

Lann v Trinity Health ERISA
c/o Rust Consulting Inc - 5309
PO Box 2580
Faribault, MN 55021-9580

IMPORTANT LEGAL MATERIALS



* C L M N T I D N O * - UAA LB <<SequenceNo>>

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Lann v. Trinity Health Corporation, 8:14-cv-02237-PJM
Letter to Group B Class Members

Dear Class Member:

You are receiving this letter, along with the Notice of Proposed Settlement of ERISA Class Action Litigation, Settlement Fairness Hearing, and Motion for Attorneys' Fees and Reimbursement (hereinafter, "Notice"), because the records from your former employer indicate that **you would be or would qualify as a Class Member in Group B** of the proposed Settlement Class. As a member of Group B, you are not entitled to the benefits of Group A or Group C.

Group B includes 219 former participants who received lump sum distributions of their benefits during the 2014 Lump Sum Window. In 2014, CHE and Trinity offered a Lump Sum Window. For participants who chose to take a lump sum distribution of their benefits at that time, their benefits under the Plans were converted into a single lump sum amount using an interest rate and other actuarial factors. ERISA requires the use of certain interest rates for Plans calculating lump sum payments.

The interest rates used to compute the lump sum benefit of 219 participants who were former employees of the CHE System Office, Watertown, and the Sisters of Providence Health System, were higher than the ERISA interest rates. This resulted in a lower lump sum than what ERISA requires. The Settlement will provide each of these 219 individuals with a one-time payment of \$1,600.00 as consideration for the release of the alleged improper lump sum calculation claim.

The Plaintiffs and Defendants compromised on payments of \$1,600.00 following extensive settlement negotiations. For these 219 Group B class members, the median lump sum benefit shortfall is estimated to be \$3,200.00. Given the risks and challenges associated with litigating the lump sum claim, **the Plaintiffs and Defendants agreed upon a \$1,600 distribution to each of these 219 participants because it represented a 50% recovery of the median shortfall.**

Group B only includes former employees of the CHE System Office, Watertown, and the Sisters of Providence Health System, and does not include any participants in Trinity-sponsored plans. The lump sum payment will be made to members of Group B within 30 days after the Final Approval Order is entered by the Court and is non-appealable. For more details about Group B, see Section 3 of the Notice, as well as Sections 2.12 and 8.1.3 of the Settlement Agreement, available at <http://www.cohenmilstein.com/update/trinity-che-settlement>.

The Settlement Agreement contains certain carve outs that allow all class members to pursue their prospective claims if any of four developments occur:

- the U.S. Supreme Court holds that the church plan exemption is unconstitutional, or holds that the church plan exemption is constitutional but that a church plan must be established by a church, convention or association of churches;
- the Internal Revenue Service (IRS) issues a written ruling that the Trinity Health Plans do not qualify as church plans under the Internal Revenue Code;
- the Roman Catholic Church disassociates itself from Trinity Health Corporation; or
- the U.S. Congress amends ERISA to specify that a church plan must be established by a church or a convention or association of churches.

See Sections 4.1.3 and 4.1.4 of the Settlement Agreement, and Section 4 of the Notice. However, even if one of the carve outs above is triggered, you will still each receive the \$1,600.00 payment as consideration to release your claim. That payment cannot be clawed back.

Questions Regarding Group B Should Be Directed to the Claims Administrator

If you believe that you are not a member of Group B, you can call the claims administrator, Rust Consulting at (866) 216-0278. Rust Consulting can answer any questions you have regarding which Group you belong to. If you have any questions regarding the Settlement Agreement, please contact Class Counsel at trinitysettlement@cohenmilstein.com or 1-888-347-4600 (ask for Mary Bortscheller). Do not contact the court regarding the Settlement, as court personnel cannot answer your questions.