



**LEHIGH VALLEY HEALTH NETWORK, INC. 401(k) SAVINGS PLAN**

**AUTOMATIC CONTRIBUTION/DEFAULT INVESTMENT  
ANNUAL NOTICE FOR 2012 PLAN YEAR**

**It is for informational purposes only. This notice is required to be mailed annually to all participants under the Plan.**

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To: Plan Participants

From: Deborah A. Patrick, Vice President, Human Resources, Lehigh Valley Health Network, Inc., 2100 Mack Boulevard, Allentown, PA 18103. Phone number: 484-884-3185. Plan Administrator, Lehigh Valley Health Network, Inc. 401(k) Savings Plan (“Plan”)

Plan Sponsor: Lehigh Valley Health Network, Inc. (“Employer”)

Re: Annual Notice of Rights under Automatic Contribution Arrangement and Notice of Default Investments under the Plan.

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The Qualified Default Investment Alternative provision was implemented effective September 23, 2008 and remains in effect.

**AUTOMATIC ENROLLMENT FEATURE.**

**Automatic contributions (deferrals).** All employees are eligible to participate except employees covered by a collective bargaining agreement, leased employees and employees classified as independent contractors.

This notice advises you of certain rights and obligations you have under the Plan. Under the automatic enrollment provisions of the Plan, LVHN will automatically withhold from your compensation 2% per pay period (referred to as the “automatic deferral percentage”), and will contribute the amount withheld to the Plan as your elective deferral. If you wish to contribute the automatic deferral percentage of 2%, you do not need to do anything. If you wish to contribute an amount or percentage of your compensation that is different than the automatic 2% deferral, you will need to complete a new election. If you wish to decline participating in the Plan, you must also complete a new election indicating your declination. Your revised election (or declination) will become effective as soon as the Plan Administrator can reasonably implement your new election and will remain in effect until you change it. While payroll procedures will govern when the salary reduction agreement first applies to your paycheck, as a general rule you can change your contribution for any future payroll period. **Note: Existing employees already making contributions to their savings plan are not affected by this provision.**

**QUALIFIED DEFAULT INVESTMENT ALTERNATIVE.**

**Right to direct investment/default investment.** You have the right to direct the investment of your elective deferrals as well as your LVHN matching contribution accounts (your “directed accounts”) into any of the investment choices available under the Plan. For contributions received after December 24, 2007, if you do *not* make an election as to how the Plan should invest your LVHN directed accounts, then the Plan will invest your directed accounts in the “default” investment that the Plan officials have selected. The default investments are the Vanguard Target Retirement funds, based on age, and are more fully explained below.

**Description of default investments.** The description of the default investments are as follows:

<u>Fund Name</u>	<u>Ticker</u>	<u>Born Between</u>
Vanguard Target Retirement Income	VTINX	1940 and before
Vanguard Target Retirement 2005	VTOVX	1941 - 1950
Vanguard Target Retirement 2015	VTXVX	1951 - 1960
Vanguard Target Retirement 2025	VTTVX	1961 - 1970
Vanguard Target Retirement 2035	VTTHX	1971 - 1980
Vanguard Target Retirement 2045	VTIVX	1981 and after

**Investment objectives:** The investments seek to provide growth of capital and current income. The funds primarily invest in other Vanguard mutual funds according to an asset allocation designed for investors planning to retire within the specified time period.

**Risk and return characteristics:** Risk ranges from conservative to aggressive.

**Expense ratio:** Ranges from .16% - .19% (annual expense on assets invested in the fund). Fees are subject to change.

**Right to alternative investment.** Even if the Plan invests some or all of your directed accounts in the default investment, you have the continuing right to direct the investment of your directed accounts in one or more of the other investment choices available to you as explained above. You may change your investments at any time. You are entitled to invest in any of the alternative investment choices without incurring a financial penalty.

**Where to go for further investment information.** You can obtain further investment information about the Plan's investment alternatives by contacting the Plan Administrator mentioned above or the following VALIC advisors:

**Michael Ryan – (610) 644-9497**

**Richard Silva, Sr. – (610) 349-3616**

**Kevin Gertz – (610) 392-9912**

**Tim Schroyer – (717) 379-1920**

**Jeffrey Hofmann – (717) 773- 6176**