

1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
2	Assets:		
	a Market value	2a	<u>2423666711</u>
	b Actuarial value	2b	<u>2423666711</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	<u>2075</u>	<u>232290094</u>
	b For terminated vested participants	<u>5103</u>	<u>155606146</u>
	c For active participants	<u>24258</u>	<u>1005141915</u>
	d Total	<u>31436</u>	<u>1393038155</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	<u>5.08 %</u>
6	Target normal cost		
	a Present value of current plan year accruals	6a	<u>96142014</u>
	b Expected plan-related expenses	6b	<u>5633646</u>
	c Target normal cost	6c	<u>101775660</u>

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

SIGN HERE		
	Signature of actuary	<u>08/27/2025</u>
	<u>AMY DOLISH</u>	Date
	Type or print name of actuary	<u>23-07755</u>
	<u>WILLIS TOWERS WATSON US LLC</u>	Most recent enrollment number
	Firm name	<u>214-530-4422</u>
	<u>500 N AKARD STREET</u>	Telephone number (including area code)
	<u>SUITE 4300</u>	
	<u>DALLAS, TX 75201</u>	
	Address of the firm	

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

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)	213589895	
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9	Amount remaining (line 7 minus line 8)	213589895	0
10	Interest on line 9 using prior year's actual return of 12.04 %	25716223	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		172686215
	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 5.13 %		8858803
	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		181545018
	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)	239306118	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	152.48 %
15	Adjusted funding target attainment percentage	15	169.19 %
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	160.76 %
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
			Totals ▶	18(b)	18(c)

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
	b Contributions made to avoid restrictions adjusted to valuation date	19b
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c
20	Quarterly contributions and liquidity shortfalls:	
	a Did the plan have a "funding shortfall" for the prior year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> 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: 4.96 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> 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..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
26 Demographic and benefit information			
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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
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	101775660	
b Excess assets, if applicable, but not greater than line 31a	31b	101775660	
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		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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 the American Rescue Plan Act of 2021 (See Instructions)			
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input checked="" type="checkbox"/> 2021			

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>THE HCSC EMPLOYEE PENSION PLAN</u>	B Three-digit plan number (PN)	<u>004</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>HEALTH CARE SERVICE CORPORATION, A MUTUTAL LEGAL RESERVE CO.</u>	D Employer Identification Number (EIN) <u>36-1236610</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	<u>HCSC MASTER PENSION TRUST</u>		
b Name of sponsor of entity listed in (a):	<u>HEALTHCARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE CO.</u>		
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)
<u>83-1060209-008</u>	<u>M</u>		<u>2541175886</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity 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)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan THE HCSC EMPLOYEE PENSION PLAN	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE CO.	D Employer Identification Number (EIN) 36-1236610

Part I	Asset and Liability Statement
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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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(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)		
(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)	2365696120	2541175886
(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)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	2365696120	2541175886
Liabilities			
g Benefit claims payable.....	1g	3569881	3907906
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	3569881	3907906
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	2362126239	2537267980

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)	60000000	
(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)		60000000
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)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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)		
(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)		

		(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)		198270988
(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		258270988

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	83129247	
(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)		83129247
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		83129247

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		175141741
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) 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) 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: ERNST & YOUNG, LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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.)		X	
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.)		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.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		100000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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.		X	

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 54881.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan THE HCSC EMPLOYEE PENSION PLAN	B Three-digit plan number (PN)	004
C Plan sponsor's name as shown on line 2a of Form 5500 HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE CO.	D Employer Identification Number (EIN) 36-1236610	

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	
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): _____		
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	1080

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 (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: 43.8 % Private Equity: 10.9 % Investment-Grade Debt and Interest Rate Hedging Assets: 29.8 %
 High-Yield Debt: 7.9 % Real Assets: 4.3 % Cash or Cash Equivalents: 3.3 % Other: 0.0 %

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

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

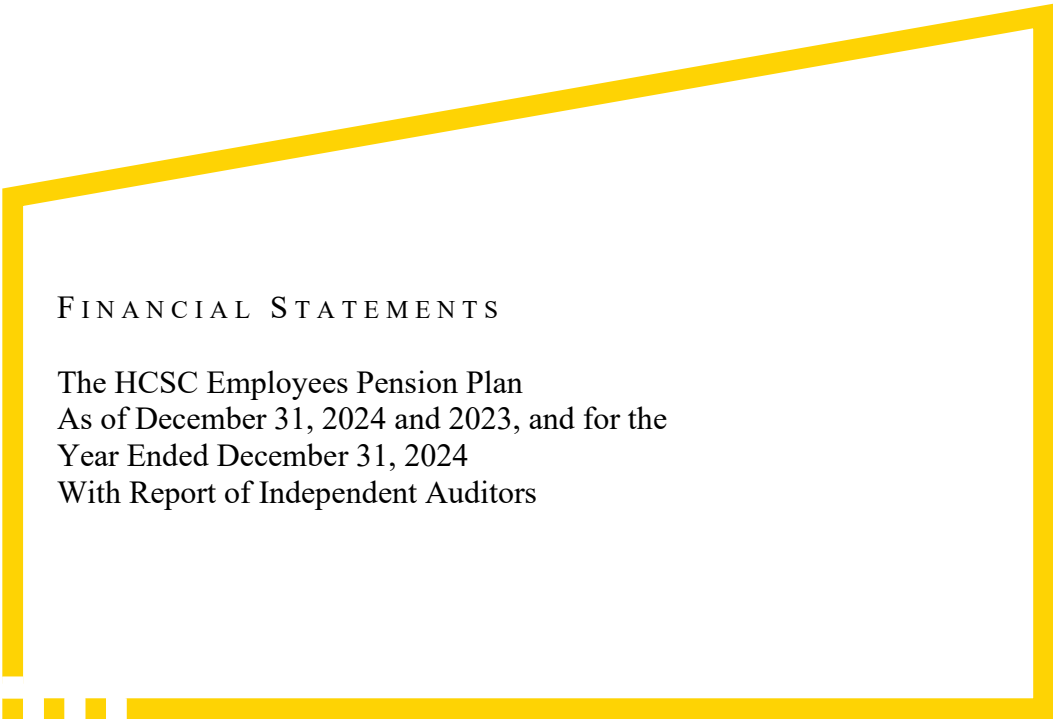
b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day 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.....

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.



FINANCIAL STATEMENTS

The HCSC Employees Pension Plan
As of December 31, 2024 and 2023, and for the
Year Ended December 31, 2024
With Report of Independent Auditors



The better the question.
The better the answer.
The better the world works.



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The HCSC Employees Pension Plan

Financial Statements

As of December 31, 2024 and 2023, and for the
Year Ended December 31, 2024

Contents

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Report of Independent Auditors

HCSC Plan Administrative Committee
Health Care Service Corporation
The HCSC Employees Pension Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of The HCSC Employees Pension 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 statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statement of changes in net assets available for benefits for the year ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”).

Management, having determined it is permissible in the circumstances, has elected to have the audits of the 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 audits 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 certifications from a qualified institution as of December 31, 2024 and 2023, and for the year ended December 31, 2024, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor’s Responsibilities for the Audit of the Financial Statements section

- the amounts and disclosures in the accompanying 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.



