



My Modified Retirement Program

This is the second newsletter about the modified Trinity Health Retirement Program. It is designed to help you understand:

- the modified Retirement Program in greater detail,
- actions you can take now to help support yourself in retirement,
- how the transition adjustment works for eligible associates, and
- what tools and resources are available to you through Trinity Health.

We will also provide information on an important mandatory Healthstream training module that will help increase your understanding of the Retirement Program modifications.

Key Points to Remember about the Cash Balance Plan:

- **Trinity Health funds the Plan.**
- **Trinity Health assumes the investment risk.**
- **Lump sum payment option is available, regardless of the benefit amount—you can take it with you when your employment with Trinity Health ends (with consent of spouse).**
- **Working retirees continue to earn pay credits even if receiving a monthly Pension Plan benefit.**



Summary of Retirement Program Modifications

Let's begin by briefly reviewing the Retirement Program modifications that will take effect on July 1, 2010.

- Beginning July 1, 2010, you will start earning benefits under the modified Retirement Program. The benefit you already earned under the Traditional Defined Benefit Pension Plan (Pension Plan) through June 30, 2010, is protected.
- The modified Retirement Program consists of the Defined Benefit Cash Balance Plan (Cash Balance Plan) and the 403(b)/401(k) Retirement Savings Plan [403(b)/401(k) Plan].
- If you are actively employed as of July 1, 2010, and vested, with points (age plus years of benefit service) equal to 60 or more as of June 30, 2010, you will be eligible to receive a transition adjustment to the Pension Plan benefit through June 30, 2010.

Please review the section "Understanding the Transition Adjustment" on pages 4 and 5 of this newsletter for additional details.

- Effective July 1, 2010, Trinity Health will reinstate the employer matching contribution to the 403(b)/401(k) Plan. Trinity Health's employer matching contribution equals:
 - 100 percent on the first \$500 you contribute to the 403(b)/401(k) Plan, plus
 - 50 percent on your contributions over \$500, providing you a total maximum employer matching contribution of up to 3 percent of your pensionable pay (or \$500, if greater).
- You will be able to direct the investment of the employer matching contribution made for 2010 and future years in your 403(b)/401(k) account at Diversified Investment Advisors.



When Am I Vested?

As discussed in the first newsletter, your vesting service through June 30, 2010, counts toward vesting under the Cash Balance Plan beginning July 1, 2010. If you are not vested as of June 30, 2010, you can continue to “grow” into vesting. The table below shows how you can grow into vesting, assuming you earn at least 1,000 hours of service in each calendar year.

Remember, you are vested in the Pension Plan benefit accrued through June 30, 2010, and the Cash Balance Plan benefit accrued beginning July 1, 2010, after five years of vesting service. You are vested in the 403(b)/401(k) employer matching contribution after three years of vesting service.

You also can become vested in each of the benefits mentioned above if you reach age 65 while actively employed at Trinity Health even if you have not yet reached the required years of vesting service.

Vesting Calendar		
Vesting Service* Earned through December 31, 2009	Pension Plan (through June 30, 2010) and Cash Balance Plan (beginning July 1, 2010)	403(b)/401(k) Trinity Health Matching Contribution
IF you have...	THEN you are...	THEN you are...
5 or More Years of Vesting Service	Vested	Vested
4 Years of Vesting Service	Vested in 1 more year	Vested
3 Years of Vesting Service	Vested in 2 more years	Vested
2 Years of Vesting Service	Vested in 3 more years	Vested in 1 more year
1 Year of Vesting Service	Vested in 4 more years	Vested in 2 more years
0 Years of Vesting Service	Vested in 5 more years	Vested in 3 more years
*You earn a year of vesting service if you have at least 1,000 hours of service in a calendar year.		

For example, **if you have three years of vesting service through December 31, 2009, you do not lose your Pension Plan benefit once the Cash Balance Plan begins on July 1, 2010.** Instead, as shown in the table above, if you continue to be employed by Trinity Health and earn two more years of vesting service (1,000 or more hours in each calendar year), you will become 100 percent vested in **both** the Pension Plan benefit you earned through June 30, 2010, and the Cash Balance Plan benefit you earn beginning July 1, 2010. Additionally, as you can see, if you have three years of vesting service as of December 31, 2009, you will be vested in any employer matching contribution you have earned up to and after that date.

Retirement Planning – A Shared Responsibility

Recently, U.S. economic changes have caused many workers to re-evaluate their investment goals and the number of working years that may be needed to have a more comfortable retirement. Whether you are just beginning your career or planning to retire in the near future, it is important to think about the retirement lifestyle you want to lead and determine how much income you will need to meet your future goals.

