Bert Fish Medical Center, Inc.

Bert Fish Medical Center, Inc.
Pension Plan

Actuarial Valuation Report as of January 1, 2017
for the plan year beginning on that date

Issued June 2017

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The information contained in this report was prepared for the use of the Bert Fish Medical Center, Inc. and its auditors in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. To avoid misrepresentation, it is intended to be used in its entirety.

Introduction

This report and the accompanying exhibits represent the results of the annual actuarial valuation of the Pension Plan of Bert Fish Medical Center, Inc. as of January 1, 2017, applicable to the plan year ending December 31, 2017. All calculations were performed in accordance with generally accepted actuarial practices and are based on information submitted to us by Bert Fish Medical Center, Inc., the plan sponsor. It is our understanding that for the period July 1, 2010 through June 30, 2011, Bert Fish Medical Center, Inc. was part of the Adventist Health System and that, for this period, the Pension Plan of Bert Fish Medical Center, Inc. was considered a non-electing church plan. Effective July 1, 2011, it is our understanding that the Bert Fish Medical Center, Inc. is a governmental entity and that, in accordance with a November 15, 2001 opinion by Kara H. Bettle, Esq. of Myers & Bettle, P.A., the plan is a governmental plan.

A summary of key plan provisions is presented in Exhibit IX.

Participation

As of January 1, 2017, there were 13 active participants, 44 terminated vested participants, and 152 retirees and beneficiaries, for a total of 209 plan participants.

Supplemental Actuarial Accrued Liabilities

Effective January 1, 2017, as a result of plan experience different than assumed, as provided under the current funding method, a Supplemental Actuarial Liability (Actuarial Loss) was established. The loss was a result of demographic changes different than assumed. This loss of $191,069 is being amortized over a 10 year period commencing January 1, 2017.

Effective January 1, 2017, as a result of the Southeast Volusia Hospital District's decision to decrease the discount rate used to determine the actuarial accrued liability as of January 1, 2017 from 7.25% to 6.80%, a Supplemental Actuarial Liability was established. The decision was based on the investment advisors' forecast for the return on assets as well as the plan sponsor's future expectations. The increase in liability due to the change in assumption is $1,606,286. This amount is being amortized over a 10 year period commencing January 1, 2017.

Effective April 1, 2016, the Plan was amended to allow participants employed by Southeast Volusia Hospital District to earn additional years of service towards the 30 years of service requirement to be eligible for an unreduced retirement benefit. As a result of the amendment, a Supplemental Actuarial Accrued Liability was established. This amendment resulted in an increase in liability of $948,099. This liability is being amortized over a 10 year period commencing January 1, 2017.

Actuarial Present Value Of Accumulated Plan Benefits

Exhibit VI presents the actuarial present value of accumulated plan benefits as of January 1, 2017, determined in accordance with Accounting Standards Codification 960. As of this date, the assets of the trust at market value totaled $23,331,385, and the actuarial present value of accumulated (i.e. accrued) vested benefits was $35,714,386. This vested liability is for accounting purposes only and should not be confused with accrued liabilities for other purposes, such as for funding or upon the termination of the plan.

Actuarial Assumptions

The actuarial assumptions should reasonably reflect the anticipated experience under the plan. Effective January 1, 2017, the active retirement rates were updated to incorporate anticipated future experience of the plan based on a plan amendment granting future service for unreduced early retirement eligibility. Future service earned while working with the entity who acquired Bert Fish Medical Center will be credited. In addition, the expected return on assets assumption was changed from 7.25% to 6.80% based on the investment advisors' forecast. We will continue to monitor the actuarial assumptions and recommend changes as appropriate. The actuarial assumptions used in this valuation are summarized in Exhibit VIII.

The following chart shows actual vs. expected investment returns for the 3-year period ending December 31, 2016.

	Rate of Investment Return - Year Ending		
	12/31/2014	12/31/2015	12/31/2016
Actual - Market Value	6.19%	0.58%	4.92%
Actual - Actuarial Value	6.75%	5.34%	6.42%
Expected	7.25%	7.25%	7.25%

Contribution Requirements for 2017 Plan Year

Exhibit V shows the minimum contribution for the 2017 plan year, assuming payment on or after December 31, 2017, and excluding interest on contributions already made for 2017.