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- the information in the accompanying 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 audits. 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 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 for one year after the date that the financial statements are 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 auditor's 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



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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 the 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 audits 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 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.

Ernst + Young LLP

October 8, 2025

The HCSC Employees Pension Plan

Statements of Net Assets Available for Benefits

	December 31	
	2024	2023
Assets		
Plan interest in the HCSC Master Pension Trust	\$ 2,541,175,886	\$ 2,365,696,120
Net assets available for benefits	\$ 2,541,175,886	\$ 2,365,696,120

See accompanying notes.

The HCSC Employees Pension Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2024

Additions

Employer contributions	\$ 60,000,000
Total additions	<u>60,000,000</u>

Deductions

Benefit payments	<u>82,791,222</u>
Total deductions	82,791,222

Net investment gain from the HCSC Master Pension Trust	<u>198,270,988</u>
--	--------------------

Net increase	175,479,766
Net assets available for benefits, beginning of year	<u>2,365,696,120</u>
Net assets available for benefits, end of year	<u><u>\$ 2,541,175,886</u></u>

See accompanying notes.

The HCSC Employees Pension Plan

Notes to Financial Statements

December 31, 2024

1. Plan Description

The HCSC Employees Pension Plan (the Plan) is a qualified defined benefit noncontributory pension plan covering the majority of eligible employees (including certain Chicago based union employees) as well as employees of certain wholly owned subsidiaries of Health Care Service Corporation (Plan Sponsor), a Mutual Legal Reserve Company. The following description of the Plan provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Effective January 1, 2001, the Plan was amended to convert to a cash balance plan with certain grandfathered benefits as set forth in supplements to the Plan. A hypothetical account is maintained for each participant in which compensation credits and interest are credited for the benefit of the individual. Participants who were actively employed on December 31, 2000, were credited with a lump-sum opening balance equivalent to the present value of the accrued pension benefits under the Plan's prior benefit provisions.

General

The Plan is administered by a committee (the Plan Administrative Committee) appointed by the Employee Benefits Compliance Committee of the Plan. The Plan Administrative Committee consists of a chairman and at least two additional members. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and is exempt from federal income taxes under Section 401(a) of the Internal Revenue Code (the IRC).

HCSC Master Pension Trust

All of the Plan's investments are held in the HCSC Master Pension Trust (the Master Trust), which was established for the investment of assets of the Plan (or in the past for any separate plan sponsored by the Plan Sponsor). Effective January 1, 2017, the HCSC Employees Pension Plan is the only participating plan in the Master Trust.

Eligibility

Eligible full- and part-time employees become members of the Plan on the first anniversary of their date of hire. Leased employees and temporary employees are not eligible to participate in the Plan.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

1. Plan Description (continued)

Vesting

A participant of the Plan obtains 100% vested benefit rights at the earlier of completion of three years of participation or upon attaining age 65 and completing one year of service.

Employer Contributions

The Plan Sponsor's policy is to fund the plans as needed (meeting any minimum required) on a current basis to the extent that the contribution is deductible under existing federal tax law. The Plan Sponsor has met any minimum contribution requirements. In 2024, the Plan Sponsor made contributions to the Plan totaling \$60,000,000.

Benefits

The Plan provides for retirement benefits and vested retirement benefits for eligible terminated employees. The Plan also provides benefits to a vested participant's spouse if the participant dies before benefits commence. Retirement benefits are based upon the actuarial equivalent of the participant's cash balance account. Participants' cash balance accounts are credited monthly at a specified percentage of compensation based on attained age, and annually for interest as defined by the Plan. Forms of payment under the Plan include lump sum, joint and survivor annuity, life annuity with certain option, and life annuity.

Administrative Expenses

Payments for expenses incurred in the operation and administration of the Plan are paid partially by the Plan Sponsor and partially by the Master Trust (trustee fees, investment advisory fees, actuarial fees, Pension Benefit Guaranty Corporation (PBGC) fees, and audit fees). The Northern Trust Company (the Trustee) has been appointed by the Plan Sponsor to serve as trustee of the Plan and the Master Trust. In this capacity, the Trustee administers the Plan's assets, together with the related investment income (loss). Expenses incurred by the Trustee and appointed investment advisors for the Plan in the performance of their duties under this agreement, including fees for their services, are paid by the Master Trust. Certain other internal administrative expenses are paid by the Plan Sponsor.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

1. Plan Description (continued)

Plan Termination

Although it has not expressed any such intent, the Plan Sponsor has the right to terminate the Plan at any time, subject to the provisions of ERISA. In the event of the termination of the Plan, the rights of all participating employees to benefits, to the extent funded, shall be nonforfeitable and the net value of the assets will be apportioned and distributed in the following order:

- a. To participants with benefits attributable to employee contributions received by the Plan as a result of a consolidation of plans.
- b. To participants with pensions payable three or more years before the effective date of termination.
- c. To participants who terminated employment prior to the effective date of termination.
- d. To the remaining participants according to the actuarial value of each participant's accrued benefits without regard to vesting requirements.

Certain benefits under the Plan are insured by PBGC if the Plan terminates. Generally, PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, 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. However, there is a statutory ceiling on the amount of an individual's monthly benefit that PBGC guarantees.

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

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Plan's management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments held in the Master Trust are stated at fair value. Fair value is defined under Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). See Note 7 for further discussion of fair value measurements.

To measure fair value, a hierarchy has been established that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. As such, the hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The levels of the fair value hierarchy in ASC 820 are described below:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Plan has the ability to access at the measurement date.

Level 2: Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Level 3: Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect plan management's judgment about the assumptions that a market participant would use in pricing the investment and are based on the best available information.

There is an inherent uncertainty in such valuations, and the estimated fair values may differ from the values that would have been used had a ready market for these investments existed.

Purchases and sales of investments in the Master Trust are reflected as of the trade date. Dividend income is recorded on the ex-dividend date. Interest earned on investments in the Master Trust is recorded on the accrual basis. Net appreciation (depreciation) recorded by the 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 5) represent the actuarial present value of estimated future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the services rendered by the employees through the valuation date. Accumulated benefit obligations include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on three formula approaches, including a mix, based on whether the employee is deemed to be grandfathered or vested, or has a non-vested transitional status. The accumulated plan benefits for active employees are based on the formula and appropriate salary used through the date as of which the benefit information is presented (the valuation date).

Payment of Benefits

Benefit payments are recorded when paid. Benefit payments deferred, in calculation, or pending are included in the actuarial liability.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

3. Master Trust Presentation

As of December 31, 2024 and 2023, the statements of net assets available for benefits and for the year ended December 31, 2024 the statement of changes in net assets available for benefits have been allocated a portion of the assets, liabilities, income, and expenses of the Master Trust based on the Plan's undivided interest in the Master Trust, including any directly assigned or apportioned amounts. At December 31, 2024 and 2023, the Plan's interest in the net assets of the Master Trust was 100% and amounted to \$2,541,175,886 and \$2,365,696,120, respectively.

