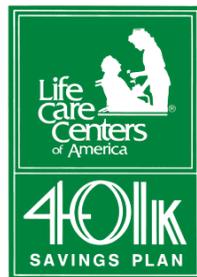


Life Care
401k Savings Plan
Summary Plan Description



LIFE CARE CENTERS OF AMERICA, INC. 401(K) SAVINGS PLAN

SUMMARY PLAN DESCRIPTION

January 01, 2022

LIFE CARE CENTERS OF AMERICA, INC. 401(K) SAVINGS PLAN

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TABLE OF CONTENTS

INTRODUCTION	1
ELIGIBILITY	2
Eligible Employee	2
Elective Deferral Contributions and Employer Matching Contributions.....	2
Computing Service	2
CONTRIBUTIONS	3
Account	3
Elective Deferral Contributions.....	3
Employer Matching Contributions.....	3
Rollover Contributions	3
Military Service Contributions	3
Limits on Contributions.....	4
COMPENSATION	5
Plan Compensation	5
VESTING	6
Elective Deferral Account and Rollover Contribution Account	6
Employer Matching Contribution Account	6
Special Vesting Rules.....	6
Forfeitures.....	6
Year of Vesting Service.....	6
DISTRIBUTIONS	7
Commencement of Distributions.....	7
Normal Retirement Age	7
Timing and Form of Payment.....	7
Force-Out	7
Beneficiary	8
IN-SERVICE DISTRIBUTIONS AND LOANS	9
Hardship Distributions	9
Attainment of Age 59 1/2	9
Withdrawals at Any Time.....	10
Disability Distributions	10
Rules Regarding In-Service Distributions	10
Loans	10
INVESTMENTS	11
Participant Self-Direction	11
Valuation Dates.....	11
SPECIAL TOP-HEAVY RULES	12
Minimum Allocations	12
Minimum Vesting.....	12
CLAIMS PROCEDURES	13
YOUR RIGHTS UNDER ERISA.....	15
MISCELLANEOUS.....	16
Domestic Relations Orders	16
Disability.....	16

Assignment and Alienation of Benefits	16
Amendment and Termination.....	16
Fees	16
Insurance.....	16
Administrator Discretion.....	17
Plan Not a Contract of Employment	17
Waiver	17
Errors.....	17
ADMINISTRATIVE INFORMATION	18

INTRODUCTION

Life Care Centers of America, Inc. (the "Employer") established the Life Care Centers of America, Inc. 401(k) Savings Plan (the "Plan") effective July 01, 1992. This Summary Plan Description describes the Plan as restated effective January 01, 2022. This revised Summary Plan Description supersedes all previous Summary Plan Descriptions. Although the purpose of this document is to summarize the more significant provisions of the Plan, the plan document will prevail in the event of any inconsistency. In addition, the terms of the Plan cannot be modified by written or oral statements made to you by the Plan Administrator or other personnel.

ELIGIBILITY

Eligible Employee

You are an "Eligible Employee" if you are employed by Life Care Centers of America, Inc. or any affiliate who has adopted the Plan. However, you are not an "Eligible Employee" if you are a member of any of the following classes of employees:

- For purposes of Elective Deferral Contributions and Employer Matching Contributions, any leased employee.
- For purposes of Elective Deferral Contributions and Employer Matching Contributions, any employee who is a non-resident alien who received no earned income which constitutes income from services performed within the United States.
- For purposes of Elective Deferral Contributions and Employer Matching Contributions, any employee who is a bona fide resident of Puerto Rico or performing services in Puerto Rico.
- For purposes of Elective Deferral Contributions and Employer Matching Contributions, the term "Eligible Employee" will not include: Union Employees whose collective bargaining agreement does not allow for participation in the Plan.

Elective Deferral Contributions and Employer Matching Contributions

You will become eligible to make Elective Deferral Contributions and receive Employer Matching Contributions on the date you attain age 21 and you complete 6 months of service, measured from your date of hire, provided that you are an Eligible Employee at the end of that period.

Computing Service

With respect to eligibility to make Elective Deferral Contributions and to receive Employer Matching Contributions only, "Year of Eligibility Service" means a 12-month period beginning on your employment commencement date. In order to determine the number of whole Years of Eligibility Service, nonsuccessive periods of service and less than whole year periods of service will be aggregated on the basis that 12 months of service (30 days are deemed to be a month in the case of the aggregation of fractional months) or 365 days of service are equal to a whole year of service. You will also receive credit for any period of severance of less than 12 consecutive months. If less than one Year of Eligibility Service is required, such service will be determined by substituting such period for "12 months" and "Year" where they appear in this paragraph. To illustrate how to determine eligibility using this elapsed time method, where service is determined from date of hire, please follow this example:

ABC Company requires employees to have one year of service under the elapsed time method. Mr. Brown is hired on April 1. He terminates employment with ABC Company on June 15 of the same year and is subsequently rehired on November 30. His first year of service is determined by looking at the 12-month period beginning on April 1, his original hire date, and ending on the following March 31. Even though he was not continuously employed with ABC Company during this period, he was employed as of the beginning and end of the Eligibility Computation Period, so he has satisfied the one-year service requirement under the elapsed time method.

All eligibility service with the Employer is taken into account.

Please note, if you are eligible to make or receive contributions you will be a "Participant" in the Plan.

CONTRIBUTIONS

Account

"Account" means all of the contributions, of whatever type, made to the Plan for a Participant, including the earnings and losses on those contributions.

Elective Deferral Contributions

You may elect to reduce your Compensation (defined below) and make a contribution to the Plan on a pre-tax basis. These pre-tax contributions are known as Elective Deferral Contributions. You may elect to defer up to 100% of your Plan Compensation on a pre-tax basis but must defer at least 1% of Plan Compensation. The Employer may administratively impose a more restrictive maximum deferral limit applicable only to Highly Compensated Employees (HCEs). The HCE maximum deferral limit may vary from Plan Year to Plan Year and will be established by providing written notice to the HCEs for the applicable Plan Year. Any such limit change made during a Plan Year applies only prospectively and applies until the Plan Administrator changes or revokes the limit. Federal law also limits the amount you may elect to defer under this Plan and any other retirement plan permitting Elective Deferral Contributions during any calendar year (\$20,500 in 2022). However, if you are age 50 or over, you may defer an additional amount, called a "Catch-up Contribution", of up to \$6,500 (in 2022). These dollar limits are indexed; therefore, they may increase each year for cost-of-living adjustments. The Internal Revenue Code may further restrict Elective Deferral Contribution elections by "highly compensated" Participants.

You may elect to start, increase, reduce or totally suspend your elections to contribute to the Plan effective any time and will be effective as soon as administratively feasible.

The Plan Administrator may establish rules regarding the manner in which your elections are made. The rules may also require that certain advance notice be given of any election. Your election regarding Elective Deferral Contributions is only effective for Compensation you will receive in the future. The Plan Administrator may also reduce or totally suspend your election if the Plan Administrator determines that your election may cause the Plan to fail to satisfy any of the requirements of the Internal Revenue Code.

Employer Matching Contributions

The Employer may, in its sole discretion, make a matching contribution on your behalf if you make a "Matched Employee Contribution". A "Matched Employee Contribution" is any Elective Deferral Contribution or Catch-up Contribution that you may make during the Plan Year. If you make a "Matched Employee Contribution" the Employer may contribute to your Employer Matching Contribution Account in an amount and allocation formula as determined by the Employer in its sole discretion.

The Internal Revenue Code may also further restrict Employer Matching Contributions for highly compensated employees.

Rollover Contributions

The Plan may accept a Rollover Contribution made on behalf of any Eligible Employee, regardless of whether such employee has met the age and service requirements of the Plan. An Eligible Employee who has not yet met any of the eligibility requirements of the Plan will be deemed a Participant only with respect to amounts, if any, in his Rollover Contribution Account. Rollover contributions will be accepted only from the following contribution types: Section 401(a) excluding after-tax: (1) PS/Thrift Savings-401(a) (2) Employee Stock Ownership-401(a) excluding in-kind transfers of assets (3) 401(k) (4) Money Purchase-401(a) (5) Target Benefit-401(a) (6) Defined Benefit Plans (Pension & Cash Balance Plans); Section 403(b) excluding after-tax-Custodial Account or Annuity Purchased by a Section 501(c)(3) organization or public school; Section 408(a) Individual Retirement Account if it contains only rollover funds from an approved Plan listed above. Rollovers from Roth are not accepted.