A comparison of the minimum contributions for 2016 and 2017 is as follows:

Item	2016	2017
1) Normal Cost	$ 61,806	$ 30,270
2) Amortization Payments	1,965,209	2,449,322
3) Interest on (1) and (2) to the end of the year	146,959	168,612
4) Additional Funding Charge	0	0
5) Minimum Recommended Contribution: (1) + (2) + (3) + (4)	$ 2,173,974	$ 2,648,204
6) Credit Balance in Funding Standard Account	3,437,317	3,811,142
7) Interest on (6) to the end of the year	249,205	259,158
8) Net Minimum Recommended Contribution: (5) - (6) - (7), but not less than zero	$ 0	$ 0

Note that assets used in calculating the minimum contributions are based on Actuarial Value, rather than Market Value; this technique prevents contributions from fluctuating even more sharply from year to year (see Exhibit II).

Note that the Minimum Recommended Contribution is shown on line 5 above. (The Net Minimum Contribution shown on line 8 above takes into account contributions made in excess of prior year Minimum Recommended Contributions and is shown for illustrative purposes.) The Minimum Recommended Contribution of approximately $2,648,204 is more than the amount needed to fully pay current year expected pension payments (approximately $2,328,000 for 2017).

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. In accordance with ERISA and Part VII, Chapter 112, Florida Statutes, the amounts disclosed in this report have been certified by the Enrolled Actuary or Actuaries who have signed below and who are members of the American Academy of Actuaries.

Our calculations were based on financial data furnished by Wells Fargo Bank, and on the employee data furnished by Bert Fish Medical Center, Inc., as of January 1, 2017. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness, but have not audited it. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information which is the responsibility of those who supply the data. Our calculations were also based on the provisions of the Plan in effect on January 1, 2017 which are summarized in Exhibit IX and the actuarial assumptions and methods described in Exhibit VIII.

The valuation was based upon generally accepted actuarial methods, and we performed such tests as we considered necessary to assure the accuracy of the results. We certify that the amounts presented in the accompanying report have been appropriately determined according to the actuarial assumptions and methods stated herein.

This actuarial valuation was prepared and completed under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of the Part VII, Chapter 112, Florida Statutes. We relied on information provided by the plan sponsor and investment manager in determining the interest rate assumption. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Respectfully submitted,

BPAS ACTUARIAL AND PENSION SERVICES, LLC

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ACTIVE PARTICIPANTS	
(1) Active at January 1, 2016	22
(2) Terminations During Year With Vested Rights	0
(3) Terminations During Year Without Vested Rights	0
(4) Deaths With Beneficiary	0
(5) Retired	9
(6) New Participants	0
(7) Adjustments (Includes employees returned to covered status)	0
(8) Active at January 1, 2017 = (1)-(2)-(3)-(4)-(5)+(6)+(7)	**13**
RETIRED PARTICIPANTS AND BENEFICIARIES	
(1) Retirees at January 1, 2016	145
(2) Deaths with Beneficiary	1
(3) Deaths with No Beneficiary	6
(4) Adjustments (No Benefit Owed)	0
(5) New Retirees	11
(6) New Beneficiaries	3
(7) Retirees at January 1, 2017 = (1)-(2)-(3)-(4)+(5)	**152**
TERMINATED VESTED PARTICIPANTS	
(1) Terminated Vested at January 1, 2016	47
(2) New Terminated Vested (Includes Beneficiaries)	0
(3) Lump Sum Distributions	0
(4) Deaths	1
(5) Adjustments (Including beneficiaries returned to covered status)	0
(6) Retired	2
(7) Terminated Vested at January 1, 2017 =(1)+(2)-(3)-(4)+(5)-(6)	**44**