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) issued in December 9, 2020, stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes the Plan, as amended, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Accumulated Plan Benefits

The accumulated plan benefit information at December 31 is as follows:

	<u>2024</u>	<u>2023</u>
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Participants currently receiving benefits	\$ 234,967,179	\$ 217,787,603
Other participants	<u>1,252,191,844</u>	<u>1,126,936,598</u>
Total vested benefits	<u>1,487,159,023</u>	<u>1,344,724,201</u>
Non-vested benefits	<u>38,715,343</u>	<u>30,257,187</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 1,525,874,366</u></u>	<u><u>\$ 1,374,981,388</u></u>

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

5. Accumulated Plan Benefits (continued)

The changes in accumulated plan benefits for the year ended December 31 follow:

	2024
Actuarial present value of accumulated plan benefits at beginning of year:	\$ 1,374,981,388
Increase (decrease) during the year attributed to:	
Change in actuarial assumptions	13,731,757
Actuarial losses	42,711,408
Benefits accumulated	94,027,886
Increase for interest due to the decrease in the discount period	85,585,645
Benefits paid	<u>(85,163,718)</u>
Net increase/(decrease)	<u>150,892,978</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 1,525,874,366</u></u>

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits 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 significant actuarial assumptions used in the valuation as of December 31, 2024 and 2023, were as follows:

Discount rate	6% for 2025 and 2024
Interest crediting rate	2024: Graded 4.21% in 2025, 4.35% in 2026, 4.49% in 2007; and 4.63% thereafter 2023: Graded 3.51% in 2024, 3.85% in 2025, 4.19% in 2026, and 4.53% thereafter
Mortality basis	For 2024, separate rates for non-annuitants (based on Pri-2012 “Employees” table without collar or amount adjustments), retirees/contingent annuitants (based on Pri-2012 “Retirees” table without collar or amount adjustments), and contingent survivors (based on Pri-2012 “Contingent Survivor” table without collar or amount adjustments); these rates are projected forward generationally using adjusted Scale MP-2021 rates.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

5. Accumulated Plan Benefits (continued)

Mortality basis (continued)	For 2023, separate rates for non-annuitants (based on Pri-2012 “Employees” table without collar or amount adjustments), retirees/contingent annuitants (based on Pri-2012 “Retirees” table without collar or amount adjustments), and contingent survivors (based on Pri-2012 “Contingent Survivor” table without collar or amount adjustments); these rates are projected forward generationally using adjusted Scale MP-2021 rates.
Normal retirement	Various rates ranging from 8% at age 55 to 100% at age 65 for 2024 and 2023
Lump-sum conversion rate	2024: Graded 4% in 2024 through 2026, and 4.69% thereafter 2023: Graded 4% in 2023 through 2025, and 4.69% thereafter

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. The actuary estimated the accumulated plan benefits as of January 1, 2025 and 2024. There were no significant changes to the Plan that would have changed the valuations had they been performed as of December 31, 2024 and 2023.

6. Trustee Certification

All investment information disclosed in the accompanying financial statements, including plan interest in the HCSC Master Pension Trust at December 31, 2024 and 2023, and net investment gain from the HCSC Master Pension Trust for the year ended December 31, 2024, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the Trustee of the Plan.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

6. Trustee Certification (continued)

The following table presents the net assets for the Master Trust at December 31:

	2024	2023
Assets		
Investments:		
Corporate debt instruments	\$ 158,318,567	\$ 161,243,490
State and local government bonds	5,761,305	6,811,942
U.S. government securities	125,902,326	128,220,030
Common/collective trusts	1,447,399,214	1,321,202,959
Registered investment companies	204,255,723	192,857,910
Pooled separate accounts	10,346,950	25,107,179
Partnership/joint venture interest	581,050,950	526,843,213
Total investments	2,533,035,035	2,362,286,723
Receivables:		
Taxes receivable	2,907,188	1,431,439
Sales pending settlement	7,239,992	10,571,035
Accrued income	2,790,239	4,588,304
	12,937,419	16,590,778
Total assets	2,545,972,454	2,378,877,501
Liabilities		
Accrued administrative expenses	484,795	584,837
Purchases pending settlement	552,139	2,409,213
Prepaid (benefit)	(2,372,496)	-
Other	6,132,130	10,187,331
Total liabilities	4,796,568	13,181,381
Net assets	\$ 2,541,175,886	\$ 2,365,696,120

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

6. Trustee Certification (continued)

Net investment income (loss) for the Master Trust for the year ended December 31 is as follows:

	<u>2024</u>
Net appreciation in fair value of investments	\$ 147,317,277
Interest	46,394,867
Dividends	9,486,961
Taxes on unrelated business income	2,862,244
Administrative expenses	<u>(7,790,361)</u>
Net investment gain	<u>\$ 198,270,988</u>

7. Fair Value Measurements

Corporate debt instruments, State and local government bonds as well as U.S. government securities are valued at the last quoted bid price.

Shares of registered investment companies are valued based on published market prices, which represent the net asset value (NAV) of shares held by the Master Trust at year-end.

Investments in common/collective trusts and pooled separate accounts have a readily determinable fair value and are valued at NAV of units held at year-end.

Investments in partnerships/joint ventures are valued based on the underlying investments held in the fund and accounted for using the cost-to-cost methodology where transactions are recorded based on the date of receipt of wires (settlement date). These transactions are processed based on the breakdown in the notices provided by the fund company. These investments are valued at NAV practical expedient and therefore are excluded from the hierarchy table.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

7. Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31:

	2024				
	Level 1	Level 2	Level 3	Practical Expedient NAV	Total
Investment type					
Corporate debt instruments	\$ -	\$ 158,318,567	\$ -	\$ -	\$ 158,318,567
State and local government bonds	-	5,761,305	-	-	5,761,305
U.S. government securities	-	125,902,326	-	-	125,902,326
Registered investment companies	204,255,723	-	-	-	204,255,723
Partnership/joint venture interests ^(a)	-	-	-	581,050,950	581,050,950
Common/collective trusts	-	1,447,399,214	-	-	1,447,399,214
Pooled separate accounts	-	10,346,950	-	-	10,346,950
Total assets*	\$ 204,255,723	\$ 1,747,728,362	\$ -	\$ 581,050,950	\$ 2,533,035,035

* Excludes (\$3,345,962) of accrued income and trade settlements to tie to above Trust Total in Disclosure, Valuations and ERISA filings

	2023				
	Level 1	Level 2	Level 3	Practical Expedient NAV	Total
Investment type					
Corporate debt instruments	\$ -	\$ 162,194,299	\$ -	\$ -	\$ 162,194,299
State and local government bonds	-	6,811,942	-	-	6,811,942
U.S. government securities	-	127,269,220	-	-	127,269,220
Registered investment companies	192,857,910	-	-	-	192,857,910
Partnership/joint venture interests ^(a)	-	-	-	526,843,213	526,843,213
Common/collective trusts	-	1,321,202,960	-	-	1,321,202,960
Pooled separate accounts	-	25,107,179	-	-	25,107,179
Total assets*	\$ 192,857,910	\$ 1,642,585,600	\$ -	\$ 526,843,213	\$ 2,362,286,723

* Excludes (\$2,562,796) of accrued income and trade settlements to tie to above Trust Total in Disclosure, Valuations and ERISA filings

