

**BOARD OF TRUSTEES
CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY**

Resolution Number: 20-09-03

**RESOLUTION APPROVING AMENDMENT TO THE CHATTANOOGA-HAMILTON COUNTY
HOSPITAL AUTHORITY PENSION RETIREMENT PLAN & TRUST**

WHEREAS, the Chattanooga-Hamilton County Hospital Authority (“Authority”) is responsible for and maintains oversight of the Authority’s Pension Retirement Plan & Trust (the “Plan”), which Plan became effective as of July 1, 1964; and,

WHEREAS, the Plan has been amended from time to time; and,

WHEREAS, the Plan was amended in 2009 to restrict participation in the plan to employees employed or re-employed prior to July 1, 2009; and,

WHEREAS, the Plan was frozen effective June 20, 2014, to discontinue benefit accruals through that date, no further accruals of benefits of any kind whatsoever have occurred as to the Plan other than to count years of service accrued by Plan participants after June 20, 2014, solely for purposes of determining eligibility for early retirement and vesting; and,

WHEREAS, over the past several years, the funded status of the Plan, as determined using current actuarial principles and assumptions, has declined and currently is approximately 36% (“Funded Status”); and,

WHEREAS, members of the Board have engaged in a lengthy, deliberate process of evaluating the financial health of the Plan, including, but not limited to, meeting with the actuaries for the Plan, investment advisors for the Plan, and legal counsel, to consider ways to increase the Funded Status in an effort to preserve and maintain the long-term fiscal stability and financial health of the Plan for the benefit of all of the participants in the Plan; and,

WHEREAS, projections using current actuarial principles and assumptions show that, if no additional action is taken to increase the Funded Status, the Plan could become insolvent by 2024; and,

WHEREAS, the actuaries have identified changes to the administration of the Plan in an effort to improve the Funded Status, but those changes, by themselves, will not substantially increase said Funded Status; and,

WHEREAS, based on current actuarial principles and assumptions and on consideration of options related to the operation of and fiscal health of the Plan, it is the recommendation of those members of the Board who have evaluated the financial health of the Plan that, in addition to making the administrative changes necessary to help improve the Funded Status, the Plan be amended to adjust the death benefit for active employees to a 50% Joint and Survivor Benefit, to bring it in line with the typical survivor benefit available to active and terminated vested participants, and, further, to temporarily suspend the lump sum payment option and the payments over a period certain option until the Funded Status reaches 80%; and,

WHEREAS, the Board, in conducting its analysis and exercising its judgment, is acting in the best interests of all of the participants in the Plan; and,

WHEREAS, the recommendations are well taken and are reasonable and necessary to preserve and maintain the long-term fiscal stability and financial health of the Plan for the benefit of all of the participants in the Plan.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Chattanooga-Hamilton County Hospital Authority that it adopts and approves the Amendment attached hereto and made a part hereof as Exhibit A (the "Amendment"), effective as of September 24, 2020, to the Chattanooga-Hamilton County Hospital Authority Pension Retirement Plan & Trust to adjust the death benefit for active Participants to a 50% Joint and Survivor Benefit and to temporarily suspend the lump sum payment optional form of benefit and the payments over a period certain optional form of benefit until the Plan attains a Funded Status of 80% or higher.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Chairman and Secretary are hereby authorized to sign and date the Amendment and they are further authorized to delegate such signing and dating to any Executive Management Officer if they so desire and they are hereby authorized to sign and date and reprint the Plan document incorporating the Amendment or to delegate such signing and dating to any member of Executive Management; and,

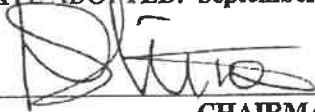
NOW, THEREFORE, BE IT FURTHER RESOLVED, that Executive Management oversee an engagement and communication with Plan Participants to explain these changes and to assure Plan Participants that the primary annuity benefit provided under the Plan has not been modified; and,