Military Service Contributions

If you serve in the United States armed forces and must miss work as a result of such service, you may be eligible to receive

contributions, benefits and service credit with respect to any qualified military service. In addition, your survivors may be eligible to receive benefits or service credit if you die while performing qualified military service.

Limits on Contributions

The amount that may be contributed to the Plan on your behalf in any year is limited to a fixed dollar amount (\$61,000 in 2022). This dollar limit is indexed; therefore, it may increase each year for cost-of-living adjustments. In addition, contributions cannot exceed 100% of your total Plan Compensation.

COMPENSATION

Plan Compensation

"Plan Compensation" means most taxable income received from the Employer as specified in IRS regulations. For any self-employed individual, Plan Compensation will mean earned income.

For purposes of allocating Employer Matching Contributions and Qualified Non-elective Contributions, Plan Compensation is determined over the Plan Year.

Unless otherwise indicated below, Plan Compensation will exclude Deemed 125 Compensation and Post Year End Compensation which includes amounts earned during a year but not paid during that year solely because of the timing of pay periods and pay dates when: (i) these amounts are paid during the first few weeks of the next year; (ii) the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees; and (iii) no compensation is included in more than one year for purposes of all contributions.

The following adjustments will be made to the definition of Plan Compensation:

- For purposes of Elective Deferral Contributions and Employer Matching Contributions, Plan Compensation will include any amount you elect to defer on a tax-preferred basis to any Employer benefit plan.
- For purposes of Employer Matching Contributions, Plan Compensation will include only that compensation which is actually paid to you by the Employer during that part of the Plan Year that you are eligible to participate in the Plan.
- For purposes of Elective Deferral Contributions and Employer Matching Contributions, Plan Compensation will exclude All wages except pay for actual hours worked plus jury duty and commissions.
- For purposes of Elective Deferral Contributions and Employer Matching Contributions, Plan Compensation will exclude post severance military and disability continuation payments.

No more than \$305,000 (in 2022) of Plan Compensation may be taken into account in determining your benefits under the Plan. This dollar limit is indexed; therefore, it may increase each year for cost-of-living adjustments.

VESTING

Elective Deferral Account and Rollover Contribution Account

You are always fully (100%) vested in your Elective Deferral Account and Rollover Contribution Account.

Employer Matching Contribution Account

Your interest in your Employer Matching Contribution Account will vest based on your Years of Vesting Service (defined below) in accordance with the following schedule:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
Less than One Year	0%
One Year but less than Two Years	0%
Two Years but less than Three Years	20%
Three Years but less than Four Years	50%
Four Years but less than Five Years	60%
Five Years but less than Six Years	100%
Six or More Years	100%

However, if the Employer must make a matching contribution to your Account in order to satisfy certain nondiscrimination tests required by the Internal Revenue Code, you will be 100% vested in those matching contributions.

Special Vesting Rules

You will become fully (100%) vested upon your attainment of Normal Retirement Age (defined in the Distributions section below) while an employee, your death while an employee or becoming disabled while an employee.

Forfeitures

If You Receive a Distribution. If your employment with the Employer terminates and you receive a distribution of the entire vested portion of your Account, you will forfeit the nonvested portion of your Account. If the value of your vested Account balance is zero, you will be deemed to have received a distribution of your Account.

If You Do Not Receive a Distribution. If your employment with the Employer terminates and you do not receive a complete distribution of the vested portion of your Account, you will forfeit the nonvested portion of your Account after the date you incur five consecutive One-Year Periods of Severance.

Reemployment. If you receive or are treated as receiving a distribution and you resume employment, the amounts you have forfeited (if any) will be restored if you repay the full amount of the previous distribution before the earlier of 5 years after the first date on which you are subsequently reemployed, or the date you incur 5 consecutive One-Year Periods of Severance following the date of the distribution.

Year of Vesting Service

"Year of Vesting Service" means a 12-month period beginning on your date of hire. All periods of service and less than whole year periods of service will be aggregated on the basis that 12 months of service (30 days are deemed to be a month in the case of the aggregation of fractional months) or 365 days of service are equal to a whole year of service. You will also receive credit for any period of severance of less than 12 consecutive months.

DISTRIBUTIONS

Commencement of Distributions

Termination of Employment. You are entitled to receive a distribution from your Account after you terminate employment. This includes termination due to Disability. The distribution will start at the time specified in the section titled "Timing and Form of Payment" below.

Late Retirement. If you continue working for the Employer after your Normal Retirement Age, your participation under the Plan will continue, and your benefits will begin following the date you terminate employment. You generally may not begin distributions until the time specified in the section titled "Timing and Form of Payment" below.

Death. If you die, your beneficiary will become entitled to receive your vested Account balance. The distribution will start at the time specified in the section titled "Timing and Form of Payment" below.

Normal Retirement Age

"Normal Retirement Age" means the date you reach age 65.

Timing and Form of Payment

Distribution for Reasons Other Than Death. If you become entitled to receive your benefit for any reason other than death your Account will be distributed in a lump sum payment. This is your normal form of payment. In addition to the normal form of payment, distributions from the Plan after termination of employment (for reasons other than death) may be made in the following form: Installment distributions will be permitted in an amount that meets or exceeds the Participants required minimum distribution each year. Payment of your vested Account may start as soon as administratively feasible with a final payment made consisting of any allocations occurring after your termination of employment. Your Account is payable in cash.

Distribution on Account of Death. If you die before distribution of your Account begins, distribution of your entire Account must be completed by December 31 of the calendar year containing the fifth anniversary of your death.

Your beneficiary will be entitled to a distribution in any form that is available to you prior to your death.

If you die after distribution of your Account has begun, the remaining portion of your Account will continue to be distributed under the method of distribution being used prior to your death. If your Account was not being distributed in the form of an annuity at the time of your death, the remaining balance must be distributed by December 31 of the calendar year containing the fifth anniversary of your death.

Force-Out

After your termination of employment from the Employer, if the vested amount of your Account (including rollovers) does not exceed \$5,000, your vested Account balance will be distributed from the Plan. You may elect to: 1) receive this distribution in cash; or 2) roll over the distribution to an individual retirement account (IRA) or the qualified plan of your new employer (but only if your new employer's plan allows such rollovers). However, if you do not timely return your election forms, the following will apply: if the vested amount of your Account balance is less than or equal to \$1,000, your vested Account will be distributed to you in cash. If your vested Account balance is more than \$1,000, but does not exceed \$5,000, the Plan Administrator will transfer your vested Account to an IRA established in your name; unless the distribution occurs after the Required Beginning Date. This mandatory distribution will be invested in an IRA designed to preserve principal and provide a reasonable rate of return and liquidity. The IRA provider may charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. For further information concerning the Plan's automatic rollover provisions, the IRA provider and the fees and expenses attendant to the individual retirement plan please contact the Plan Administrator at the phone number found in the "ADMINISTRATIVE INFORMATION" section at the end of this Summary Plan Description.

If the vested amount of your Account exceeds \$5,000, you must consent to any distribution of your Account. However, the Plan Administrator will commence distribution of your vested Account balance without your consent at the time that payments must begin under applicable federal law - generally the April 1 following the later of the calendar year in which you attain age 72 or you terminate employment. Special rules apply to persons who are deemed to own more than 5% of the Employer.

Beneficiary

You have the right to designate, in a written form acceptable to the Plan Administrator, one or more primary and one or more secondary beneficiaries to receive any benefit becoming payable upon your death. Your spouse must be your sole beneficiary unless he or she consents to the designation of another beneficiary. You may change your beneficiaries at any time and from time to time by filing written notice of such change with the Plan Administrator.

If you fail to designate a beneficiary, or in the event that all designated primary and secondary beneficiaries die before you, the death benefit will be payable to your spouse, or if there is no spouse, to your children in equal shares, or if there are no children, to your surviving parents in equal shares, or if there are no surviving parents, to your estate.

IN-SERVICE DISTRIBUTIONS AND LOANS

Hardship Distributions

General Rule. You may receive a distribution on account of hardship from the vested portion of the following Accounts.