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

7. Fair Value Measurements (continued)

^(a) May consist of Higher Risk Fixed Income (High Yield and Bank Loans). These funds offer a process of robust credit analysis to identify opportunities in predominately below-investment-grade bank loans and high yield fixed income. At their sole discretion, the fund may restrict withdrawals (e.g., requiring advance written notification and/or imposing dollar limits on the maximum amount allowed to be withdrawn). Investments are predominately priced using a pricing matrix or the closing price on an exchange. If unavailable, investments will be priced at the midpoint of an independent broker-dealer two-sided quotation, and in specific cases, an independent valuation firm. Private Assets (Core Real Estate). These funds are core fully specified, open-end commingled equity real estate investment funds diversified by property type and geographic location across the U.S. Full or partial withdrawals may be requested from these funds on a quarterly basis with advanced written request of withdrawal. At their sole discretion, the funds may restrict withdrawals subject to cash availability. Private Assets (Secondary Private Equity) Investments of this type of fund represent an interest in non-redeemable, closed-end private investment partnerships that do not trade in an active market and represent illiquid long-term investments that generally require future capital commitments. These funds primarily invest in secondary interests of pooled private equity investment vehicles, focusing on mature, high-quality leveraged buyout vehicles, with mezzanine, venture capital, distressed securities, fund of funds, and other strategies also considered. Redemptions from the underlying funds are generally not permitted and the liquidity provided by the underlying funds is principally dependent upon the ability of the investee funds to realize transactions through their respective portfolios. Capital is typically committed for periods of at least five to ten years, extendable at the discretion of the general partner. The unfunded commitment on StepStone Primary at the end of 2024 and 2023 was approximately \$55,800,000 and \$72,749,341, respectively. The unfunded commitment on StepStone Series B (which includes all Lexington Capital Partners and Strategic Partners) at the end of 2024 and 2023 was \$67,700,000 and \$84,778,077, respectively.

8. Risks and Uncertainties

The Plan's investments within the Master Trust are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Further, 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. The changes could materially affect the amounts reported on the statements of net assets available for benefits.

The Plan's contributions are made and the actuarial present value of accumulated plan benefits is 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 processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

The HCSC Employees Pension Plan

Notes to Financial Statements (continued)

9. Related-Party and Party-in-Interest Transactions

Certain of the Plan's investments within the Master Trust are shares of common/collective trusts and units of pooled separate accounts managed by the Trustee. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transaction rules under ERISA. Fees paid by the Master Trust to the Trustee for investment management services and trust services for the Plan amounted to \$2,028,256 and \$2,056,320 during 2024 and 2023, respectively.

10. Reconciliation of Financial Statements to Form 5500

The following table is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31:

	2024	2023
Net assets available for benefits per financial statements	\$2,541,175,886	\$2,365,696,120
Less benefits payable	(3,907,906)	(3,569,881)
Net assets available for benefits per Form 5500	<u>\$2,537,267,980</u>	<u>\$2,362,126,239</u>

The following table is a reconciliation of total benefit payments per the financial statements to Form 5500 for the year ended December 31:

	2024
Benefit payments per financial statements	\$ 82,791,222
Add benefits payable, end of year	3,907,906
Less benefits payable, beginning of year	(3,569,881)
Benefit payments to participants per Form 5500	<u>\$ 83,129,247</u>

Benefits payable represent distributions requested by participants but not yet paid.

11. Subsequent Events

Management evaluated subsequent events for the Plan through October 8, 2025, which is the date the financial statements were available to be issued.

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SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **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 HCSC EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Health Care Service Corporation	D Employer Identification Number (EIN) 36-1236610	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information

1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
2	Assets:		
	a Market value	2a	2,423,666,711
	b Actuarial value	2b	2,423,666,711
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	2,075	232,290,094
	b For terminated vested participants	5,103	155,606,146
	c For active participants	24,258	1,005,141,915
	d Total	31,436	1,393,038,155
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	5.08%
6	Target normal cost		
	a Present value of current plan year accruals	6a	96,142,014
	b Expected plan-related expenses	6b	5,633,646
	c Target normal cost	6c	101,775,660

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	AMY DOSLICH <i>Amy Doslich</i> Signature of actuary	08/27/2025 Date
	AMY DOSLICH Type or print name of actuary	2307755 Most recent enrollment number
	WILLIS TOWERS WATSON US LLC Firm name	214-530-4422 Telephone number (including area code)
	500 N AKARD STREET Suite 4300 DALLAS TX 75201 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 V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:	1st segment: 4.75 %	2nd segment: 4.96 %	3rd segment: 5.59%	<input type="checkbox"/> N/A, full yield curve used
-------------------------	------------------------	------------------------	-----------------------	---

b Applicable month (enter code)..... **21b** 0

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 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? 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	101,775,660
b Excess assets, if applicable, but not greater than line 31a	31b	101,775,660

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
35 Balances elected for use to offset funding requirement	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** 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	0
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 the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2024

See Schedule SB, Part V - Statement of Actuarial Assumptions/Methods for retirement rates. 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.

Plan Name: The HCSC Employees Pension Plan
EIN / PN: 36-1236610 / 004
Plan Sponsor: Health Care Service Corporation
Valuation Date: January 1, 2024

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26a

Schedule of Active Participant Data as of January 1, 2024

Number accruing pay-related benefits and average plan compensation limited by IRC §401(a)(17) distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ¹										Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over		
Under 25	0	498	1	0	0	0	0	0	0	0	0	499
	-	51,401	-	-	-	-	-	-	-	-	-	51,382
25-29	3	1,361	312	1	0	0	0	0	0	0	0	1,677
	-	60,847	67,147	-	-	-	-	-	-	-	-	61,981
30-34	1	1,611	847	174	4	0	0	0	0	0	0	2,637
	-	67,778	71,360	78,045	-	-	-	-	-	-	-	69,609
35-39	4	1,414	1,078	523	214	3	0	0	0	0	0	3,236
	-	75,806	80,641	85,376	81,069	-	-	-	-	-	-	79,327
40-44	3	1,262	1,065	562	564	256	12	0	0	0	0	3,724
	-	83,849	90,194	90,890	89,651	90,878	-	-	-	-	-	88,055
45-49	1	944	947	497	514	446	218	4	0	1	1	3,572
	-	85,911	99,010	99,582	108,065	96,278	106,392	-	-	-	-	96,994
50-54	2	865	833	402	436	398	323	118	8	0	0	3,385
	-	91,450	107,386	104,753	112,984	100,285	109,970	118,230	-	-	-	103,512
55-59	0	646	629	366	358	267	204	157	93	3	3	2,723
	-	90,992	105,022	100,058	114,608	98,728	114,017	125,413	106,797	-	-	103,597
60-64	2	400	489	302	304	173	123	61	56	23	23	1,933
	-	91,807	109,394	100,380	114,231	99,225	107,483	137,611	130,643	126,263	-	105,728
65-69	0	109	188	122	111	63	42	24	11	10	10	680
	-	98,558	109,286	101,175	116,578	93,379	111,653	101,197	-	-	-	105,325
70 & over	0	34	64	30	30	16	6	8	1	3	3	192
	-	97,278	114,977	100,930	121,105	-	-	-	-	-	-	111,190
Total	16	9,144	6,453	2,979	2,535	1,622	928	372	169	40	40	24,258
	-	76,593	92,220	95,088	104,678	97,140	109,380	122,774	114,952	121,425	-	89,622