SUMMARY OF ASSETS	
(1) Mutual Funds	$ 16,587,763
Equity = 4,017,227	
Corporate Bonds = 4,692,676	
Balanced = 7,877,860	
(2) Common Stock	6,447,435
(3) Cash and Cash Equivalents	287,910
(4) Accrued Interest and Dividends	8,277
(5) Contribution Receivable	-
(6) Accrued Expenses	-
(7) Adjustments	-
(8) Total Plan Assets=(1)+(2)+(3)+(4)+(5)-(6)+(7)	**$ 23,331,385**

RECONCILIATION OF ASSETS	
(1) Assets as of January 1, 2016	$ 22,189,338
(2) Contributions for the 2016 Plan Year	2,224,183
(3) Interests, Dividends & Appreciation of Assets	1,093,485
(4) Benefit Payments	2,145,351
(5) Expenses (Administrative)	30,270
(6) Assets as of December 31, 2016 =(1)+(2)+(3)-(4)-(5)	**$ 23,331,385**

Note: All investments are valued at fair market value. The investment return for the 2016 plan year, based on market value and net of investment expenses, was 4.92%

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS	
(1) Market Value of Assets on January 1, 2016	$ 22,189,338
(2) Benefit Payments, January 1, 2016 through December 31, 2016	(2,145,351)
(3) Employer Contributions for Plan Year	2,224,183
(4) Expected Interest on (1), (2) and (3) to December 31, 2016	1,601,448
(5) Expected Assets on December 31, 2016 (1)+(2)+(3)+(4)	$ 23,869,618
(6) Market Value of Assets on December 31, 2016	23,331,385
(7) Gain/(Loss)=(6)-(5)	(538,233)
(8) Adjustment Factor	80%
(9) Adjustment=(7)x(8)	(430,586)
(10) Gain/(Loss) for Plan Year Ending December 31, 2015	(1,529,805)
(11) Adjustment Factor	60%
(12) Adjustment=(10)x(11)	(917,883)
(13) Gain/(Loss) for Plan Year Ending December 31, 2014	(240,248)
(14) Adjustment Factor	40%
(15) Adjustment=(13)x(14)	(96,099)
(16) Gain/(Loss) for Plan Year Ending December 31, 2013	1,188,514
(17) Adjustment Factor	20%
(18) Adjustment=(16)x(17)	237,703
(19) Actuarial Value of Assets at December 31, 2016 = (6)-(9)-(12)-(15)-(18), Not Greater Than 120%x(6) or Not Less Than 80%x(6)	**$ 24,538,250**

Note:The investment return for the 2016 plan year, based on actuarial value, and net of investment expenses, was 6.42%

CHARGES	
(1) Funding Deficiency as of December 31, 2015	$ -
(2) Normal Cost as of January 1, 2016	61,806
(3) Amortization of Waived Funding Deficiency	-
(4) Other Amortization Charges	2,400,084
(5) 7.25% Interest on (1), (2), (3) and (4) from January 1, 2016 to December 31, 2016	178,487
(6) Additional Interest Charge	-
(7) Additional Funding Charge	-
(8) Total Charges=(1)+(2)+(3)+(4)+(5)+(6)+(7)	**$ 2,640,377**
CREDITS	
(9) Credit Balance as of December 31, 2015	$ 3,437,317
(10) Contribution for Plan Year Ended December 31, 2016	2,224,183
(11) Total Amortization Credits	434,875
(12) Interest on (9), (10) and (11) to December 31, 2016*	355,144
(13) Full Funding Credit	-
(14) Total Credits=(9)+(10)+(11)+(12)+(13)	**6,451,519**
(15) Credit Balance as of December 31, 2016=(14)-(8)	**$ 3,811,142**

** Full year's interest at 7.25% per annum on (9) and (11), plus interest on (10) from date contributions were made to December 31, 2016.*

Note: The Funding Standard Account is shown for illustrative purposes only, since the funding requirements of Code sections 412, 430, and 436 are not applicable to "governmental plans."