- Elective Deferral Account, including earnings of your Elective Deferral Account.
- Matching Contribution Account.

Immediate and Heavy Financial Need. You may receive a hardship distribution only if the Plan Administrator finds that you have an immediate and heavy financial need where you lack other available resources. The following are the only financial needs considered immediate and heavy:

1. Expenses incurred or necessary for medical care, described in Code section 213(d), for you or your spouse, children, or dependents;
2. The purchase (excluding mortgage payments) of a principal residence for the Participant;
3. Payment of tuition and related educational fees for the next 12 months of post-secondary education for you or your spouse, children or dependents;
4. The need to prevent the eviction of you from your principal residence (or a foreclosure on the mortgage on your principal residence);
5. Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents;
6. Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction; or
7. Expenses incurred on account of a federally declared disaster.

Hardship distributions may be made for certain expenses of your primary beneficiary in addition to your dependents. These expenses include those for medical, tuition, and funeral expenses. A person is your "primary beneficiary" if that person is named as a beneficiary under the Plan and has an unconditional right to all or a portion of your Account Balance upon your death.

There will no longer be a 6-month suspension period for your Elective Deferral Contributions, if applicable, after the receipt of the hardship distribution. However, any remaining portion of the 6-month suspension period for a prior hardship distribution will continue until completion.

Amount Necessary to Satisfy Need. A distribution will be considered as necessary to satisfy your immediate and heavy financial need only if:

1. You have obtained all distributions, other than hardship distributions, under all plans maintained by the Employer;
2. The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).
3. You have represented in writing or by electronic medium that you have insufficient cash or other liquid assets to satisfy the financial need.

Attainment of Age 59 1/2

You may receive a distribution after you reach age 59 1/2 from the vested portion of all of your Accounts.

Withdrawals at Any Time

You may receive a distribution from your Rollover Contribution Account at any time.

Disability Distributions

If you become Disabled (defined below) while still employed, you may receive a distribution from your Accounts. However, the following Accounts may not be distributed unless a severe disability has occurred: Elective Deferral Account. A severe disability is as follows: the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

Rules Regarding In-Service Distributions

The Plan Administrator may establish uniform procedures that include, but are not limited to, prescribing limitations on the frequency and minimum amount of withdrawals. All distributions will be made in the form of a single sum as soon as practicable following the valuation date as of which such withdrawal is made. Only Employees are eligible to receive in-service distributions.

Loans

The Plan Administrator, in its discretion, permits Participants to apply for a loan from the Plan. The Plan Administrator may further adopt any administrative rules or procedures that it deems necessary or appropriate with respect to the granting and administering of loans. Please refer to the Loan Procedures (a copy of which is at the end of this document) for more information regarding taking a loan from the Plan.

INVESTMENTS

Participant Self-Direction

In General. The Plan Administrator allows you to direct the investment of all of your Accounts. The Plan Administrator may establish uniform guidelines and procedures relating to Participant self-direction.

Investment Elections. You may direct the percentage of your Accounts to be invested in one or more of the available investment funds. Your elections will be subject to such rules and limitations as the Plan Administrator may prescribe. After your death, your beneficiary may make investment elections as if the beneficiary were the Participant. However, the Plan Administrator may restrict investment transfers to the extent required to comply with applicable law.

Investment Decisions. The Plan is intended to constitute a plan described in section 404(c) of ERISA. This means that Plan fiduciaries may be relieved of liability for any of your losses that are the result of your investment elections.

Valuation Dates

Accounts are valued each business day.

SPECIAL TOP-HEAVY RULES

Minimum Allocations

If the Plan is Top-Heavy, the Employer will generally allocate a minimum of 3% of your Plan Compensation to the Plan if you are a Participant who is (i) employed by the Employer on the last day of the Plan Year and (ii) not a key employee.

Please note, if you are covered by a collective bargaining agreement you will not share in Top-Heavy minimum allocations, provided retirement benefits were the subject of good faith bargaining.

Minimum Vesting

If you complete an hour of service while this Plan is Top-Heavy, your vested percentage will be determined under the schedule(s) provided for the section entitled "Vesting".

CLAIMS PROCEDURES

Application for Benefits. You or any other person entitled to benefits from the Plan (a "Claimant") may apply for such benefits by completing and filing a claim with the Plan Administrator. Any such claim must be in writing and must include all information and evidence that the Plan Administrator deems necessary to properly evaluate the merit of and to make any necessary determinations on a claim for benefits. The Plan Administrator may request any additional information necessary to evaluate the claim.

Timing of Notice of Denied Claim. The Plan Administrator will notify the Claimant of any adverse benefit determination within a reasonable period of time, but not later than 90 days (45 days if the claim relates to a disability determination) after receipt of the claim. This period may be extended one time by the Plan for up to 90 days (30 additional days if the claim relates to a disability determination), provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, prior to the expiration of the initial review period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If the claim relates to a disability determination, the period for making the determination may be extended for up to an additional 30 days if the Plan Administrator notifies the Claimant prior to the expiration of the first 30-day extension period.

Content of Notice of Denied Claim. If a claim is wholly or partially denied, the Plan Administrator will provide the Claimant with a written notice identifying:

1. The reason or reasons for such denial,
2. The pertinent Plan provisions on which the denial is based,
3. Any material or information needed to grant the claim and an explanation of why the additional information is necessary, and
4. An explanation of the steps that the Claimant must take if he wishes to appeal the denial including a statement that the Claimant may bring a civil action under ERISA.

Appeals of Denied Claim. If a Claimant wishes to appeal the denial of a claim, he must file a written appeal with the Plan Administrator on or before the 60th day (180th day if the claim relates to a disability determination) after he receives the Plan Administrator's written notice that the claim has been wholly or partially denied. The written appeal must identify both the grounds and specific Plan provisions upon which the appeal is based. The Claimant will be provided, upon request and free of charge, documents and other information relevant to his claim. A written appeal may also include any comments, statements or documents that the Claimant may desire to provide. The Plan Administrator will consider the merits of the Claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator may deem relevant. The Claimant will lose the right to appeal if the appeal is not timely made. The Plan Administrator will ordinarily rule on an appeal within 60 days (45 days if the claim relates to a disability determination). However, if special circumstances require an extension and the Plan Administrator furnishes the Claimant with a written extension notice during the initial period, the Plan Administrator may take up to 120 days (90 days if the claim relates to a disability determination) to rule on an appeal.

Denial of Appeal. If an appeal is wholly or partially denied, the Plan Administrator will provide the Claimant with a notice identifying:

1. The reason or reasons for such denial,
2. The pertinent Plan provisions on which the denial is based,
3. A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits, and
4. A statement describing the Claimant's right to bring an action under section 502(a) of ERISA. The determination

rendered by the Plan Administrator will be binding upon all parties.

Determinations of Disability. If the claim relates to a disability determination, determinations of the Plan Administrator will include the information required under applicable United States Department of Labor regulations.

YOUR RIGHTS UNDER ERISA

As a participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). This federal law provides that you have the right to:

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain, once a year, a statement from the Plan Administrator regarding your Accrued Benefit under the Plan and the nonforfeitable (vested) portion of your Accrued Benefit, if any. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

In addition, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining your benefits or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

MISCELLANEOUS

Domestic Relations Orders

Under certain circumstances, a court may issue a domestic relations order assigning a portion of your benefits under the Plan to a spouse, former spouse, child or other dependent. The Plan Administrator will determine whether the order is a qualified domestic relations order ("QDRO"). If the Plan Administrator determines that the order is a QDRO, it will implement the terms of the QDRO and divide your Account accordingly. You may obtain, without charge, a copy of the Plan's QDRO procedures from the Plan Administrator.

Disability

Under this Plan, you are disabled if you are a Participant with a total and permanent disability within the meaning of Section 72(m)(7) of the Code to the extent the Participant is, or would be, entitled to social security disability benefits as determined by the federal Social Security Administration.

Assignment and Alienation of Benefits

Except as provided below, your Account is held in trust and cannot be assigned and, to the extent permitted by law, is not subject to any form of attachment, garnishment, sequestration or other actions of collection. You may not alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which you may expect to receive, contingently or otherwise, under the Plan, except that you may designate a beneficiary.

