

December 7, 2009

Dear Retirement Program Participant:

Our commitment to patients, associates, physicians and communities has strengthened our reputation as a premier health care provider. Keeping this reputation requires exceptional associates. To attract and retain the best people involves offering a total rewards package (compensation, benefits, etc.) that:

- Is aligned with the marketplace,
- Meets the needs of our diverse workforce, and
- Reflects Trinity Health's Mission, Values and Founding Principles.

We review the total rewards package often throughout Trinity Health to ensure it represents the value we place on our associates and the important role you play in the organization. As part of a recent review, we have determined that **some modifications to the Trinity Health Retirement Program will occur effective July 1, 2010**. These modifications will allow Trinity Health to resume the employer matching contribution in the Retirement Savings Plan and continue to offer benefits that help associates support themselves in retirement. We are providing this letter along with *Frequently Asked Questions* to give you information about the approach we are taking to our Retirement Program.

**Please note:** We know this subject is technical and you will want to have your questions answered in order to fully understand the modifications. We ask for your patience. This letter is just the first in a series of communications you will receive regarding the upcoming modifications. By the end of May 2010, you will have received information with all the details, as well as a personalized statement showing how the modifications to the Retirement Program will affect you personally.

### Retirement Program Overview

Currently, the Trinity Health Retirement Program consists of the following parts:

- Trinity Health Traditional Defined Benefit Pension Plan (Pension Plan), funded by Trinity Health
- Trinity Health 403(b)/401(k) Retirement Savings Plan (Retirement Savings Plan) with an employer matching contribution (temporarily suspended until June 30, 2010)
- Social Security payments made on your behalf by Trinity Health

The Retirement Program modifications affect the Pension Plan and the Retirement Savings Plan.

### Pension Plan

As of July 1, 2010, you no longer will earn future retirement benefits under the current Traditional Defined Benefit Pension Plan formula. Instead, you will begin to earn benefits under a modified Defined Benefit Cash Balance Pension Plan formula.

- Like the current design, the Defined Benefit Cash Balance Pension Plan is a defined benefit pension plan. It continues to be funded by Trinity Health, and Trinity Health assumes the investment risk.
- **You will not lose any vested benefits you have earned** through June 30, 2010.
- This modification only will affect benefits earned beginning July 1, 2010.

For those associates close to or contemplating retirement in the near future, there is no need or benefit to accelerating your retirement timeline as a result of the change in the Pension Plan as you will continue to earn benefits under the modified plan.

### **Retirement Savings Plan**

In addition, **we are reinstating the 403(b)/401(k) Retirement Savings Plan match effective July 1, 2010.**

- The maximum employer matching contribution level will be 3 percent of pay and will be consistent across all Ministry Organizations with a continuance of the first \$500 match dollar-for-dollar.
- You must be actively participating in the 403(b)/401(k) Retirement Savings Plan to take advantage of the matching contribution.
- As of July 1, 2010, all associates participating in the Retirement Savings Plan will be able to invest the amount of their matching contributions, just as they do their own contributions.

If you have any questions about your contribution level, to ensure you will receive the maximum matching contribution or for other related Retirement Savings Plan questions, please see your Diversified Retirement Plan Specialist or call Diversified at 800.394.5240.

### **The Bottom Line**

The way in which you earn benefits will be different in the Defined Benefit Cash Balance Plan. The modifications to the Retirement Program will affect associates differently depending on age, service, salary levels, Retirement Savings Plan contributions and such. You will receive a personalized statement in May 2010 showing how the Retirement Program modifications personally affect you.

### **Why We Are Modifying the Retirement Program**

There are several reasons for the decision to modify the Trinity Health Retirement Program at this time:

- We must be able to attract and retain valued associates. We believe our modified Retirement Program is in alignment with other plans in the marketplace. It is easier to understand. And, it continues to provide financial support to help associates reach their retirement income goals.
- The Cash Balance Pension Plan provides associates with benefit portability. If you leave Trinity Health at or before retirement, you have access to your total vested Cash Balance Pension Plan benefit. You have additional payment options available to you at retirement, including a lump-sum option regardless of your earned benefit amount or the option for a traditional annuity payment remains.
- A uniform 403(b)/401(k) matching contribution level across Trinity Health will provide for consistent associate value across all Ministry Organizations.
- The modified Trinity Health Retirement Program is more sustainable for Trinity Health over a longer period of time.