ACTUARIAL GAIN/LOSS - YEAR ENDING December 31, 2016	
(1) Actuarial Accrued Liability at 1/1/2017	35,714,386
(2) Actuarial Accrued Liability (prior to assumption changes) at 1/1/2017	33,160,001
(3) Assets at 1/1/2017 (Actuarial Value)	24,538,250
(4) Unfunded Actuarial Accrued Liability at 1/1/2017: (1) - (3)	11,176,136
(5) Unfunded Actuarial Accrued Liability (prior to assumption and plan changes) at 1/1/2017: (2) - (3)	8,621,751
(6) Supplemental Actuarial Accrued Liability due to assumption and plan changes: (4) - (5)	2,554,385
(7) Unfunded Actuarial Accrued Liability at 1/1/2016	9,942,181
(8) Normal Cost, 1/1/2016	61,806
(9) Interest on (7) and (8) @ 7.25%	725,289
(10) Employer Contributions, 1/1/2016	2,224,183
(11) Interest on (10) @ 7.25%	74,411
(12) Expected Unfunded Actuarial Accrued Liability at 1/1/2017: =(7) + (8) + (9) - (10) - (11)	8,430,682
(13) Actuarial (Gain)/Loss: (5) - (12)	**$ 191,069**

Date Established	Type of Base (Original Plan)	Initial Base	Minimum Amortization Period Initial	Minimum Amortization Period Remaining	Minimum Unamortized Balance	Minimum Amortization Amount
7/1/1995	Frozen Initial Liability	$ 6,970,770	30	8.5	$ 3,661,620	$ 544,291
1/1/2002	SAAL (Plan Amendments)	637,116	30	15	479,152	48,638
1/1/2008	SAAL (Change in Asset Valuation Method)	264,005	10	1	35,820	35,820
1/1/2008	SAAL (Assumption Change)	(486,465)	10	1	(66,004)	(66,004)
1/1/2009	SAAL (Plan Amendment)	3,556,744	30	22	3,195,810	266,054
1/1/2011	SAAL (Assumption Changes)	771,481	10	4	374,943	103,178
1/1/2011	SAAL (Funding Method Change)	2,652,173	10	4	1,288,963	354,702
1/1/2011	SAAL (Plan Amendment)	(1,842,938)	30	24	(1,710,269)	(137,180)
1/1/2012	SAAL (Actuarial Loss)	2,220,601	10	5	1,303,806	296,147
1/1/2013	SAAL (Actuarial Loss)	1,754,402	10	6	1,195,177	233,331
1/1/2013	SAAL (Assumption Change)	757,863	10	6	516,291	100,794
1/1/2014	SAAL (Actuarial Gain)	(223,357)	10	7	(171,869)	(29,652)
1/1/2014	SAAL (Assumption Change)	1,348,840	10	7	1,037,913	179,071
1/1/2015	SAAL (Actuarial Gain)	(364,456)	10	8	(310,430)	(48,300)
1/1/2015	SAAL (Assumption Changes)	426,853	10	8	363,575	56,569
1/1/2016	SAAL (Actuarial Loss)	468,037	10	9	434,560	61,922
1/1/2016	SAAL (Assumption Changes)	659,973	10	9	612,766	87,315
1/1/2017	SAAL (Actuarial Loss)	191,069	10	10	191,069	25,237
1/1/2017	SAAL (Plan Amendment)	948,099	10	10	948,099	125,227
1/1/2017	SAAL (Assumption Changes)	1,606,286	10	10	1,606,286	212,162
				TOTAL CHARGES:	$ 17,245,850	$ 2,730,458
				TOTAL CREDITS:	$ (2,258,572)	$ (281,136)
					$ 14,987,278	$ 2,449,322