However, you may lose all or part of your balance:

1. Pursuant to the terms of a QDRO;
2. To comply with any federal tax levy; or
3. To comply with the provisions and conditions of a judgment, order, decree or settlement agreement between you and the Secretary of Labor or the Pension Benefit Guaranty Corporation relating to your violation (or alleged violation) of ERISA fiduciary responsibilities.

Amendment and Termination

Although the Employer intends to maintain the Plan indefinitely, the Employer may amend or terminate the Plan at any time in its sole discretion. If any of these actions is taken, you will be notified. However, no such action may permit any part of Plan assets to be used for any purpose other than the exclusive benefit of participants and beneficiaries or cause any reduction in your vested Account balance as of the date of the amendment or termination. If the Plan is terminated, all amounts credited to your Account will become 100% vested.

Fees

Your Account may be charged for some or all of the costs and expenses of operating the Plan. Such expenses include, but are not limited to, investment expenses and costs to process loans, Plan distributions and QDROs. For specific information regarding the fees that are charged by the Plan, please contact the Plan Administrator.

Insurance

The Plan is not insured by the Pension Benefit Guaranty Corporation (PBGC) because it is not a defined benefit pension plan.

Administrator Discretion

The Plan Administrator has the authority to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities in the Plan and to supply omissions to the Plan. Any construction, interpretation or application of the Plan by the Plan Administrator is final, conclusive and binding.

Plan Not a Contract of Employment

The Plan does not constitute, and is not to be deemed to constitute, an employment contract between the Employer and any employee or an inducement or condition of employment of any employee. Nothing in the Plan is to be deemed to give any employee the right to be retained in the Employer's service or to interfere with the Employer's right to discharge any employee at any time.

Waiver

Any failure by the Plan or the Plan Administrator to insist upon compliance with any of the Plan's provisions at any time or under any set of circumstances does not operate to waive or modify the provision or in any other manner render it unenforceable as to any other time or as to any other occurrence, whether the circumstances are the same or different. No waiver of any term or condition of the Plan is valid or of any force or effect unless it is expressed in writing and signed by a person authorized by the Plan Administrator to grant a waiver.

Errors

Any clerical or similar error by the Plan Administrator cannot give coverage under the Plan to any individual who otherwise does not qualify for coverage under the Plan. An error cannot give a benefit to an individual who is not actually entitled to the benefit.

ADMINISTRATIVE INFORMATION

1. The Plan Sponsor and Plan Administrator is Life Care Centers of America, Inc.

Address: 3570 Keith Street NW, Cleveland, Tennessee 37320-3480
Phone number: 423-339-8304
Employer Identification Number: 62-0963862
2. The Plan is a 401(k) profit-sharing plan. The Plan number is 001.
3. The Plan's designated agent for service of legal process is the President of the corporation named in item 1. Any legal papers should be delivered to such person at the address listed in item 1. However, service may also be made upon the Plan Administrator or a Trustee.
4. The Plan's assets are held in a trust created under the terms of the Plan. The Trustee is a Trustee under the Prudential Bank & Trust Company, FSB Trust Agreement.
5. The Employer's Plan Year ends on December 31.
6. If the Plan is established or maintained by two or more employers, you can obtain a complete list of the employers sponsoring the Plan upon written request to the Plan Administrator (this list is also available for examination by participants and beneficiaries); you may also receive from the Plan Administrator, upon written request, information as to whether a particular employer is a sponsor of the Plan and, if the employer is a plan sponsor, the sponsor's address.
7. The following entities have adopted the Plan: Century Park Associates, LLC.

Custom Language:

Post Severance Compensation comprised of post severance military and disability continuation payments, is excluded from the definition of Statutory Compensation

LOAN PROCEDURES
EFFECTIVE: JANUARY 01, 2022
LIFE CARE CENTERS OF AMERICA, INC. 401(K) SAVINGS PLAN

This document contains important information about the procedures for obtaining a loan from the Plan. The following rules shall apply to the loan program:

Administration of the Plan Loan Program The Plan loan program is administered by the Plan Administrator.

Who May Apply for a Loan The Plan permits loans to be made to Participants who qualify as a "party in interest" as defined by ERISA Section 3(14) in accordance with these written loan procedures. Participants whose employment has terminated or who are Beneficiaries or an alternate payee under a Qualified Domestic Relations Order (QDRO) are not eligible to take a Plan loan and all references to Participants in this loan policy excludes these individuals.

Applying for a Loan All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant applies for the loan in accordance with elections made by the Plan Sponsor in the Administrative Services Agreement between the Plan Sponsor and the service provider ("Prudential") as follows:

- For Outsourced Loans, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The date and time of receipt will be appropriately recorded.
- For Automated Loans, a Participant may apply for a loan by submitting a loan application ("Application"), in a form prescribed by Prudential and consistent with the terms of this Loan Policy as authorized by the Plan Administrator, to Prudential by authorized electronic means. The request will be reviewed and approved and/or denied by an authorized representative of the Employer by electronic means. The date and time of the receipt will be appropriately recorded.
- For Non-Automated Loans, a Participant may apply for a loan by submitting a duly completed loan application ("Application") to the Plan Administrator or authorized plan representative that has been signed by the Participant, within the 90-day period prior to the making of the loan. If spousal consent is required, the application must be signed by the spouse and witnessed by a notary public or an authorized plan representative. An authorized plan representative must approve the loan.

All loan applications will be reviewed on a uniform and nondiscriminatory basis and your loan will be approved if the Plan Administrator determines you have the ability to repay the loan, the loan is adequately secured and the loan meets the other requirements set out below. The Plan Administrator will not investigate the Participant's creditworthiness before making the loan as the loan will be treated as a directed investment of the borrower's Account.

If your loan is approved, you will be required to sign a promissory note.

Applying for New Loans After Repayment No loan may be made to a Participant sooner than thirty (30) days after the outstanding loan balance of the prior loan has been repaid.

Type of Loan Loans will be permitted for any general purpose or the purchase of a primary residence.

Accounts and/or Investments Loans may only be made from the following Accounts and/or Investments: Such accounts as the Plan Administrator determines.

Maximum Amount of Loan A loan cannot be greater than 50% of the vested account balance under the Plan. Additionally, the loan cannot exceed \$50,000 minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made.

Repayment Loans must be repaid over a period not extending beyond five years from the date of the loan, unless such loan is used

to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as your principal residence. The maximum loan term for a principal residence loan is thirty (30) years.

Loans may be paid in full at any time without penalty. Participants may contact the record keeper in order to obtain a payoff quote that is valid for 14 calendar days. Partial prepayments of principal only will not change the amount or timing of subsequent payments due prior to pay off of the loan, but will simply reduce the total number of payments to be made. In order to be processed as a prepayment of principal only, the Participant or authorized representative of the Employer must notify Prudential that the partial prepayment should be processed as a principal only payment, and the amount should be sent as a separate payment, not with payments made in accordance with the amortization schedule. Unless otherwise directed by the Participant or an authorized representative of the Employer within a reasonable timeframe from the date of receipt, payments made as required by the loan amortization schedule will be allocated to principal and interest in accordance with the amortization schedule.

A loan, if not otherwise due and payable, is due and payable on the date of the Participant's termination of employment with the Employer unless the Participant is a "party in interest" as described above. If the balance of the loan is not paid at termination of employment, the remaining balance will be offset against the participant's account upon the earlier of (1) a partial or total distribution of the account to the Participant or (2) expiration of the grace period.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

How to Repay Loans will be paid through payroll deductions unless loan repayments are not possible from payroll deduction, in which case payments will be due directly from the Participant by check or similar payment method.

Refinancing Options You may not refinance your loan.

Special Rules for Military Leave If a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his or her account balances, the Plan will suspend loan repayments until the Participant's completion of military service. The Employer will provide the Participant with a written explanation of the effect of the Participant's military service upon his or her Plan loan. While the Participant is on active duty in the United States military, the interest rate on the loan will not exceed six percent (6%), compounded annually.