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: The HCSC Employees Pension Plan
 EIN / PN: 36-1236610 / 004
 Plan Sponsor: Health Care Service Corporation
 Valuation Date: January 1, 2024

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26a

Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2024

Number and average account balance distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ²										Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over		
Under 25	0	498	1	0	0	0	0	0	0	0	0	499
	-	2,716	-	-	-	-	-	-	-	-	-	2,723
25-29	1	1,361	312	1	0	0	0	0	0	0	0	1,675
	-	4,124	10,520	-	-	-	-	-	-	-	-	5,319
30-34	1	1,611	847	174	4	0	0	0	0	0	0	2,637
	-	5,793	13,664	22,592	-	-	-	-	-	-	-	9,463
35-39	4	1,414	1,078	523	214	3	0	0	0	0	0	3,236
	-	8,172	19,251	28,593	37,106	-	-	-	-	-	-	17,096
40-44	3	1,262	1,065	562	564	256	12	0	0	0	0	3,724
	-	10,532	25,956	37,178	48,344	58,290	-	-	-	-	-	28,111
45-49	1	944	947	497	514	446	218	4	0	1	1	3,572
	-	12,645	32,010	46,852	68,613	71,400	84,205	-	-	-	-	42,345
50-54	1	865	832	401	436	397	323	114	8	0	0	3,377
	-	15,573	39,198	56,240	84,568	83,977	99,210	114,296	-	-	-	54,750
55-59	0	645	623	364	358	267	204	155	55	0	0	2,671
	-	16,544	41,693	58,666	94,445	91,012	115,415	136,614	91,470	-	-	62,098
60-64	2	400	484	302	303	173	123	57	31	2	2	1,877
	-	18,227	46,795	63,187	106,269	104,779	111,551	168,265	146,066	-	-	67,953
65-69	0	109	186	122	111	63	41	24	6	2	2	664
	-	21,416	50,949	68,551	116,388	94,371	148,543	105,308	-	-	-	73,538
70 & over	0	34	64	30	30	16	5	8	0	0	0	187
	-	20,333	52,758	70,529	125,196	-	-	-	-	-	-	73,216
Total	13	9,143	6,439	2,976	2,534	1,621	926	362	100	5	5	24,119
	-	9,574	29,144	45,882	75,039	80,738	102,670	130,868	110,347	-	-	36,789

² Age and service for purposes of determining category are based on exact (not rounded) values.

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Schedule SB, Line 26b Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2024	204,626,693	14,719,960	21,568,919	240,915,572
2025	116,202,152	18,121,696	21,102,921	155,426,769
2026	101,477,726	6,782,280	20,605,439	128,865,445
2027	97,783,284	7,258,902	20,067,861	125,110,047
2028	92,256,128	7,614,475	19,541,179	119,411,782
2029	82,534,372	8,425,494	19,015,084	109,974,950
2030	79,508,592	8,647,298	18,413,626	106,569,516
2031	68,024,239	9,341,220	17,781,799	95,147,258
2032	65,007,926	8,758,131	17,135,167	90,901,224
2033	61,925,287	9,341,529	16,460,461	87,727,277
2034	57,256,177	9,874,402	15,762,435	82,893,014
2035	51,232,860	9,958,475	15,051,813	76,243,148
2036	45,736,778	9,786,188	14,322,061	69,845,027
2037	40,412,480	9,993,131	13,573,922	63,979,533
2038	37,016,175	10,412,990	12,805,501	60,234,666
2039	34,240,698	9,682,836	12,023,799	55,947,333
2040	30,520,152	11,035,444	11,237,223	52,792,819
2041	27,533,368	9,146,991	10,446,303	47,126,662
2042	26,298,049	10,326,741	9,656,276	46,281,066
2043	22,417,759	10,873,688	8,871,746	42,163,193
2044	20,510,033	9,328,047	8,097,838	37,935,918
2045	19,313,576	10,218,285	7,339,920	36,871,781
2046	16,976,842	9,419,086	6,603,471	32,999,399
2047	14,874,427	7,881,457	5,894,015	28,649,899
2048	13,988,562	8,143,368	5,216,921	27,348,851
2049	12,166,088	7,321,099	4,577,138	24,064,325
2050	11,115,307	7,510,243	3,979,055	22,604,605
2051	9,858,566	6,199,065	3,426,318	19,483,949
2052	8,912,783	6,291,660	2,921,563	18,126,006
2053	8,059,650	5,518,113	2,466,366	16,044,129

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Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2054	7,442,994	4,887,596	2,061,142	14,391,732
2055	6,841,142	4,603,625	1,705,155	13,149,922
2056	6,178,344	4,066,353	1,396,653	11,641,350
2057	5,648,801	3,370,236	1,132,940	10,151,977
2058	5,216,301	2,852,894	910,603	8,979,798
2059	4,874,323	2,305,450	725,704	7,905,477
2060	4,497,726	1,864,043	574,005	6,935,774
2061	4,148,893	1,423,153	451,163	6,023,209
2062	3,895,596	932,110	352,919	5,180,625
2063	3,585,872	651,953	275,270	4,513,095
2064	3,321,944	479,314	214,555	4,015,813
2065	3,076,662	381,891	167,528	3,626,081
2066	2,845,597	314,947	131,388	3,291,932
2067	2,630,542	257,740	103,770	2,992,052
2068	2,422,961	209,327	82,742	2,715,030
2069	2,222,552	168,736	66,753	2,458,041
2070	2,030,103	134,988	54,592	2,219,683
2071	1,845,321	107,155	45,314	1,997,790
2072	1,668,702	84,375	38,202	1,791,279
2073	1,500,982	65,872	32,713	1,599,567

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Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Health Care Service Corporation
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Plan Name	The HCSC Employees Pension Plan
Valuation Date	January 1, 2024
Enrolled Actuary	Amy Doslich
Enrollment Number	23-07755

The actuarial assumptions that are 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.

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Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Plan Sponsor

Health Care Service Corporation

Statement of Assumptions

The assumptions disclosed in this Appendix are for the purposes of determining the minimum required contribution for the plan year beginning January 1, 2024.

Assumptions and methods for contribution purposes

Economic Assumptions

Interest rate basis:

Applicable month	January
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Stabilization	Not Reflecting Stabilization
First segment rate	4.75%	4.37%
Second segment rate	4.96%	4.96%
Third segment rate	5.59%	4.95%
Effective interest rate	5.08%	

As permitted by law, rates reflecting stabilization are used to determine the funding target and target normal cost, and thus the minimum required contribution under IRC §430 for the plan. Because these assumptions are subject to a corridor based on average interest rates over a 25-year period, they may differ from (and currently are higher than) current market interest rates, and may be inconsistent with other economic assumptions used in the valuation.

Rates not reflecting stabilization are used to determine PBGC variable rate premiums if the alternative method is used, and are used to determine the PBGC FTAP and the PBGC 4010 FS as well as the maximum deductible contribution.