SAAL-Supplemental Actuarial Accrued Liability

Date Established	Type of Base	Minimum Unamortized Balance 1/1/2018	Minimum Unamortized Balance 1/1/2019	Minimum Unamortized Balance 1/1/2020	Minimum Amortization Amounts 1/1/2018	Minimum Amortization Amounts 1/1/2019	Minimum Amortization Amounts 1/1/2020	Date Base is Fully Amortized
7/1/1995	Frozen Initial Liability	$ 3,329,307	$ 2,974,397	$ 2,595,353	$ 544,291	$ 544,291	$ 544,291	6/30/2025
1/1/2002	SAAL (Plan Amendments)	459,789	$ 439,109	417,023	48,638	48,638	48,638	12/31/2031
1/1/2009	SAAL (Plan Amendment)	3,128,979	3,057,604	2,981,375	266,054	266,054	266,054	12/31/2038
1/1/2011	SAAL (Assumption Changes)	290,245	199,788	103,179	103,178	103,178	103,178	12/31/2020
1/1/2011	SAAL (Funding Method Change)	997,791	686,819	354,701	354,702	354,702	354,701	12/31/2020
1/1/2011	SAAL (Plan Amendment)	(1,680,059)	(1,647,795)	(1,613,337)	(137,180)	(137,180)	(137,180)	12/31/2040
1/1/2012	SAAL (Actuarial Loss)	1,076,180	833,075	573,439	296,147	296,147	296,147	12/31/2021
1/1/2013	SAAL (Actuarial Loss)	1,027,252	847,908	656,368	233,331	233,331	233,331	12/31/2022
1/1/2013	SAAL (Assumption Change)	443,751	366,278	283,537	100,794	100,794	100,794	12/31/2022
1/1/2014	SAAL (Actuarial Gain)	(151,888)	(130,548)	(107,757)	(29,652)	(29,652)	(29,652)	12/31/2023
1/1/2014	SAAL (Assumption Change)	917,243	788,368	650,729	179,071	179,071	179,071	12/31/2023
1/1/2015	SAAL (Actuarial Gain)	(279,955)	(247,408)	(212,647)	(48,300)	(48,300)	(48,300)	12/31/2024
1/1/2015	SAAL (Assumption Changes)	327,882	289,762	249,050	56,569	56,569	56,569	12/31/2024
1/1/2016	SAAL (Actuarial Loss)	397,977	358,907	317,180	61,922	61,922	61,922	12/31/2025
1/1/2016	SAAL (Assumption Changes)	561,182	506,090	447,252	87,315	87,315	87,315	12/31/2025
1/1/2017	SAAL (Actuarial Loss)	177,109	162,199	146,275	25,237	25,237	25,237	12/31/2026
1/1/2017	SAAL (Plan Amendment)	878,827	804,845	725,832	125,227	125,227	125,227	12/31/2026
1/1/2017	SAAL (Assumption Changes)	1,488,924	1,363,582	1,229,717	212,162	212,162	212,162	12/31/2026
TOTAL CHARGES:		**$ 15,502,438**	**$ 13,678,731**	**$ 11,731,010**	**$ 2,694,638**	**$ 2,694,638**	**$ 2,694,637**	
TOTAL CREDITS:		**$ (2,111,902)**	**$ (2,025,751)**	**$ (1,933,741)**	**$ (215,132)**	**$ (215,132)**	**$ (215,132)**	
TOTAL NET:		**$ 13,390,536**	**$ 11,652,980**	**$ 9,797,269**	**$ 2,479,506**	**$ 2,479,506**	**$ 2,479,505**	

Minimum Recommended Contribution	
(1) Normal Cost as of January 1, 2017	$ 30,270
(2) Net Minimum Amortization Amounts (Exhibit IV-B)	2,449,322
(3) Minimum Recommended Contribution as of December 31, 2017 for Plan Year January 1, 2017 - December 31, 2017 before reflecting Funding Standard Account Credit Balance =[(1) + (2)] X 1.0680	2,648,204
(4) Funding Standard Account Credit Balance as of December 31, 2016 (Exhibit III)	3,811,142
(5) Net Minimum Recommended Contribution, assuming payment on or after December 31, 2017* =(3) - [(4) x 1.0680] (not less than zero)	$ 0

* *Reflects an opinion by legal counsel that the plan is a "governmental plan," as defined in Code section 414(d).*