Special Rules for Non-Military Leave The Plan Administrator will suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

Special Rules for After a Suspension due to Leave When payments resume following a payment suspension in connection with a leave of absence authorized in this policy, the Plan Administrator will select one of the following methods to repay the loan, plus accumulated interest:

- The Participant will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan
- The Participant may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. In the case of a non-military leave of absence, the revised term of the loan will not exceed the maximum term permitted under this policy. In the case of a military leave of absence, the revised term of the loan will not exceed the maximum term permitted under this policy, augmented by the time the Participant was actually in United States military service.

Rollover Contributions of Loans An Employee may not make and the Plan will not accept a Direct Rollover of a loan note from the qualified plan of a Participant's former employer.

Rollover Distributions of Loans A Participant may not request a Direct Rollover of a loan note to another qualified plan.

Maximum Number of Loans The maximum number of loans outstanding at any one time is one (1).

Minimum Loan Amount The minimum loan amount is \$1,000.

Interest Rate According to U.S. Department of Labor Regulations, the interest rate for a participant loan from a retirement plan must be comparable to the current interest rates charged by financial institutions for similar loans. The interest that will apply on your loan will be the U.S. Federal Reserve bank Prime rate + 1%. The interest rate on Participant loans will be declared on the last business day of a calendar quarter effective for loans made on and after the first business day of the subsequent quarter, however, the Plan reserves the right to change the basis for determining the interest rate prospectively with thirty (30) days' notice. The source for the rate will be www.federalreserve.gov or other websites that may provide the same information.

Collateral Your vested account balance under the Plan will serve as collateral for the loan. A maximum of 50% of your vested account balance may be used as collateral.

All loans will be considered a directed investment from the account(s) of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the account(s) of such Participant.

Spousal Consent This plan is not subject to the Qualified Joint and Survivor Annuity requirements. The Participant is not required to obtain his/her spouse's consent to use the account balance as security for the loan regardless of the value of the Participant's account balance.

Fees The Plan may charge that portion of the Participant's account balances with expenses directly related to the loan set-up, annual maintenance, administrative charges, and collection of the note. The Plan Administrator, as to new loans, may increase these fees by notice to or agreement with the record keeper or other party administering loans and repayments.

Default Your loan will be in default if a scheduled payment becomes 90 days overdue after each due date. However, the default period may be extended by the Plan Administrator to the end of the cure period. The "cure period" is the repayment period allowed by the Plan Administrator which will not extend beyond the last day of the calendar quarter following the calendar quarter during which the last scheduled installment payment was due and not paid.

If the Participant is currently in default on a loan from this Plan, the Participant may not have an additional loan from this Plan until the defaulted loan has been repaid or offset.

To fully understand the potential tax consequences in the event of a loan default, you are encouraged to seek professional tax advice before requesting a loan.

Coordination with Qualified Domestic Relations Orders ("QDROs") No loan will be approved if the Plan Administrator is reviewing a domestic relations order that may affect your benefit under the Plan.

**NON-STANDARDIZED 401(K) (ADOPTION AGREEMENT FORMAT) - POST
SUMMARY OF MATERIAL MODIFICATIONS**

The purpose of this Summary of Material Modifications is to inform you of changes that have been made to the Non-Standardized 401(k) (Adoption Agreement Format) - Post. These changes affect the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

DISTRIBUTIONS

Any reference to "age 70-1/2" is replaced with "age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949)".

The rules regarding the payment of your account to your designated beneficiary(s) after your death have been updated. Generally, a designated beneficiary must receive your entire account balance by the end of the 10th calendar year following your death. There are exceptions to this rule if your designated beneficiary is your surviving spouse or if your beneficiary is either disabled, chronically ill, not more than 10 years younger than you or is your child who has not yet reached age 21. If an exception applies, your designated beneficiary may have the payment period extended beyond the 10 years.

LONG-TERM PART-TIME EMPLOYEES

If your Plan requires more than 500 Hours of Service to become eligible to make Elective Deferrals to the Plan you may become eligible under special provisions afforded to long-term part-time employees. A long-term part-time employee generally is an employee who completes at least 500 hours of service, but less than a 1,000 hours of service in a computation period. If you complete at least 500 Hours of Service, but less than 1,000 Hours of Service during three consecutive periods, as defined by the Plan starting in 2021, you may be able to make Elective Deferrals.

LIFE CARE CENTERS OF AMERICA, INC. 401(K) SAVINGS PLAN

SUMMARY OF MATERIAL MODIFICATIONS

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the Life Care Centers of America, Inc. 401(k) Savings Plan effective January 1, 2024. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The revised portion of the Summary Plan Description is described below.

ELIGIBILITY

Elective Deferral Contributions and Employer Matching Contributions

You will become eligible to make Elective Deferral Contributions and receive Employer Matching Contributions on the as soon as administratively possible following employment the date you first perform an Hour of Service as an Eligible Employee.

All eligibility service with the Employer is taken into account.

Please note, if you are eligible to make or receive contributions you will be a "Participant" in the Plan.

CONTRIBUTIONS

The Internal Revenue Code may also further restrict Employer Matching Contributions for highly compensated employees.

VESTING

Elective Deferral Account, Rollover Contribution Account and Employer Matching Contribution Account

You are always fully (100%) vested in your Elective Deferral Account, Rollover Contribution Account and Employer Matching Contribution Account.

LIFE CARE CENTERS OF AMERICA, INC. 401(K) SAVINGS PLAN

SUMMARY OF MATERIAL MODIFICATIONS

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the Life Care Centers of America, Inc. 401(k) Savings Plan effective January 1, 2026. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The revised portion of the Summary Plan Description is described below.

INTRODUCTION

Life Care Centers of America, Inc. (the "Employer") established the Life Care Centers of America, Inc. 401(k) Savings Plan (the "Plan") effective July 01, 1992. This Summary Plan Description describes the Plan as restated effective January 01, 2022. This revised Summary Plan Description supersedes all previous Summary Plan Descriptions. Although the purpose of this document is to summarize the more significant provisions of the Plan, the plan document will prevail in the event of any inconsistency. In addition, the terms of the Plan cannot be modified by written or oral statements made to you by the Plan Administrator or other personnel.

The following special effective dates apply to some features of the Plan: Roth Elective Deferrals were added effective as of January 7, 2025.

CONTRIBUTIONS

Automatic Contributions

The Plan does not provide for automatic enrollment.

Roth Contributions

The Plan allows Elective Deferral Contributions to be made as Roth Contributions. Roth Contributions are Elective Deferral Contributions that are made in the same manner as your pre-tax Elective Deferral Contributions except that Roth Contributions are made to the Plan on an after-tax basis. If certain requirements are met, a "qualified distribution" from your Roth Contribution Account in the Plan will not be taxed. Please note, Roth Contributions are "Matched Employee Contribution". The Employer may match contributions you make as Roth Elective Deferral Contributions.

You must designate how much you would like to contribute on a pre-tax basis (normal Elective Deferral Contribution) and how much you would like to contribute as an after-tax Roth Contribution. You are not required to make any Roth Contributions. You may continue to designate all of your Elective Deferral Contribution elections as normal pre-tax contributions.

The sum of your Roth Contributions and normal Elective Deferral Contributions may not exceed the annual limit on normal Elective Deferral Contributions mentioned above.

As was mentioned above, a "qualified distribution" of your Roth Contributions (and earnings) is not taxable. A "qualified distribution" must be made more than five years after the first Roth Contribution is made and must meet at least one of the following requirements:

- (i) the distribution must be made after you attain age 59-1/2;
- (ii) the distribution must be made to your beneficiary after your death; or
- (iii) the distribution must be made on account of your disability.

Please note, Roth Contributions are not suitable for everyone. Please consult with your tax advisor before making any Roth Contributions to the Plan.

Employer Matching Contributions

The Employer may, in its sole discretion, make a matching contribution on your behalf if you make a "Matched Employee Contribution". A "Matched Employee Contribution" is any Elective Deferral Contribution or Catch-up Contribution that you may make during the Plan Year. If you make a "Matched Employee Contribution" the Employer may contribute to your Employer Matching Contribution Account in an amount and allocation formula as determined by the Employer in its sole discretion.

The Internal Revenue Code may also further restrict Employer Matching Contributions for highly compensated employees.