Annual rates of increase

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Compensation:

Rates varying by age

Age	Rate
Under 25	6.9%
25-29	7.3%
30-34	6.1%
35-39	5.1%
40-44	4.7%
45-49	4.1%
50-54	3.9%
55-59	3.5%
60-64	3.3%

Future Social Security wage base 4.00%

Statutory Limits on Compensation and Benefits 2.50%

Cash Balance Interest Crediting Rate 3.60%

Lump Sum Rates

- o Employees earning benefits under the HCSC provisions
 - i. Interest Same as above Cash Balance Interest Crediting Rate except a 4.00% floor is applied.
 - ii. Mortality The 1994 Group Annuity Reserving Table with a 50%/50% blend of male and female rates.
- o Employees earning benefits under the Montana provisions
 - iii. Interest PPA 3-segment rates (Reflecting Stabilization Rates shown on previous page)
 - iv. Mortality Lump sums are converted using the applicable mortality table for lump sums payable for 2024 described in Revenue Ruling 2008-85.

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The lump sum for employees under the HCSC provisions is calculated based on the previous assumptions and is compared to a lump sum calculated using the PPA assumptions at each age in the valuation, with the larger lump sum being valued at each age. The PPA interest rates and the mortality are the same as that used above for the employees earning benefits under the Montana provisions.

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	Separate rates for non-annuitants (based on Pri-2012 "Employees" table without collar or amount adjustments and then projected forward with generational projection using adjusted Scale MP-2021) and annuitants (based on Pri-2012 "Healthy Annuitants" table (participants and beneficiaries combined) without collar or amount adjustments, projected forward with generational projection using adjusted Scale MP-2021. The rate of future mortality improvement at any age for any year beginning on or after the valuation date is capped at 0.78%.
Termination	The rates at which participants are assumed to terminate employment by age are shown below. Termination rates are a select and ultimate table, and only the ultimate rates are shown:

Representative Termination Rates:

Percentage assumed to leave during the year

Age	
Under 25	13.0%
25-29	13.0%
30-34	8.0%
35-39	7.0%
40-44	6.0%
45-49	6.0%
50-54	6.0%
55 and over	6.0%

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Disability

Wyatt 1985 Disability Study Class 1 male and female rates adjusted by 50%.

Percentage assumed to become disabled during the year

Attained Age	Males	Females
25	0.019%	0.024%
30	0.024%	0.040%
35	0.035%	0.068%
40	0.059%	0.106%
45	0.101%	0.162%
50	0.179%	0.267%
55	0.361%	0.476%
60	0.628%	0.580%
65	0.876%	0.679%

Retirement

Rates at which participants are assumed to retire by age are shown below.

Percentage assumed to retire during the year

Age	Grandfathered	Non-Grandfathered
55	14.0%	8.0%
56	13.0%	7.0%
57	10.0%	7.0%
58	17.0%	7.0%
59	13.0%	8.0%
60	20.0%	10.0%
61	16.0%	8.0%
62	26.0%	14.0%
63	20.0%	15.0%
64	28.0%	13.0%
65	100.0%	100.0%

Benefit commencement date:

Preretirement death benefit Payable immediately upon death after the completion of 3 years of vesting service.

Deferred vested benefit Payable immediately upon termination after the completion of 3 years of vesting service.

Disability benefit Payable upon attainment of normal retirement age.

Retirement benefit Payable upon reaching early retirement eligibility.

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Form of payment	100% of participants are assumed to elect a lump sum form of payment. Lump sums are valued explicitly using the rates described in the economic assumptions.
Percent married	It is assumed that all participants are married.
Spouse age	Males are assumed to be 3 years older than their spouses.
Covered pay	Compensation assumed paid in the current year beginning on the valuation date is the greater of the participant's current annual rate of pay and the average annual pay for the three calendar years immediately preceding the valuation date.
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.
Decrement timing	The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.

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 for determining minimum required contributions	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 2024 plan year, discounted using the effective interest rate for the 2024 plan year.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued.

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Sources of Data and Other Information

The plan sponsor through its administrator, furnished participant data as of 1/1/2024. 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 was 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.

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 plan credits interest to cash balance accounts using the 30-year Treasury rate, but with a minimum interest credit rate of 2.00%. The plan sponsor has selected an expected future 30-year Treasury rate of 3.60%, which is the average of the rates for the 24 months preceding the valuation date and limited by the 2.00% minimum if applicable. We believe that 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, other than the discount rate.
Lump sum conversion rate	Lump sum benefits are valued using 4.00% for the employees earning benefits under the HCSC provisions or the PPA valuation interest rates, if it would produce a larger lump sum. The PPA valuation interest rates are also used for the employees earning benefits under the Montana provisions. We believe the assumption is not significantly inconsistent with what would be reasonable and consistent with other economic assumptions used, other than the discount rate.
Plan-related expenses	As required by regulations, plan-related expenses are calculated by estimating the expenses to be paid from the trust during the coming year (including, for example, expected PBGC premiums and actuarial, accounting, legal, administration and trustee fees to be paid from the trust).
Rates of increase in compensation, National Average Wages (NAW), CPI	Assumed increases were chosen by the plan sponsor and they represent an estimate of future experience. We relied on the plan sponsor for this assumption, as the plan sponsor has access to pertinent information related to their business and is in a better position to set this assumption. However, we believe that the assumption chosen does not significantly conflict with what would be reasonable.

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Assumptions Rationale - Significant Demographic Assumptions

Healthy and Disabled Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination/Retirement	Termination and 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. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable
Disability	Disability rates were based on a published study for pension participants believed to have reasonably similar characteristics participating in pension plans with similar disability provisions, with subsequent modifications to reflect observed gains and losses caused by disability patterns different than assumed. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
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 that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
Deferred vested benefit	Deferred vested participants' assumed commencement age is based on the date stored in the valuation data. Experience has indicated that the vast majority of participants take a lump sum upon termination if eligible. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
Form of payment	The percentage of retiring participants assumed to take lump sums is based on an examination of the election rates over the preceding years. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

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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.

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Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Health Care Service Corporation

Plan

The HCSC Employees Pension Plan

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

All employees are eligible to participate under the plan of the first anniversary of date of employment. "Employee" means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax.

Credited Service

The number of years and days of service from the date of hire to date of termination, adjusted for certain periods of unpaid absence. Special rules apply to employees with part-time service prior to December 31, 1988.

Vesting Service

Total elapsed time, computed in years and days, from the date of hire to the date of termination, less any absence in excess of 12 months that is excluded from credited service. Vesting service as of January 1, 1989, will not be less than the amount accrued under the superseded plan as of December 31, 1988. Special rules apply to employees with part-time service prior to December 31, 1988.

Plan and Association Service (Montana)

The number of full and partial years of employment with any Blue Cross and/or Blue Shield organization as of the Employee's date of termination with the Employer.

Final Average Compensation/Salary

The monthly average of the 60 consecutive months' compensation out of the last 120 months that gives the highest average. Compensation includes W-2 compensation plus any compensation deferred under a Section 125 or Section 401(k) plan. Compensation is limited to \$200,000 (indexed beginning in 2003) as required.