(A)	**CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**		
(1)	Actuarial present value of accumulated plan benefits as of December 31, 2015	$	32,953,605
(2)	Increase (decrease) during the year attributable to		
	(a) Increase for interest due to the decrease in the discount period		2,307,446
	(b) Actuarial (gain)/loss		44,301
	(c) Plan amendment		948,099
	(d) Assumption change		1,606,286
	(e) Benefits paid		(2,145,351)
	(f) Net increase		2,760,781
(3)	**Actuarial present value of accumulated plan benefits as of December 31, 2016**	**$**	**35,714,386**
(B)	**STATEMENT OF ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AS OF DECEMBER 31, 2016**		
(1)	Actuarial present value of accumulated plan benefits:		
	(a) Vested benefits:		
	(i) Participants currently receiving payments	$	29,631,718
	(ii) Other Participants		6,082,668
	Sub-total	$	35,714,386
	(b) Non-vested benefits		0
(2)	**Total actuarial present value of accumulated plan benefits**	**$**	**35,714,386**
(3)	**Plan Assets (at Market) as of December 31, 2016**	**$**	**23,331,385**

Notes:

The above values have been determined in accordance with Accounting Standards Codification 960 and the actuarial assumptions as to interest, mortality, turnover, and retirement age as stated in Exhibit VIII.

These figures are for accounting purposes only and should not be confused with accrued liabilities for other purposes, such as for plan funding or liability upon plan termination.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS				
ITEM	**ACTUARIAL VALUATION AS OF:**			
		January 1, 2017		January 1, 2016
1. Participant Data				
a) Number of active participants		13		22
b) Total annual payroll	$	851,263	$	1,337,363
c) Number of retired participants and beneficiaries		152		145
d) Total annualized benefits for (c)	$	2,202,204	$	2,019,852
e) Number of terminated vested participants		44		47
f) Total annualized benefits for (e)	$	270,023	$	283,144
2. Assets				
a) Actuarial Value	$	24,538,250	$	23,011,424
b) Market Value		23,331,385		22,189,338
3. Liabilities				
a) Present Value of future benefits for:				
-Active participants	$	3,009,834	$	3,969,345
-Terminated vested participants		3,072,834		3,017,048
-Retired participants and beneficiaries		29,631,718		25,967,212
Total	**$**	**35,714,386**	**$**	**32,953,605**
b) Actuarial Accrued Liability		35,714,386		32,953,605
c) Unfunded Actuarial Accrued Liability: (3)(b) - (2)(a)	$	11,176,136	$	9,942,181
4. Present Value of Accrued Benefits				
–Inactive participants and beneficiaries	$	32,704,552	$	28,984,260
–Active participants		3,009,834		3,969,345
–Nonvested accrued beneftis		0		0
Total	**$**	**35,714,386**	**$**	**32,953,605**
See Exhibit VI for further details				
5. Pension Contribution for Year Beginning on Valuation Date				
a) Normal Cost	$	30,270	$	61,806
b) Payment to amortize unfunded liability		2,449,322		1,965,209
c) Expected (or actual for prior year) contributions, adjusted for interest		2,473,815		2,298,594
d) (c) as % of payroll		290.61%		171.88%
e) Amount to be contributed by participants		0		0
f) (e) as % of payroll		0		0
6. Past contributions				
a) Recommended for years ending 12/31/2016 and 12/31/2015 respectively (beginning of year amount)	$	2,027,015	$	1,837,487
b) Amount contributed by participants		0		0
c) Actual contributions made by Bert Fish, years ending 12/31/2016 and 12/31/2015 respectively	$	2,224,183	$	2,010,000
7. Net actuarial gain / (loss)	$	(191,069)	$	(468,037)

I. Actuarial Assumptions

The actuarial assumptions used in determining the liabilities and calculating the contributions to the pension plan are as follows:

Mortality rates:	Post-Retirement – Sex-distinct Blue Collar RP-2000 Combined Healthy Annuitant Mortality Tables, with mortality improvements using Scale BB on a fully generational basis.
	Pre-Retirement (Actives only) – None.
Interest:	
Prior to January 1, 2017:	7.25% per annum, compounded annually.
As of January 1, 2017:	6.80% per annum, compounded annually.
Salary Scale:	Not applicable.
Cost of Living:	3.0% per annum, compounded annually (increases assumed July 1)
Turnover:	Rates of termination were not assumed.
Retirement Age:	
Prior to January 1, 2017:	The Medical Center was acquired as of March 31, 2016. Therefore all employees as of January 1, 2016 who participate in this plan are considered terminated with a vested benefit. Service with the acquiring entity is not currently being considered for future service credit for eligibility.
	Calculations reflect an assumed retirement age of 62, or attained age, if later.
As of January 1, 2017**:**	Active participants were assumed to continue to earn future service towards eligibility for unreduced early retirement. We assumed active participants would commence benefits at the earlier of eligibility for the unreduced benefit or age 62.
	Terminated vested participants were assumed to commence at age 62.
Disability:	Rates of disability were not assumed.
Administrative Expenses:	Prior year actual of $30,270.

II. Funding Method

The funding method (actuarial cost method) is the Unit Credit Cost Method without projection.

Under this cost method, as a result of the amendment freezing benefit accruals, there is no actuarial Normal Cost amount. The Actuarial Accrued Liability is determined as the actuarial present value of benefits earned prior to the date of determination for each participant. In future years, actuarial gains and losses will result in the establishment of Supplemental Actuarial Accrued Liabilities. All Actuarial Accrued Liabilities are amortized by contributions made by the employer for this purpose, in the same way as a mortgage is amortized.

III. Asset Valuation Method

The asset valuation method is a phased-in Five Year Average Value. The asset value determined under the method will be limited to 120% and no less than 80% of fair market value.

Under this method, the actuarial value of assets is equal to the market value of assets less a decreasing fraction (i.e., $^4/_5$, $^3/_5$, $^2/_5$, $^1/_5$) of the gain (+) or loss (-) in each of the preceding four years. Thus a gain results in a subtraction from and a loss results in an addition to the current year's market value.

Under this method, a gain or loss for a year is determined by calculating the difference between the expected value of assets and the market value of assets at the valuation date. The expected value of assets for the year is the market value of the assets at the valuation date for the prior year brought forward with interest at the valuation interest rate to the valuation date for the current year, plus contributions minus disbursements (i.e., benefits and expenses), all adjusted with interest to the valuation date. If the expected value is less than the market value, the difference is a gain. Conversely, if the expected value is greater than the market value, the difference is a loss.

As a result of phasing in, the actuarial value of assets is equal to the market value as of the valuation date in the first year this method is used. In each of the subsequent four years, the gains or losses recognized are those occurring in the year of the change and in later years.

This summary is intended as an outline of plan provisions and does not alter the intent or meaning of the provisions contained in the plan document.

Effective Date of Plan	July 1, 1995.
Anniversary Date of Plan	January 1, 1996 and each January 1st thereafter.
Plan Year	Each period of 12 consecutive months beginning on January 1.
Eligibility	On July 1, 1995, each employee of the Bert Fish Medical Center, Inc. who was covered by the Florida Retirement System before July 1, 1995 and who did not waive participation under this plan is a participant.
Normal Retirement Date	The earlier of attainment of age 62 and completion of 5 Years of Credited Service or completion of 30 Years of Credited Service, but not later than age 65 and completion of 5 years of plan participation.
Early Retirement Date	Upon completion of 10 Years of Credited Service.
Disability Retirement Date	Total and permanent disability, with a minimum of 5 Years of Credited Service for non-job connected disabilities.
Normal Retirement Benefit	A monthly benefit of 1.6% of high-5 year average compensation for each Year of Credited Service. For a Participant of this Plan as of July 1, 1995, such benefit is reduced by any vested benefit payable from the Florida Retirement System.
Late Retirement Benefit	A monthly annuity equal to the accrued benefit as of the date of late retirement (based on compensation and service as of that date) and substituting for 1.6%, in accordance with the following schedule:

Age 63, or 31 Years of Credited Service	1.63%
Age 64, or 32 Years of Credited Service	1.65%
Age 65 or later, or 33 or more Years of Credited Service	1.68%

The accrued benefit determined above can not be less than the actuarial increase of the accrued benefit from the prior year.