Rollover Contributions

The Plan may accept a Rollover Contribution made on behalf of any Eligible Employee, regardless of whether such employee has met the age and service requirements of the Plan. An Eligible Employee who has not yet met any of the eligibility requirements of the Plan will be deemed a Participant only with respect to amounts, if any, in his Rollover Contribution Account. Rollover contributions will be accepted only from the following contribution types: Section 401(a) excluding after-tax: (1) PS/Thrift Savings-401(a) (2) Employee Stock Ownership-401(a) excluding in-kind transfers of assets (3) 401(k) (4) Money Purchase-401(a) (5) Target Benefit-401(a) (6) Defined Benefit Plans (Pension & Cash Balance Plans); Section 403(b) excluding after-tax-Custodial Account or Annuity Purchased by a Section 501(c)(3) organization or public school; Section 408(a) Individual Retirement Account if it contains only rollover funds from an approved Plan listed above. .

VESTING

Elective Deferral Account and Rollover Contribution Account

You are always fully (100%) vested in your Elective Deferral Account and Rollover Contribution Account.

Employer Matching Contribution Account

Effective March 1, 2026, your interest in your Employer Matching Contribution Account will vest based on your Years of Vesting Service (defined below) in accordance with the following schedule:

<u>Years of Vesting Service</u>	<u>Vesting Percentage</u>
Less than Three Years	0%
Three or More Years	100%

However, if the Employer must make a matching contribution to your Account in order to satisfy certain nondiscrimination tests required by the Internal Revenue Code, you will be 100% vested in those matching contributions.

Special Vesting Rules

You will become fully (100%) vested upon your attainment of Normal Retirement Age (defined in the Distributions section below) while an employee, your death while an employee or becoming disabled while an employee.

The following special vesting rules will apply: Participants whose employment commencement dates are prior to March 1, 2026 shall be 100% vested at all times in their Matching Contribution Account.

IN-SERVICE DISTRIBUTIONS

Hardship Distributions

General Rule. You may receive a distribution on account of hardship from the vested portion of the following Accounts.

- Elective Deferral Account, including earnings of your Elective Deferral Account.
- Matching Contribution Account.

Your Roth Contributions may be withdrawn on account of financial hardship in the same manner as your normal Elective Deferral Contributions. Please note however, that the income on the Roth Contributions may be taxable (and subject to penalties for early withdrawal) if the withdrawal is not a "qualified distribution."

Please note, the following limitations apply to hardship distributions: Hardship withdrawals will be limited to 2 per year.

Immediate and Heavy Financial Need. You may receive a hardship distribution only if the Plan Administrator finds that you have an immediate and heavy financial need where you lack other available resources. The following are the only financial needs considered immediate and heavy:

1. Expenses incurred or necessary for medical care, described in Code section 213(d), for you or your spouse, children, or dependents;
2. The purchase (excluding mortgage payments) of a principal residence for the Participant;
3. Payment of tuition and related educational fees for the next 12 months of post-secondary education for you or your spouse, children or dependents;
4. The need to prevent the eviction of you from your principal residence (or a foreclosure on the mortgage on your principal residence);

5. Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents;
6. Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction; or
7. Expenses incurred on account of a federally declared disaster.

Hardship distributions may be made for certain expenses of your primary beneficiary in addition to your dependents. These expenses include those for medical, tuition, and funeral expenses. A person is your "primary beneficiary" if that person is named as a beneficiary under the Plan and has an unconditional right to all or a portion of your Account Balance upon your death.

There will no longer be a 6-month suspension period for your Elective Deferral Contributions, if applicable, after the receipt of the hardship distribution. However, any remaining portion of the 6-month suspension period for a prior hardship distribution will continue until completion.

Amount Necessary to Satisfy Need. A distribution will be considered as necessary to satisfy your immediate and heavy financial need only if:

1. You have obtained all distributions, other than hardship distributions, under all plans maintained by the Employer;
2. The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).
3. You have represented in writing or by electronic medium that you have insufficient cash or other liquid assets to satisfy the financial need.

Attainment of Age 59 1/2

You may receive a distribution after you reach age 59 1/2 from the vested portion of all of your Accounts. Your Roth Contributions may be withdrawn in the same manner as your normal Elective Deferral Contributions. Please note however, that the income on the Roth Contributions may be taxable (and subject to penalties for early withdrawal) if the withdrawal is not a "qualified distribution."

In-Plan Roth Rollovers of Distributable Amounts

If you have money in a non-Roth Account that is eligible for a distribution from the Plan you may roll over the Account balance to a Roth (after-tax) Account under this Plan. If you roll over the payment to a designated Roth account in this Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). In-Plan Roth Rollovers are not permitted for loans from the Plan. Any amount you roll over can be distributed under the rules applicable to the Account immediately prior to the rollover.

In-Plan Roth Rollovers of Amounts Not Otherwise Distributable

If you have money in a non-Roth Account which is not otherwise distributable, you may transfer the Account balance to a Roth (after-tax) Account under this Plan. If you transfer the payment to a designated Roth account in this Plan, the amount of the payment transferred (reduced by any after-tax amounts directly rolled

over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount transferred out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). Any amount you transfer will retain the restrictions on distributions the Account had before the transfer.

Only the following Accounts are available for an In-Plan Roth Rollover of amounts not otherwise distributable:

- All accounts.

In-Plan Roth Rollovers of amounts not otherwise distributable are not permitted for loans from the Plan.

402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

For payments not from a designated Roth account

YOUR OPTIONS FOR ELIGIBLE ROLLOVER DISTRIBUTIONS

You are receiving this notice because you are eligible to receive a payment from the LIFE CARE CENTERS OF AMERICA INC. 401(K) SAVINGS PLAN (the "Plan") that you can transfer (roll over) to an IRA or another employer plan. This notice is intended to help you decide whether to roll over the payment (or some portion of it).

CONTENTS

GENERAL INFORMATION ABOUT ROLLOVERS

What can I do with an amount that is eligible for rollover?

How can a payment affect my taxes?

How can a rollover affect my taxes?

What types of retirement accounts and plans may accept my rollover?

How do I do a rollover?

How much may I roll over?

If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?

Will I owe state income taxes?

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

If you miss the 60-day rollover deadline

If your payment includes employer stock that you don't roll over

If you have an outstanding loan that is being offset

If you receive a payment and you were born on or before January 1, 1936

If your payment is from a governmental section 457(b) plan

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If you roll over your payment to a SIMPLE IRA

If you roll over your payment to a Roth IRA

If you roll over your payment to a designated Roth account in the Plan

If you aren't a Plan participant

If you are a nonresident alien

Other special rules

FOR MORE INFORMATION

GENERAL INFORMATION ABOUT ROLLOVERS

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account in some employer plans that is subject to special tax rules). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section, including rules if your Plan is a governmental section 457(b) plan, you have after-tax contributions, or your benefit does not exceed \$7,000.

What can I do with an amount that is eligible for rollover?

When an amount payable (that is, an amount you are eligible to take as a payment from the Plan) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,
- Roll it over into another employer plan,
- Roll it over into an IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and the terms of the Plan. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

How can a payment affect my taxes?

If you don't do a rollover, you will be taxed on a payment from the Plan, and, if you are under age 59½, you will also have to pay a 10% additional tax (unless an exception applies).

How can a rollover affect my taxes?

If you do a rollover, you won't have to pay tax until you receive payments later.

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan (such as a section 401(k) plan), a section 403(b) plan or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that receives the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs aren't subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan. For additional information on IRAs, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA provider or the administrator of the employer plan for information on how to do a direct rollover.

If you do a 60-day rollover, you will receive a payment from the Plan and then make a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the amount withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

You may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceeded tax law limitations;

- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP;
- Distributions used to pay certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

If you are under age 59½, you will have to pay the 10% additional tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you are at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in substantially equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service as a qualified public safety employee and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments from a private-sector plan made after you separate from service as a private-sector firefighter and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments made due to disability;
- Payments made after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payments made from a defined contribution plan that are qualified long term care distributions;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);

- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Phased retirement payments made to federal employees; and
- Payments from a pension-linked emergency savings account.

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, *Pension and Annuity Income*, under the heading *Tax on Early Distributions*. For information on how to claim an exception, see the Instructions for IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*.

