

ANNUAL FUNDING NOTICE FAQs

1. Are my pension benefits secure?

Pension benefits earned to date are fully secure up to the maximum benefit limits guaranteed under current law. Benefits earned in excess of these limits are only secure to the extent the Plan has adequate assets to pay them.

2. What does it mean when a pension plan is fully funded?

A plan is considered fully funded when it has 100% of the money needed to cover both current and future pension payments based on benefits earned to date. In other words, a plan is fully funded when its funded status is at least 100%.

3. Why am I receiving this Annual Funding Notice?

You are receiving this notice because you are a participant in the WakeMed Pension Plan. This Annual Funding Notice is in lieu of the Summary Annual Report that you receive for other WakeMed benefit plans. As a result of the Pension Protection Act of 2006, employers are required to provide more detailed information about the financial condition of the pension plans they offer. This information is outlined in the Annual Funding Notice instead.

4. What is the Pension Protection Act?

This is a pension reform law that made significant changes to retirement plan rules regarding employer contributions, plan administration and disclosures to participants. The law generally changed the way required employer contributions to a pension plan are calculated, introduced restrictions on certain benefit payment options based on a plan's funding level and expanded the information to be provided to participants each year.

5. What is a "funding target attainment percentage"?

The funding target attainment percentage measures the ratio of pension plan assets to liabilities. A higher ratio means that the plan has more assets available to pay the benefits that are owed to Plan participants now and in the future. If the ratio drops below 100%, federal law requires WakeMed to make cash payments to the Plan over a period of years to improve the funding level.

6. Will I continue to receive this notice now that the plan has frozen benefits?

Yes. Although the Pension Plan was frozen as of December 31, 2010, WakeMed will continue to make cash payments to the Plan to maintain a certain funding level and to disclose detailed information about the financial condition of the Plan to its participants through the Annual Funding Notice.

7. How can I get information regarding my personal pension plan benefits?

You can contact the WakeMed Pension Service Center at (866) 822-6304 Monday through Friday, 9am to 6pm, ET. You also can view account information, 24/7/365 by registering for an account through the new self service website: <https://eepoint.com/WKM>. Click on "Register Here" in the login box.