Remember that the Trinity Health Retirement Program works together with Social Security and your personal savings to help you achieve your total retirement income goals.

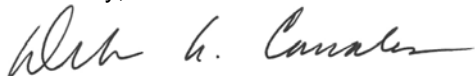
### **Next Steps**

**You do not need to do anything at this time.** We realize you will have questions about the modified Trinity Health Retirement Program. This letter, with *Frequently Asked Questions* attached, is the first in a series of communications you will receive over the next several months. We will be offering numerous opportunities for you to learn more about the current and modified Retirement Program and to get answers to important questions to help you better prepare for your retirement. The series of communications will include ongoing newsletters, access to online training modules, opportunities to discuss the changes and a personalized statement that will be sent in May 2010 showing how the Retirement Program modifications personally affect you. Review and use this information so you begin to gain an understanding of our Retirement Program and can take full advantage of the retirement benefits you receive from Trinity Health.

**If you have any questions** about the Retirement Program or your retirement benefits, please contact the Trinity Health Retirement Plan Office at 800.793.4733.

Thank you for your ongoing efforts and dedication to Trinity Health and the communities we serve.

Sincerely,



Debra A. Canales  
Chief Administrative Officer  
Trinity Health

## Frequently Asked Questions and Answers

GENERAL	
<p><b>1. Why is Trinity Health modifying the Retirement Program effective July 1, 2010?</b></p>	<p>After giving careful consideration to the current structure of our Retirement Program, we determined it was necessary to make modifications to help ensure that the Program remains up to date and sustainable, and that it supports the needs of both our associates and Trinity Health. Our modified Retirement Program is aligned with other plans in the marketplace, is easier to understand, provides support for associates' retirement income goals and is consistent with our Mission, Values and Founding Principles.</p> <p>We will be offering numerous opportunities between now and July 1, 2010 (when the modified Retirement Program goes into effect), for you to learn more about the current and modified Retirement Program.</p>
<p><b>2. What will the modified Retirement Program look like?</b></p>	<p>As of July 1, 2010, the Retirement Program will consist of the following parts:</p> <ul style="list-style-type: none"> <li>▪ Your earned benefit under the current Defined Benefit Pension Plan design through June 30, 2010, including your Pension Plan Match balance</li> <li>▪ A Defined Benefit Cash Balance Pension Plan, funded by Trinity Health, in which your benefit is the sum of annual pay credits and interest credits</li> <li>▪ A transition benefit for actively employed, vested associates whose age plus years of benefit service is 60 points or greater as of June 30, 2010</li> <li>▪ The value of pre-tax contributions you make to the Retirement Savings Plan</li> <li>▪ The value of the Trinity Health matching contributions to your Retirement Savings Plan</li> </ul>
<p><b>3. Will I lose any benefits I have earned under the current Defined Benefit Pension Plan?</b></p>	<p>No. You will not lose any vested benefits already earned under the current Defined Benefit Pension Plan formula as of June 30, 2010. If you are not currently vested in the Pension Plan, your vesting service, both before and after July 1, 2010, will count toward vesting in the current Pension Plan and the future Defined Benefit Cash Balance Pension Plan.</p> <p>For those associates close to or contemplating retirement in the near future, there is no need or benefit to accelerating your retirement timeline as a result of the change in the Pension Plan. Remember that vested benefits already earned are protected and you will continue to earn benefits under the modified plan.</p>