Saving for retirement is a shared responsibility between you and Trinity Health. While Trinity Health provides you with the Retirement Program and an employer matching contribution to the 403(b)/401(k) Plan during your working years, it is also important for you to take an active part in planning and saving for your future retirement income needs.

Take Steps Today to Plan for Tomorrow

Here are some things you can do or consider to help fill the potential gap between what income you need for retirement and your current estimated retirement income:

- **Contribute to the 403(b)/401(k) Plan if you are not already participating.** Remember, you receive an employer matching contribution from Trinity Health that can help your account grow.
- **Increase your contributions to the 403(b)/401(k) Plan.** If you already save in the 403(b)/401(k) Plan, consider increasing your contributions over time. Try to increase your contribution each year and be sure that you are contributing enough to get the maximum employer matching contribution from Trinity Health. You can arrange for an automatic increase to your 403(b)/401(k) Plan account through Save Xpress at <https://retirementprogram.trinity-health.org> or by visiting your on-site Diversified Retirement Plan Specialist.
- **Retire later.** Postponing retirement may increase your Trinity Health and Social Security benefit amounts and lower the number of years you need to withdraw savings to meet expenses.

- **Consider part-time employment during retirement.** You can offset inflation and postpone using your savings to subsidize your income.
 - If you take an **early retirement and later return to work** after a bona fide termination of employment with Trinity Health, **you can continue receiving your monthly benefit under the Pension Plan if you are age 65 or older.** If you are younger than age 65, your monthly benefit will be suspended if you work more than 1,300 hours in a calendar year for Trinity Health.
 - You can start to **receive your benefit when you reach age 65 while working** at Trinity Health and continue to work any number of hours each year.
 - **As a working retiree, you will earn pay credits** under the Cash Balance Plan, regardless of hours worked.

Make It Count: Build a Savings Habit!

Your financial ability to retire is affected by how soon you start saving for retirement. But, it's never too early or too late to begin the savings habit! If you are not currently contributing to the 403(b)/401(k) Plan, or you are not contributing enough to get the maximum employer matching contribution, now is the time to consider enrolling or increasing your personal contribution.

Trinity Health matches your contributions to the 403(b)/401(k) Plan dollar for dollar on the first \$500 you contribute. Then, Trinity Health matches 50 percent of your contributions over \$500—providing you a total maximum employer matching contribution up to 3 percent of your pensionable pay (or \$500, if greater). In addition, you are able to direct the investment of the employer matching contributions made for 2010 and future years to any of the investment options offered by the 403(b)/401(k) Plan.





Understanding the Transition Adjustment

As mentioned in the first newsletter, certain associates will be eligible to receive a transition adjustment to the Pension Plan benefit that is earned through June 30, 2010. We are providing this adjustment to help associates close to retirement age or with longer service transition from the Pension Plan to the Cash Balance Plan. Trinity Health decided this was necessary because under the Pension Plan, benefits grow faster in the years closest to normal retirement (age 65) and at a much slower rate at a younger age, whereas under the Cash Balance Plan, benefits grow more evenly throughout an associate's career:

If you are actively employed as of July 1, 2010, and are vested with 60 points or more (age plus years of benefit service) as of June 30, 2010, you will be eligible to receive a transition adjustment to the Pension Plan benefit that is earned through June 30, 2010. Based on our population today, more than 17,000 Trinity Health associates (about one-third of our workforce) will be eligible for the transition adjustment.

The transition adjustment increases your pensionable pay used in the Pension Plan formula beyond 2010. The 2010 pensionable pay used in your Pension Plan benefit calculation will be increased by 3 percent each year you are actively employed from 2011 to 2015. The 3 percent increase is a stated increase to the 2010 pensionable pay used in the pension formula and **is not** an actual increase in your compensation. Generally, this will increase the final average compensation used to calculate your June 30, 2010, benefit. This, in turn, would increase your retirement benefit from the Pension Plan.

The Transition Adjustment, An Example

Now, let's look at a fictitious associate named Lisa and see how her pensionable pay has changed over the last five years. The Pension Plan retirement benefit formula uses the highest five years of pensionable pay through June 30, 2010, in the benefit calculation. For Lisa, we have assumed that the most recent five years include her highest pensionable pay, as shown on the following page.