NOW, THEREFORE, BE IT FURTHER RESOLVED, that Executive Management are instructed to make any remaining portion of the budgeted contribution for Fiscal Year 2021 to the Plan within thirty (30) days from the date of this Resolution and to take reasonable actions in the future to increase the Funded Status to 80% or higher; and,

NOW, THEREFORE, BE IT FURTHER RESOLVED, that Executive Management be and are hereby authorized, but not required, in accordance with Authority policy, to negotiate, enter into and execute any and all other appropriate documents or contracts and to make any amendments or changes to the Plan document to implement the intent of this Resolution, and to undertake and perform any and all other necessary or appropriate action to implement this Resolution; and,

NOW, THEREFORE, BE IT FINALLY RESOLVED, that legal counsel is authorized and directed to revise the Plan document and incorporate this Amendment as a new revised and restated document, if the Executive Management Officer directs that such be done.

DATE ADOPTED: September 24, 2020



CHAIRMAN

ATTEST:



SECRETARY

No Committee Referral
Jim Coleman, Jr.

EXHIBIT A

AMENDMENT
CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY
PENSION RETIREMENT PLAN & TRUST

The Chattanooga-Hamilton County Hospital Authority Pension Retirement Plan & Trust is hereby amended as follows:

1. Delete Subsection (b) of Section 5.5 and replace it with the following language:
(b) Upon the death of a Participant who is “actively employed”, his Beneficiary shall be entitled to a death benefit equal to fifty (50%) percent of the 50% Joint and Survivor benefit that is the Actuarial Equivalent value of the Participant’s Vested Accrued Benefit as of the date of death. For purposes of the Section 5.5(b), a Participant receiving benefits under the Employer’s long-term disability insurance benefit program shall be considered “actively employed” and the death benefit payable on behalf of such a Participant shall be based on his Years of Service accumulated to his date of death in accordance with Section 5.4. A Participant who is in Temporary status shall also be considered “actively employed”.
2. Delete Subsection (d) of Section 5.5 and replace it with the following language:
(d) Effective for a Participant whose termination of employment occurs on or after July 1, 1997, in the event of such a Terminated or Retired Participant’s death subsequent to his termination of employment but prior to the commencement of retirement benefits, his Beneficiary shall receive fifty (50%) percent of the 50% Joint and Survivor benefit that is the Actuarial Equivalent value of such Participant’s Vested Accrued Benefit as of the date of his death..
3. Delete Subsection (1) of Section 5.7(b) and replace it with the following language:
(1) Effective September 24, 2020, if a Participant is eligible for an Early Retirement Benefit under Section 5.1(b) and if the Funded Status of the Plan is at least eighty (80%) percent at the time of his termination of employment, then said Participant may elect to receive a lump sum payment, which lump sum shall be based upon his Early Retirement Benefit reduced in accordance with said Section to the amount payable as of the lump sum distribution date.
4. Delete Subsection (2) of Section 5.7(b) and replace it with the following language:
(2) Effective September 24, 2020, if the Funded Status of the Plan is at least eighty (80%) percent at the time of his termination of employment, then said Participant may elect to receive payments over a period certain in monthly, quarterly, semi-annual, or annual cash installments. The period over which such payment is to be made shall not extend beyond the Participant’s life expectancy (or the life expectancy of the Participant and his designated Beneficiary).

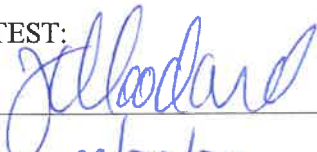
IN WITNESS WHEREOF, the Chattanooga-Hamilton County Hospital Authority, by its duly authorized officers has caused this Amendment to be executed on this 28th day of September, 2020.

CHATTANOOGA-HAMILTON COUNTY HOSPITAL
AUTHORITY

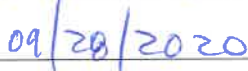
By:  _____

Date: 28 Sept 2020 _____

ATTEST:

A handwritten signature in blue ink, appearing to read "J. L. Hodard", written over a horizontal line.

Date:

A handwritten date in blue ink, "09/28/2020", written over a horizontal line.