**DEFINED BENEFIT CASH BALANCE PENSION PLAN**

<p><b>4. What is a Cash Balance Pension Plan?</b></p>	<p>A Cash Balance Pension Plan is a Defined Benefit plan. Defined Benefit plans provide a specific benefit at retirement for vested associates. Under a Defined Benefit Cash Balance Pension Plan, Trinity Health assumes any investment risk and funds a “stated” account on your behalf. Unlike a 403(b) or 401(k) plan, this account balance can never go down. It increases each year, based on the credits described below:</p> <ul style="list-style-type: none"> <li>▪ You earn “pay credits” each year based on a percentage of pay determined by a combination of your age and years of benefit service (“points”) at the end of the previous year.</li> <li>▪ Interest credits also are added to the account balance each year based on a defined rate of interest.</li> </ul> <p>This “stated” account is not the same as the Retirement Savings Plan. It is an account used by Trinity Health to track pay and interest credits and determine your benefit amount when you terminate employment or retire from Trinity Health.</p> <p>Vested participants in Defined Benefit Cash Balance Pension Plans are permitted to take their benefits as a lump sum or convert them to an annuity at retirement. In addition, vested participants can choose (with consent of their spouses) to receive their Cash Balance Pension Plan account in a lump sum if they terminate employment prior to retirement age.</p> <p>It’s important to note that your earned benefit through June 30, 2010, will not be converted to a cash balance benefit. Only benefits earned beginning July 1, 2010, will be included in the cash balance formula.</p>
<p><b>5. Can I get an example of how the modified Retirement Program works and how the retirement benefit is calculated?</b></p>	<p>Yes. In January, you will receive a newsletter that will include examples of how benefits are calculated under the modified program.</p>
<p><b>6. Why isn’t my earned Pension Plan benefit being added to the Cash Balance Plan account?</b></p>	<p>Federal law has many restrictions around converting a traditional pension plan benefit to a cash balance plan benefit. As a result, your earned benefit as of June 30, 2010, will not be converted to a Cash Balance Plan benefit.</p>

<p><b>7. Why did Trinity Health choose a Defined Benefit Cash Balance Pension Plan?</b></p>	<p>We believe that a Defined Benefit Cash Balance Pension Plan is better aligned with our Retirement Program objectives and will better meet the needs of our associates and our organization, as outlined in the following table:</p> <table border="1" data-bbox="602 239 1425 989"> <thead> <tr> <th data-bbox="602 239 1019 275">For Our Associates</th> <th data-bbox="1019 239 1425 275">For Our Organization</th> </tr> </thead> <tbody> <tr> <td data-bbox="602 275 1019 989"> <ul style="list-style-type: none"> <li>▪ Provides a benefit that is aligned with our Mission, Values and Founding Principles.</li> <li>▪ Provides a retirement benefit that is better aligned with other plans in the marketplace.</li> <li>▪ Offers portability for those with a vested benefit who leave Trinity Health before retirement.</li> <li>▪ Provides more control in how associates receive payments at retirement by offering both an annuity option and a lump sum payment (regardless of the amount).</li> <li>▪ Trinity Health assumes the investment risk. Your account balance can never go down, and it increases at a specified rate each year.</li> <li>▪ If you die while employed at Trinity Health, your account balance will be paid to your spouse, designated beneficiary or estate.</li> </ul> </td> <td data-bbox="1019 275 1425 989"> <ul style="list-style-type: none"> <li>▪ Allows Trinity Health to continue offering financial support for our associates during retirement.</li> <li>▪ Supports the retention, mobility and attraction of valued associates across the Ministry Organizations.</li> <li>▪ Helps sustain our ministry by better managing overall pension costs and volatility.</li> </ul> </td> </tr> </tbody> </table>	For Our Associates	For Our Organization	<ul style="list-style-type: none"> <li>▪ Provides a benefit that is aligned with our Mission, Values and Founding Principles.</li> <li>▪ Provides a retirement benefit that is better aligned with other plans in the marketplace.</li> <li>▪ Offers portability for those with a vested benefit who leave Trinity Health before retirement.</li> <li>▪ Provides more control in how associates receive payments at retirement by offering both an annuity option and a lump sum payment (regardless of the amount).</li> <li>▪ Trinity Health assumes the investment risk. Your account balance can never go down, and it increases at a specified rate each year.</li> <li>▪ If you die while employed at Trinity Health, your account balance will be paid to your spouse, designated beneficiary or estate.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows Trinity Health to continue offering financial support for our associates during retirement.</li> <li>▪ Supports the retention, mobility and attraction of valued associates across the Ministry Organizations.</li> <li>▪ Helps sustain our ministry by better managing overall pension costs and volatility.</li> </ul>
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<p><b>8. Will I have access to my earned Cash Balance Pension Plan benefit?</b></p>	<p>Once vested, associates will have access to their earned Cash Balance Pension Plan account at the time of retirement or termination of employment with Trinity Health. Active associates are not eligible to make withdrawals from their Cash Balance Pension Plan while they are still actively working.</p>				
<p><b>RETIREMENT SAVINGS PLAN</b></p>					
<p><b>9. What changes are being made to the Retirement Savings Plan?</b></p>	<p>The way in which you contribute to the Retirement Savings Plan is not changing. You still are able to make pre-tax contributions to the plan and invest your contributions to save for your retirement. The Retirement Savings Plan is portable, which means you can take your savings with you if you retire or terminate your employment from Trinity Health.</p> <p>Trinity Health will continue to offer an employer matching contribution component if you contribute to the Retirement Savings Plan. As of July 1, 2010, the maximum employer match will be 3 percent of pay. The match level will be consistent across the organization.</p> <p>In addition, all associates will be able to invest the amount of the Trinity Health matching contributions just as they do their own contributions with Diversified Investment Advisors.</p>				
<p><b>10. How does the Retirement Savings Plan employer matching contribution work?</b></p>	<p>Trinity Health matches dollar-for-dollar on the first \$500 you contribute, plus 50 percent on your contributions over \$500, providing you a maximum match of up to 3 percent of pay (or \$500 if greater).</p>				