Meet Lisa – Transition Adjustment

Highest Five Years of Pensionable Pay Before Transition Adjustment					
Years of Annual Compensation	2006	2007	2008	2009	2010
Pensionable Pay Used in the Traditional Pension Calculation of the Highest 5 Final Average Compensation	\$48,000	\$51,000	\$53,000	\$53,000	\$55,000
Highest 5 Final Average Compensation Used to Calculate the Frozen 6/30/10 Pension Plan Benefit					\$52,000*
*The final average compensation is $(\$48,000 + \$51,000 + \$53,000 + \$53,000 + \$55,000) \div 5 = \$52,000$					

Now let's see how the transition adjustment works for Lisa. The example uses the following assumptions:

- 2010 annual earnings = \$55,000
- Vested on June 30, 2010
- Age plus years of benefit service = 60 or more as of June 30, 2010
- Under the transition adjustment, 2010 pensionable pay used in the traditional pension formula increases at a stated rate of 3 percent per year for each year of active employment, for a maximum of five years (2011 to 2015)
- Actively employed at Trinity Health until the end of the transition period in 2015

Years for Transition Adjustment						
Years of Annual Compensation	2010	2011	2012	2013	2014	2015
Pensionable Pay Used in the Traditional Pension Calculation of the Highest 5 Final Average Compensation*	\$55,000	\$56,650 $(\$55,000 \times 1.03)$	\$58,350 $(\$56,650 \times 1.03)$	\$60,100 $(\$58,350 \times 1.03)$	\$61,903 $(\$60,100 \times 1.03)$	\$63,760 $(\$61,903 \times 1.03)$
Highest 5 Final Average Compensation						\$60,153**
*Annual compensation for 2011 through 2015 is calculated by taking the actual 2010 compensation and increasing it 3% for each year that Lisa is actively employed, for a maximum of five years. These amounts reflect the values that would be used in the traditional pension formula and do not reflect actual earned compensation in those years.						
**The final average compensation is $(\$56,650 + \$58,350 + \$60,100 + \$61,903 + \$63,760) \div 5 = \$60,153$						

As shown in this example, without the transition adjustment, Lisa's highest five final average compensation is \$52,000. However, with the transition adjustment, Lisa's final average compensation used in the Pension Plan benefit formula is \$60,153—over \$8,000 higher. As you can see, with the transition adjustment, Lisa's final average compensation used in the Pension Plan formula is larger than without the transition adjustment. This will result in a higher Pension Plan benefit for Lisa when she retires. Please refer to Rose's example on page 9 and Gene's example on page 10 to see how the transition adjustment increases their accrued Pension Plan benefit through June 30, 2010.



Adding It All Up

Let's take a look at how the modified Retirement Program will work for several fictitious associates. These examples illustrate typical part-time and full-time associates and how their benefits five and 10 years into the future are affected by the Retirement Program modifications. We'll also show how their benefits are affected by whether or not they contribute to the 403(b)/401(k) Plan and, if they do make contributions, how the employer matching contribution from Trinity Health affects their estimated total benefit.

Why Use Five and 10 Years in the Future?

Since the average length of benefit service among Trinity Health associates is eight years, we are showing projections five and 10 years into the future. Using five and 10 years for these assumptions provides a more realistic snapshot of the average future service for Trinity Health associates. Additionally, the calculations are based on assumptions about future pay and interest rates that will change each year. Therefore, the further a calculation is projected out, particularly beyond 10 years, the more it can vary from the actual results.

Please keep in mind that you will receive a personalized statement in May showing what the modifications specifically mean to you.

All examples use the following assumptions:

- Annual pay increase assumption = 2.5%
- Cash balance interest crediting rate = 5.25%
- Investment earnings on the 403(b)/401(k) Plan = 7%
- Part-time associate assumed to work 1,300 hours in a year
- Full-time associate assumed to work 2,080 hours in a year
- Annuity conversion rate in the Pension Plan = 6.5%
- Annuity conversion rate in the 403(b)/401(k) Plan = 5.25%

In all the following examples, in order to compare the Trinity Health benefits as estimated monthly income under the current and modified plans, the Cash Balance Plan and employer matching contribution lump sums at the dates and ages shown were projected with interest to age 65 and converted to an estimated monthly income for life payable at age 65.

As outlined above, any 403(b)/401(k) balances are assumed to grow at 7 percent per year (to age 65) while the Cash Balance Plan (including the current Pension Plan Match Account) is assumed to grow at 5.25 percent per year (to age 65). Once these amounts are accumulated with the assumed interest to age 65, they are divided by a factor to convert them to a monthly annuity. The factor is based on your life expectancy from age 65 and an applicable interest rate assumption (different from those used to accumulate the balances to age 65). The applicable interest assumption is used to determine how much the age 65 lump sum would grow in the future to be available to pay the monthly annuity for your life expectancy.