If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional tax on early distributions on the part of the payment that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exceptions for payments from a plan made after you separate from service if you are at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under the Plan for qualified public safety employees and private-sector firefighters) doesn't apply to payments from an IRA;
- The exception for payments made pursuant to QDROs under a plan doesn't apply to an IRA (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and
- The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax Favored Accounts*. See also, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading *Early Distributions*.

Will I owe state income taxes?

This notice doesn't address any state or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-

tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that isn't a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment of \$12,000, of which \$2,000 is after-tax contributions, and no part of the payment is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* under the heading *Rollovers*.

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover to an IRA or an employer plan for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any later payments from the IRA or, generally, the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan (offset amount), typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset, even though you will not receive the offset amount. Generally, you may roll over all or any

portion of the offset amount using other funds. Any offset amount that is not rolled over will be taxed (including the 10% additional tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you separate from service. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you receive a payment and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump-sum payment that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is an "unforeseeable emergency" and the special rules under the sections "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936," do not apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income, not to exceed \$3,000, the amounts, (1) that were paid by the Plan directly to an insurer of health coverage or qualified long-term care insurance or (2) that were received by you from the Plan and used to pay premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse or your dependents. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a SIMPLE IRA

You can only roll over a payment from the Plan to a SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the SIMPLE IRA plan.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA (which, for purposes of this explanation, includes a Roth SIMPLE IRA), a special rule applies under which the amount of the payment rolled over reduced by any after-tax amounts, will be taxed. In general, the 10% additional tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional tax will apply on the amount includible in gross income (unless an exception applies).

If you roll over the payment to a Roth IRA, you won't have to take required minimum distributions from the Roth IRA during your lifetime. Later payments from the Roth IRA that are qualified distributions will not be taxed, including earnings after the rollover. A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies). For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you roll over your payment to a designated Roth account in the Plan

You cannot roll over a payment to a designated Roth account in another employer's plan. However, you can roll the payment over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over, reduced by any after-tax amounts directly rolled over, will be taxed. In general, the 10% additional tax on early distributions will not apply. However, if you take the amount rolled over out of the designated Roth account within the 5-year period that begins January 1 of the year of the rollover, the 10% additional tax will apply on the amount includible in gross income (unless an exception applies).

If you roll over the payment to a designated Roth account in the Plan, you won't have to take required minimum distributions from the designated Roth account during your lifetime. Later payments from the designated Roth account that are qualified distributions will not be taxed, including earnings after the rollover. A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule you count from January 1 of the year of the first contribution to your designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

If you are not a Plan participant

Payments after death of the participant. If you receive a payment after the participant's death that you do not roll over, the payment generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936," applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA either as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional tax on early distributions (unless an

exception applies), and required minimum distributions from your IRA will be based on your age.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional tax on early distributions. However, if the participant had started taking required minimum distributions from the Plan, required minimum distributions must continue to be made from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, distributions from the inherited IRA must begin when the participant would have been required to begin required minimum distributions.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional tax on early distributions. You will have to take required minimum distributions from the inherited IRA.

For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

Payments under a qualified domestic relations order (QDRO). If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional tax on early distributions.

For more information, see IRS Publication 504, *Divorced or Separated Individuals*.

If you are a nonresident alien

If you are a nonresident alien, and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing IRS Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, and attaching your IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. See IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*, for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200, not including payments from a designated Roth account in the Plan, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out of more than \$1,000.00, not including payments from a designated Roth account in the Plan, will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) without the participant's consent. Generally, a mandatory cashout is only allowed if the participant's benefit does not exceed \$7,000.

You may have the ability to repay certain distributions from your retirement plan. If you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, you generally may repay that distribution to an eligible retirement plan within a certain time period. For more information on repayments of qualified reservist distributions, see IRS Publication 3, *Armed Forces' Tax Guide*. For more information on other repayments, see IRS Publication 575, *Pension and Annuity Income*, or consult a professional tax advisor.

Postponement of distribution notice

Generally, if your vested benefit exceeds \$7,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not roll over your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly, or you may receive your distribution and roll it over within 60 days to avoid current taxation and continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment-related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses and currently available Plan investment options, including investment-related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Summary Plan Description, including the sections on timing of distributions and available distributions.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, at irs.gov, or by calling 1-800-TAX-FORM.

402(f) NOTICE OF SPECIAL TAX RULES ON

DISTRIBUTIONS

For payments from a designated Roth account

YOUR OPTIONS FOR ELIGIBLE ROLLOVER DISTRIBUTIONS

You are receiving this notice because you are eligible to receive a payment from the LIFE CARE CENTERS OF AMERICA INC. 401(K) SAVINGS PLAN (the "Plan") that you can transfer (roll over) to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to roll over the payment (or some portion of it).

CONTENTS

GENERAL INFORMATION ABOUT ROLLOVERS

What can I do with an amount that is eligible for rollover?

How can a payment affect my taxes?

How can a rollover affect my taxes?

What types of retirement accounts and plans may accept my rollover?

How do I do a rollover?

How much may I roll over?

If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?

Will I owe state income taxes?

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

If your payment includes employer stock that you don't roll over

If you have an outstanding loan that is being offset

If you receive a payment and you were born on or before January 1, 1936

If your payment is from a governmental section 457(b) plan

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If you roll over your payment to a Roth SIMPLE IRA

If you aren't a Plan participant

If you are a nonresident alien

If you receive a payment from a pension-linked emergency savings account

Other special rules

FOR MORE INFORMATION

GENERAL INFORMATION ABOUT ROLLOVERS

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a designated Roth account are described in this "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section, including rules if your Plan is a governmental section 457(b) plan, you have after-tax contributions, or your benefit doesn't exceed \$7,000.

What can I do with an amount that is eligible for rollover?

When an amount payable (that is, an amount you are eligible to take as a payment from the Plan) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,

- Roll it over into a designated Roth account in another plan,
- Roll it over into a Roth IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and the terms of the Plan. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

How can a payment affect my taxes?

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the portion of the payment that is earnings. If you are under age 59½, a 10% additional tax on early distributions (generally, distributions made before age 59½) will also apply to the earnings (unless an exception applies).

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least five years. In applying the 5-year rule, you count from January 1 of the year the first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year the first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

How can a rollover affect my taxes?

If the payment isn't a qualified distribution and you do a rollover, you won't have to pay taxes currently on the earnings and you won't have to pay taxes later on payments that are qualified distributions. If the payment is a qualified distribution and you do a rollover, you won't be taxed on the amount you roll over and any earnings on the amount you roll over won't be taxed when paid later.

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, a section 403(b) plan, or governmental section 457 plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, Roth IRAs cannot provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the five-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings. For example, assume you are receiving a nonqualified distribution of \$12,000, of which \$2,000 is earnings. In this case, if you directly roll over \$10,000 to an IRA that is a Roth IRA, no amount is taxable because the \$10,000 amount rolled over includes the \$2,000 in earnings and the remaining \$2,000 paid to you is attributable to after-tax contributions.

If you do a 60-day rollover, you will receive payment from the Plan and then make a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution.

If you do a 60-day rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the amount withheld.

How much may I roll over?

You may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions to a beneficiary;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceeded tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP;
- Distributions used to pay certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

The 10% additional tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you are at least age 55 in the year of the separation;
 - Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
 - Payments from a governmental plan made after you separate from service as a qualified public safety employee and in the year of separation, have reached age 50 or 25 years of service under the Plan;
 - Payments from a private-sector plan made after you separate from service as a private-sector firefighter and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
 - Payments made due to disability;
 - Payments after your death;
 - Payments of ESOP dividends;
 - Corrective distributions of contributions that exceed tax law limitations;
 - Cost of life insurance paid by the Plan;
 - Payments made directly to the government to satisfy a federal tax levy;
 - Payments made under a qualified domestic relations order (QDRO);
 - Payments from a defined contribution plan that are qualified birth or adoption distributions;
 - Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
 - Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
 - Payments that are qualified disaster recovery distributions;
 - Payments made from a defined contribution plan that are qualified long-term care distributions;
 - Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
 - Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
 - Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
 - Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution; and
 - Payments from a pension-linked emergency savings account.
- The exceptions for payment from a plan made after you separate from service if you will be at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under the Plan for qualified public safety employees and private-sector firefighters) doesn't apply to payments from an IRA;
 - The exception for payments made pursuant to QDROs under a plan doesn't apply to an IRA (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse); and
 - The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to payments from a Roth IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*. See also, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading *Early Distributions*.