## COMMUNICATION AND NEXT STEPS

<p><b>11. Why can't I receive my personalized information before May 2010?</b></p>	<p>Trinity Health wants to provide personalized statements that reflect accurate and timely information so you understand how the modifications pertain to you. This process takes time. Calculations will be performed based on individual data as of December 31, 2009. Additional testing of these calculations and testing of the statements also will be performed to ensure accuracy.</p>
<p><b>12. Why am I receiving this letter in December 2009 if modifications are not effective until July 1, 2010?</b></p>	<p>In the spirit of open communication and to allow time for associates to begin to understand the changes, we want to make you aware of the modifications well before the modifications will take effect. Comprehensive communications will be shared with all associates throughout the next several months. In the meantime, keep in mind these key points:</p> <ul style="list-style-type: none"> <li>▪ Benefits already earned are protected. For those associates close to or contemplating retirement in the near future, there is no need or benefit to accelerating your retirement timeline as a result of these Retirement Program changes, as you will continue to earn benefits under the modified plan.</li> <li>▪ Trinity Health remains committed to providing associates with a retirement plan. We are modifying, not eliminating, the current Defined Benefit Pension Plan.</li> <li>▪ Associates will not lose any vested benefits already earned under the current Defined Benefit Pension Plan.</li> </ul>
<p><b>13. What do I need to do?</b></p>	<p>You do not need to do anything at this time. We anticipate that you will have many questions regarding the changes to the Trinity Health Retirement Program. You will receive information over the next several months, including newsletters, access to online training modules and a personalized statement in May 2010 showing how the Retirement Program modifications personally affect you. Review and use this information to begin to better understand the Retirement Program modifications.</p> <p>If you have questions about the modified Retirement Program or your current Defined Benefit Pension Plan benefits, contact the Trinity Health Retirement Plan Office at 800.793.4733. If you have questions regarding the 403(b)/401(k) Retirement Savings Plan, contact Diversified Investment Advisors at 800.394.5240.</p>

*This letter and Frequently Asked Questions document highlights the changes to the Trinity Health Retirement Program. The descriptions found in this document are not intended to cover all the details about the program. Complete descriptions of these benefits will be found in the legal plan documents and contracts. If there is a conflict between the material in this document and the legal documents, the legal documents will govern. Trinity Health reserves the right to modify, amend or terminate, in any manner and at any time, the plans or any part of the benefits described in this document, including the Retirement Savings Plan employer matching contribution.*