Early Retirement Benefit	A monthly annuity equal to the accrued benefit at the Early Retirement Date, reduced by 5/12% for each month that the Benefit Commencement Date precedes age 62.

Disability Retirement Benefit A monthly annuity equal to the accrued benefit as of the date of disability, with no actuarial reduction (subject to a minimum disability pension of 42% of average compensation if disability occurs on the job, 25% of average compensation otherwise). Payments cease if the disability ends before attainment of age 62.

If disability occurs other than on the job, the disability benefit shall not apply for a participant who has reached his Normal or Early Retirement Date.

Years of Credited Service Effective for plan years beginning on and after January 1, 1996, a Year of Credited Service will be credited if a Participant has completed at least 1,000 hours of service in that Plan Year. For the period July 1, 1995 to December 31, 1995, service will be credited month by month, with a full month's credit given for any employment rendered during a month.

Accrued Benefit Prior to Normal Retirement Date Based on average compensation and Years of Credited Service as of the date of determination.

Cost-of-Living Increase Generally, a 3% increase annually after retirement.

Vesting A participant will become vested in his Accrued Benefit in accordance with the following schedule:

Years of Credited Service	Vested Percentage
Less than 5	0%
5 or more	100%

In addition, a participant is 100% vested upon satisfaction of the requirements for Disability, Early or Normal Retirement.

Vesting Years Vesting Years shall generally be calculated in accordance with Years of Credited Service.

Termination Benefit A deferred benefit commencing at age 62 based on the participant's Vested Accrued Benefit as of his date of termination.

Normal Form of Retirement Benefit If the participant is not married, benefits are determined on a life annuity form of benefit. However, if a participant is married, and does not elect otherwise, the normal form of benefit payment will be an actuarially reduced joint and 100% survivor annuity, with the spouse as beneficiary.

Optional Forms of Retirement Benefit	Actuarially reduced joint and 50%, 66 ⅔% and 75% survivor annuity, or 10 years certain and life annuity.
Death Benefit	The survivor portion of an actuarially reduced joint and 100% survivor annuity, reduced further to reflect payment before the participant would have attained age 62, is payable to the participant's spouse or designated financial dependent at the earlier of the participant's death or earliest retirement date. Further, if the designated financial dependent is not the spouse, the survivor portion of the joint and survivor annuity may be limited to something less than 100%, pursuant to IRS regulations.
Early Retirement Incentives	Special incentives were offered to a selected group of participants in March 2001 and June 2008.
Amendment Freezing Plan Benefits	Effective January 1, 2011, the plan was amended for all actively employed participants, freezing benefits accrued as of December 31, 2010.
Amendment Granting Future Service for Unreduced Early Retirement Eligibility	Effective April 1, 2016, service related to employment with Florida Hospital that commences immediately following and due to the sale of assets from Bert Fish Medical Center, Inc. to Florida Hospital, that otherwise would have met the requirements for Credited Service under the Plan, will be counted as Credited Service solely for the purpose of eligibility for unreduced early retirement.

	Years of Service										
Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
30 to34	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	1	3	0	0	0	4
50 to 54	0	0	0	0	0	1	1	0	0	0	2
55 to 59	0	0	0	0	0	4	3	0	0	0	7
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	6	7	0	0	0	13

Age Distribution of Non-Active Members

Age	Retirees and Beneficiaries
Under 55	3
55-59	12
60-64	25
65-69	38
70-74	32
75-79	27
80-84	12
85 and over	3
Total	152
Average Age	69.71

Age	Vested Terminations
Under 25	0
25-29	0
30-34	0
35-39	0
40-44	1
45-49	4
50-54	8
55-59	15
60-64	9
65-69	5
70 and over	2
Total	44
Average Age	58.15

Note that subsequent to the valuation date, the plan sponsor has contacted a majority of the terminated vested participants past normal retirement age who are eligible to commence benefits under the Plan.

Expected Benefit Payment Projection

The following is a projection of benefit payments expected to be paid from the trust during the next ten plan years.

Ten Year Projection of Benefit Payments