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Covered Compensation

A 35-year average of the Maximum Taxable Wages (MTW) under Social Security. The MTW is the annual limit on wages subject to the FICA tax for Social Security. The 35-year period ends with the year the employee reaches eligibility for an unreduced Social Security Benefit (age 65, 66, or 67), depending on the year the employee was born). For years after the year of termination and prior to the end of the 35-year period, the MTW from the year of termination is used in the average.

Cash Balance Benefit Payable at Retirement, Termination of Service, Disability or Death

Cash Balance Benefit:

At January 1, 2001, the plan was amended to adopt a cash balance formula. Illinois and Texas participants were transitioned to the cash balance design at December 31, 2000. New Mexico participants and Union participants were transitioned to the cash balance design at December 31, 2001, Oklahoma participants were transitioned to the cash balance design at December 31, 2006, and Montana participants were transitioned to the cash balance design at December 31, 2013, when they were merged into the HCSC Employees Pension Plan.

Illinois, New Mexico, Oklahoma, Texas, and Union participants with 15 or more years of vesting service at their transition date or whose age plus years of vesting service at their transition date equalled or exceeded 60 are grandfathered under the prior non-cash balance benefit formula. Montana participants with 25 or more years of vesting service at their transition date or whose age plus years of vesting service at their transition date equalled or exceeded 75 are grandfathered under the prior non-cash balance benefit formula.

Illinois, New Mexico, Oklahoma, Texas, and Union participants who are not grandfathered but had 5 or more years of vesting service at their transition date will be given the greater of a) the cash balance benefit, or b) the prior non-cash balance benefit formula with credited service frozen at their transition date and cash balance accruals starting from their transition date. Montana participants with age plus years of vesting service at their transition date equalled or exceeded 60 will be given the prior non-cash balance benefit formula with credited service frozen at their transition date and cash balance accruals starting from their transition date.

For non-grandfathered participants, the initial cash balance at the transition date was established as the present value of the accrued benefit as of the transition date. Interest and pay credits are added to the initial cash balance at the end of each pay period. Oklahoma participants who were not vested as of December 31, 2006 receive the greater of a) the cash balance benefit starting with an opening account balance, or b) the accrued benefit in the prior plan as of the transition date plus the cash balance accruals starting from the transition date.

Interest credits are based upon the average yield of 30-year U.S. Treasury Securities. This rate will change at the beginning of each calendar quarter.

Pay credits are based upon the participant's age using the following schedule:

Age	Percent of Pay
18-29	3.0
30-34	3.5
35-39	4.0
40-44	4.5
45-49	5.0
50-54	5.5
55+	6.0

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An additional 2% of pay in excess of the Social Security Wage Base (e.g., \$94,200 for calendar year 2006) is added.

The accrued cash balance benefit is payable immediately upon retirement after the attainment of age 65 or retirement after the attainment of age 55 and the completion of 10 years of vesting service, or it is payable immediately upon termination or death after the completion of 3 years of vesting service. Upon disability, the participant's cash balance account will continue to receive interest and pay credits until his normal retirement date using his rate of pay and the Social Security Wage Base as of the date of his disability.

Retirement Benefit for Illinois and Union Grandfathered Participants

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65.

Benefit Formula:

1.0% of Final Average Monthly Compensation times Credited Service

plus

0.75% of Final Average Monthly Compensation in excess of \$550 times Credited Service

minus

the monthly accrued benefit as of December 31, 1985, under the prior plan that was distributed to the participant as a result of the termination of the prior plan.

Normal Form of Retirement Income: Life Only.

Retirement Benefit for New Mexico Grandfathered Participants

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65 and the completion of 5 years of vesting service.

Benefit Formula:

Final Average Compensation times Cumulative base defined Lump Sum Credits

plus

Final Average Compensation in excess of the Three-Year Average of the Social Security Wage Base times Cumulative Excess Defined Lump Sum Credits.

Base and Excess Defined Lump Sum Credits are earned according to the following schedule:

Age	Base Credits	Excess Credits
< 35	4.0%	1.0%
35-39	5.0%	2.0%
40-44	7.0%	2.0%
45-49	8.0%	3.0%
50-54	10.0%	3.0%
55-59	13.0%	4.0%
60+	16.0%	4.0%

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Cumulative Base Defined Lump Sum Credits cannot exceed 400%, and Cumulative Excess Defined Lump Sum Credits are capped at 100%. Employees who were participants in the prior New Mexico plan on January 1, 1997 and whose age plus years of service on December 31, 1996, was at least 65 are members of the Bridge Group. Bridge Group Members earn an additional 5% Base Defined Lump Sum Credit for each year of service until age 62. The 400% Cumulative Base Defined Lump Sum Credits cap does not apply to Bridge Group Members.

Normal Form of Retirement Income: Lump Sum.

Retirement Benefit for Texas Grandfathered Participants

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65.

Benefit Formula:

1.5% of Final Average Monthly Compensation times Credited Service

plus

0.5% of Final Average Monthly Compensation in excess of Covered Compensation times Credited Service up to 35 years.

Normal Form of Retirement Income: 10 Years Certain and Life Thereafter.

Retirement Benefit for Oklahoma Grandfathered Participants

Normal Retirement Date: The later of (a) the attainment of age 65, or (b) the completion of 5 years of vesting service.

Benefit Formula:

2.0% of Final Average Earnings times Credited Service up to 30 years.

Normal Form of Retirement Income: 5 Years Certain and Life Thereafter.

Retirement Benefit for Montana Grandfathered Participants

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65 and after either the fifth anniversary of program participation or completion of five years of vesting service.

1. Benefit Formula:

2.0% of Final Average Earnings multiplied by Plan and Association Service up to 30 years

minus

1.6667% of Primary Social Security Benefit multiplied by Plan and Association Service up to 30 years

plus

Basic Benefit multiplied by (30 minus Plan and Association Service) divided by 30

minus

Prior Plan benefit (if any).

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The Accrued Benefit cannot be less than the benefit calculated considering Employer Service only. In addition, special grandfather benefit calculations may apply to some Participants under this program.

Normal Form of Retirement Income: Life Only.

Late Retirement

If retirement occurs after the normal retirement date, the late retirement income will be based on the greater of:

1. The normal retirement benefit calculated using credited service and final average monthly compensation as of the late retirement date, or
2. The income provided by the single-sum value of the retirement income payable as of normal retirement date if employment had then terminated, accumulated with interest to actual retirement.

Accrued Benefits

The participant's accrued benefit at any given date is determined under the applicable normal retirement formula shown above but is based on current credited service, final average monthly compensation, covered compensation, Social Security Wage Base and the primary Social Security benefit.