Will I owe state income taxes?

This notice does not address any state or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, under the heading *Rollovers*.

If your payment includes employer stock that you do not roll over

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA or a designated Roth account in another employer plan for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income, and the special rule relating to the distributed employer stock will not apply to any later payments from the Roth IRA or, generally, the Plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, *Pension and Annuity Income*, under the heading *Tax on Early Distributions*. For information on how to claim an exception, see the Instructions for IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*.

If I do a rollover to a Roth IRA, will the 10% additional tax apply to a later distribution from the Roth IRA before age 59½?

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a designated Roth account in an employer plan. However, there are a few differences for payments from a Roth IRA, including:

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan (offset amount), typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you separate from service. If your plan loan offset occurs for any other reason (such as failure to make level repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you receive a payment and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump-sum payment that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to a Roth IRA or a designated Roth account in an employer plan that accepts rollovers. One difference is that, if you receive a payment that is not a qualified distribution and you do not roll it over, you will not have to pay the 10% additional tax on early distributions with respect to the earnings allocated to the payment that you do not roll over, even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan or an IRA). However, if you do a rollover to a Roth IRA or to a designated Roth account in an employer plan that is not a governmental section 457(b) plan, a later distribution that is not a qualified distribution made before age 59½ will be subject to the 10% additional tax on earnings allocated to the payment (unless an exception applies). Other differences include that you cannot do a rollover if the payment is an “unforeseeable emergency” distribution and that the special rules under the sections “If your payment includes employer stock that you do not roll over” and “If you receive a nonqualified distribution and you were born on or before January 1, 1936,” do not apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income, up to a maximum of \$3,000 annually, nonqualified distributions (1) that were paid by the Plan directly to an insurer of health coverage or qualified

long-term care insurance or (2) that were received by you from the Plan and used to pay for premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth SIMPLE IRA

You can only roll over a payment from the Plan to a Roth SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the Roth SIMPLE IRA plan.

If you are not a Plan participant

Payments after death of the participant. If you receive a payment after the participant’s death that you do not roll over, the payment generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section “If you receive a nonqualified distribution and you were born on or before January 1, 1936,” applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA either as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to take any required minimum distributions during your lifetime, and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional tax on early distributions unless an exception applies.

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional tax on early distributions. An inherited Roth IRA is subject to required minimum distributions.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant’s death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional tax on early distributions. You will have to take required minimum distributions from the inherited Roth IRA.

For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

Payments under a qualified domestic relations order (QDRO). If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it).

For more information, see IRS Publication 504, *Divorced or Separated Individuals*.

If you are a nonresident alien

If you are a nonresident alien, the payment is not a qualified distribution, and you don’t do a direct rollover to a U.S. Roth IRA or designated Roth account in a U.S. employer plan, the Plan is generally required to withhold 30% (instead of withholding 20%) of the earnings for federal income taxes. If the amount withheld exceeds the amount

of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing IRS Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, and attaching your IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. See IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*, for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

If you receive a payment from a pension-linked emergency savings account

In general, if you receive a payment from a pension-linked emergency savings account (PLESA), the rules for other payments from a designated Roth account apply. However, several special rules apply to payments from PLESAs. First, all payments from PLESAs are treated as qualified distributions, even if, for example, the payment is made before you reach age 59½ and before you have had a PLESA for at least 5 years. Second, if you terminate employment or your employer terminates your PLESA, you may elect, in addition to your usual rollover options, to roll over all or part of your PLESA into another designated Roth account in the Plan.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without the participant's consent. Generally, a mandatory cashout is only allowed if the participant's benefit does not exceed \$7,000.

You may have the ability to repay certain distributions from your retirement plan. If you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, you generally may repay that distribution to an eligible retirement plan within a certain time period. For more information on repayments of qualified reservist distributions, see IRS Publication 3, *Armed Forces' Tax Guide*. For more information on other repayments, see IRS Publication 575, *Pension and Annuity Income*, or consult a professional tax advisor.

Postponement of distribution notice

Generally, if your vested benefit exceeds \$7,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of

the distribution if you do not roll over your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly, or you may receive your distribution and roll it over within 60 days to avoid current taxation and continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment-related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses and currently available Plan investment options, including investment-related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Summary Plan Description, including the sections on timing of distributions and available distributions.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, at irs.gov, or by calling 1-800-TAX-FORM.



Please print using blue or black ink. Keep a copy for your records and send the original form to:

Life Care Centers of America, Inc.
Attn: 401(k) Department
PO Box 3480
Cleveland, TN 37320-3480

Plan Provisions

For Married Participants: Upon your death, any benefit will be payable to your spouse unless the Spousal Consent section of this form is completed and witnessed.

If you die before you begin to receive benefits and the Spousal Consent has not been completed, the plan must automatically pay a spousal death benefit consisting of 100% of your account balance to your surviving spouse (if any) as beneficiary.

Note: Even if your current beneficiary is a trust or estate of which your spouse is a beneficiary, spousal consent is necessary. Without such waiver and consent, the spousal death benefit must be paid directly to your spouse.

The automatic revocation of a spousal Beneficiary designation in the case of divorce or legal separation does not apply.

Any form which is missing required signatures or dates will be declared invalid.

Please be careful in completing the form; be sure that your designation is accurate, clear and understandable.

General Provisions

- A. The terms of the plan govern the payment of any benefit.
- B. Primary beneficiary(ies). If more than one person is named and no percentages are indicated, payment will be made in equal shares to the Primary beneficiary(ies) who is living at the time the benefit first becomes payable. If a percentage is indicated and a Primary beneficiary(ies) is not alive at the time the benefit first becomes payable, the percentage of that beneficiary's designated share will be divided equally among the surviving Primary beneficiary(ies).
- C. If there is no Primary beneficiary(ies) living at the time of the participant's death, any benefit that becomes payable will be distributed to the surviving Secondary beneficiary(ies) listed, if applicable.
- D. Payment to Secondary beneficiary(ies) will be made according to the rules of succession described under Primary beneficiary(ies) in provision B above. If no designated beneficiary(ies) is alive when payment is otherwise payable, payment will be made in accordance with the plan.
- E. If a Trust is named as beneficiary, any payment to the Trust will be made as if the Trustee is acting in such fiduciary capacity until written notice to the contrary is received.



About You
(Please print using blue or black)

Plan number 5 2 5 0 7 7 - 0 1
Daytime telephone number
Social Security number
Date of birth
First name MI Last name
Address
City State ZIP code
Marital Status: Married Single, widowed or legally divorced
Are you still employed by the employer sponsoring the plan? Yes No

Your Beneficiary Designation
(See "Instructions for Choosing your Beneficiary")

I designate the following as beneficiary of my account with regard to the percentage(s) I have indicated below. Please list additional beneficiaries, along with percentages they are to receive on a separate page, if needed. Indicate whether the additional beneficiary(ies) is/are primary or secondary beneficiary(ies).

(A) Primary Beneficiary(ies) (B) Secondary Beneficiary(ies)
FULL LEGAL NAME
Address
Social Security number Percentage
Date of birth Relationship to you
Telephone number
FULL LEGAL NAME
Address
Social Security number Percentage
Date of birth Relationship to you
Telephone number
Please use whole percentages - must total 100%.

Spousal Consent

I am the spouse of the participant, and I understand that I am entitled to receive 100% of the account upon the participant's death. By signing this consent, I will not receive the benefit that would otherwise have been payable to me upon the participant's death. I voluntarily agree to the participant's designation of the beneficiary(ies) indicated above. I understand that this consent is irrevocable.

X Spouse's signature - must be witnessed by a notary public. Date

Subscribed and sworn before me on the day of the year Notary Stamp or Seal
State of County of
My commission expires
Signature of notary X Date

Your Authorization

Signature X Date



3570 Keith Street NW / P.O. Box 3480 / Cleveland, Tennessee 37320-3480 / (423) 472-9585

AN EQUAL OPPORTUNITY EMPLOYER