Early Retirement Benefit for Illinois, Texas, and Union Grandfathered Participants

<u>Age</u>	<u>Illinois</u>	<u>Texas</u>
65	100.0%	100.0%
64	100.0%	96.0%
63	100.0%	92.0%
62	100.0%	88.0%
61	95.0%	84.0%
60	89.0%	80.0%
59	84.0%	76.0%
58	78.0%	72.0%
57	72.0%	68.0%
56	66.0%	64.0%
55	60.0%	60.0%

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Early Retirement Benefit for Oklahoma Grandfathered Participants

1. Eligibility: Age 55 with 5 years of service.
2. Monthly Benefit: Accrued benefit as of early retirement date multiplied by the early retirement factor shown below:

<u>Age</u>	<u>Over 20 Years of Service</u>	<u>Under 20 Years of Service</u>
65	100.0%	100.0%
64	100.0%	100.0%
63	100.0%	100.0%
62	100.0%	100.0%
61	97.0%	95.0%
60	94.0%	90.0%
59	91.0%	85.0%
58	88.0%	80.0%
57	85.0%	75.0%
56	82.0%	70.0%
55	79.0%	65.0%

Early Retirement Benefit for Montana Grandfathered Participants

1. Eligibility: Age 55 with five years of Plan and Association Service.
3. Monthly Benefit: Accrued benefit as of early retirement date multiplied by the early retirement factor shown below:

<u>Age</u>	<u>Factor</u>
65	100.0%
64	100.0%
63	100.0%
62	100.0%
61	97.0%
60	94.0%
59	91.0%
58	88.0%
57	85.0%
56	82.0%
55	79.0%

Special Early Retirement Benefit for Montana Grandfathered Participants

1. Eligibility: Age 60 with 30 years of Plan and Association Service and election of immediate benefit commencement
2. Monthly Benefit: Unreduced accrued benefit as of Normal Retirement Date.

This benefit replaces the Early Retirement Benefit for those meeting the Special Early Retirement Benefit eligibility

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Disability Benefit for Illinois and Union Grandfathered Participants

1. Eligibility: Total and permanent disability prior to normal retirement date.
2. Benefit: Payable at the participant's normal retirement date, if he is then living and still disabled, the monthly benefit, payable for life only, shall be calculated assuming that his service and his monthly rate of basic compensation as of his date of disability continued to his normal retirement date.
3. Death of Disabled Participant Prior to Normal Retirement Date: Prior to his normal retirement date, a disabled participant is entitled to a death benefit identical to the benefit for death while in active service but determined as if he had remained in service until his date of death and his last rate of pay had continued unchanged.

Disability Benefit for New Mexico Grandfathered Participants

1. Eligibility: Total and permanent disability prior to normal retirement date.
2. Benefit: Payable at the participant's normal retirement date, if he is then living and still disabled, the benefit shall be calculated assuming his service, his monthly rate of compensation, and the Social Security Wage Base in the year of disability continued to his normal retirement date.
3. Death of Disabled Participant Prior to Normal Retirement Date: Prior to his normal retirement date, a disabled participant is entitled to a death benefit determined as if his service, his monthly rate of compensation, and the Social Security Wage Base continued from his date of disability to his date of death.

Disability Benefit for Texas Grandfathered Participants

1. Eligibility: Total and permanent disability prior to normal retirement date.
2. Benefit: Payable at the participant's normal retirement date, if he is then living and still disabled, the monthly benefit, payable for 10 years certain and life thereafter, shall be calculated assuming his service, his monthly rate of compensation, and his Covered Compensation amount at date of disability continued to his normal retirement date.
3. Death of Disabled Participant Prior to Normal Retirement Date: Prior to his normal retirement date, a disabled participant is entitled to a death benefit determined as if his service, his monthly rate of compensation, and his Covered Compensation continued from his date of disability to his date of death.

Disability Benefit for Oklahoma Grandfathered Participants

1. Eligibility: Total and permanent disability of participant while in employment of employer and 5 years of vesting service.
2. Benefit: Calculated as if the participant remained in the service of the employer during the period of disability and using Final Average Earnings as of the date of disability.

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Vested Benefits Upon Termination of Service for Illinois and Union Grandfathered Participants

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Benefit: The benefit payable upon termination of service is equal to the participant's accrued benefit, payable in the normal form and commencing at his normal retirement date. Optionally, the participant may elect to receive an actuarially reduced benefit commencing prior to his normal retirement date if at his date of termination he had accrued 10 years of vesting service.
3. Death of Terminated Vested Participant Prior to Commencement of Payments: A death benefit is payable prior to the date payments commence. Commencing on the participant's earliest retirement date, the benefit payable to the participant's spouse is determined by assuming the participant had retired on his earliest retirement date, accepted the 50% Joint and Contingent option, and died immediately thereafter.

Vested Benefits Upon Termination of Service for New Mexico Grandfathered Participants

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. Benefit: The benefit payable upon termination of service is equal to the participant's accrued defined lump sum benefit at his date of termination.
3. Death of Terminated Vested Participant Prior to Commencement of Payments: A death benefit is payable prior to the date payments commence equal to 50% of the participant's accrued defined lump sum benefit.

Vested Benefits Upon Termination of Service for Texas Grandfathered Participants

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
1. Benefit: The benefit payable upon termination of service is equal to the participant's accrued benefit, payable in the normal form and commencing at his normal retirement date.
1. Death of Terminated Vested Participant Prior to Commencement of Payments: A death benefit is payable prior to the date payments commence equal to the actuarial present value of the accrued benefit at the termination date, accumulated with interest until the date of death.

Vested Benefits Upon Termination of Service for Oklahoma Grandfathered Participants

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service.
2. Benefit: The benefit payable upon termination of service is equal to the participant's accrued benefit, payable in the normal form and commencing at his normal retirement date. Optionally, the participant may elect to receive a reduced benefit commencing any time after age 55.
3. Death of Terminated Vested Participant Prior to Commencement of Payments: A death benefit is payable prior to the date payments commence equal to 50% of the accrued benefit at the participant's date of death, converted to an actuarially equivalent Joint and 50% Contingent benefit and actuarially reduced for early commencement.

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Vested Benefits Upon Termination of Service for Montana Grandfathered Participants

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service.
2. Benefit: The benefit payable upon termination of service is equal to the participant's accrued benefit, payable in the normal form and commencing at his normal retirement date. If the benefit is commenced before age 65, but no earlier than age 55, the benefit is reduced 8% per year from age 64 to age 60 and 4% per year from age 60 to age 55.
3. Death of Terminated Vested Participant Prior to Commencement of Payments: A death benefit is payable prior to the date payments commence. For participants who have completed at least 5 years of Vesting Service, the spouse or beneficiary may receive 50% of the Accrued Benefit calculated at the earlier of the Participant's date of termination or date of death.

Death Benefits for Illinois, New Mexico, Oklahoma, Texas, and Union Participants in Active Service

1. Eligibility: 3 years of vesting service for all participants.
2. Benefit: The amount that can be provided by the actuarial present value of the participant's accrued benefit at the date of death.

Death Benefits for Montana Participants in Active Service

1. Eligibility: 5 years of vesting service
2. Benefit: 50% of the Accrued Benefit calculated at the earlier of the Participant's date of termination or date of death.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on the average 30-year U.S. Treasury Securities in effect at the beginning of each calendar quarter with a 4-month lookback period and a unisex 50/50 blend of the 1994 GAR Mortality Table.

Plan Participants' Contributions

They are not required or permitted.

Changes in Plan Provisions since Last Actuarial Valuation

Since the prior valuation, there have been no changes in the plan provisions.

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