For purposes of the factor used to convert your cash balance account to an annuity, a 6.5 percent interest rate was used. The actual rate will be based on rates published annually by the IRS for this purpose. To convert the 403(b)/401(k) balances, a 5.25 percent interest rate was used to estimate the purchase of an annuity from an insurance company or other conservative investments. The lower the interest rate, the smaller the monthly annuity amount that results from a given account balance.

Meet Brian – Early Career

Let's meet Brian.

- He is a 24-year-old part-time associate.
- He has five years of benefit service as of June 30, 2010.
- He works 1,300 hours per year and earns \$15,000.
- His **estimated earned benefit through June 30, 2010**, under the Pension Plan is **\$97** per month for life payable at age 65.
- He **has not** contributed to the 403(b)/401(k) Plan in the past.

- Brian **is not eligible for the transition adjustment** because his points (age plus benefit service) did not equal 60 or more on June 30, 2010.

Column A below shows Brian's estimated benefit in five years and 10 years under the modified Retirement Program assuming he does not contribute to the 403(b)/401(k) Plan, and Column B assumes he does contribute.

Comparison of Projected Estimated Benefit					
	A		B		
Retirement Program through 6/30/10 Employer Matching Contribution + Pension Plan With no employer matching contribution if this plan continued for the next 5 and 10 years	Retirement Program beginning 7/1/10 Cash Balance Plan + Employer Matching Contribution + Pension Plan With no employer matching contribution		Retirement Program beginning 7/1/10 Cash Balance Plan + Employer Matching Contribution + Pension Plan With employer matching contribution of 3%		
In 5 years (7/1/2015), Brian's Retirement Program benefits from Trinity Health are estimated to be:					
• Cash Balance Plan (lump sum):	N/A	As compared to	\$2,660	As compared to	\$2,660
• Employer matching contribution (lump sum):	N/A		N/A		+ \$3,326
• Pension Plan (payable at age 65):	\$183/month for life		+ \$97/month for life		+ \$97/month for life
• Total benefit for comparison purposes	\$183/month ☆		\$2,660 lump sum ○ + \$97/month OR \$228/month ☆		\$5,986 lump sum ○ + \$97/month OR \$496/month ☆
In 10 years (7/1/2020), Brian's Retirement Program benefits from Trinity Health are estimated to be:					
• Cash Balance Plan (lump sum):	N/A	As compared to	\$6,630	As compared to	\$6,630
• Employer matching contribution (lump sum):	N/A		N/A		+ \$7,878
• Pension Plan (payable at age 65):	\$293/month for life		+ \$97/month for life		+ \$97/month for life
• Total benefit for comparison purposes	\$293/month ☆		\$6,630 lump sum ○ + \$97/month OR \$350/month ☆		\$14,508 lump sum ○ + \$97/month OR \$803/month ☆

Note: Brian's personal savings (IRA, bank account, etc.) are not included in the amounts, so his actual monthly retirement income may be greater.

Highlights of this Example

- ☆ As you can see, Brian is expected to earn a higher total benefit under the modified program over the next five- and 10-year periods.
- As shown in Column B above, if Brian contributes to the 403(b)/401(k) Plan and receives the maximum employer matching contribution from Trinity Health each year, his estimated lump sum benefit at retirement is more than double what it would be with only the Cash Balance Plan.
 - In five years: **\$5,986** lump sum **as compared to \$2,660** lump sum
 - In 10 years: **\$14,508** lump sum **as compared to \$6,630** lump sum



Meet Erica – Mid-Career

Let's meet Erica.

- She is a 44-year-old full-time associate.
- She has 15 years of benefit service as of June 30, 2010.
- She works 2,080 hours per year and earns \$55,000.
- Her **estimated earned benefit through June 30, 2010**, under the Pension Plan is **\$724** per month for life payable at age 65.
- She **contributes enough to receive the maximum employer matching contribution** from Trinity Health to her 403(b)/401(k) Plan now and in the future.

- Her current **employer matching contribution account balance** is **\$13,303** (3 percent maximum employer matching contribution).
- Erica **is not eligible for the transition adjustment** because her points (age plus benefit service) did not equal 60 or more on June 30, 2010.

The example below shows Erica's estimated benefit in five years and 10 years.

Comparison of Projected Estimated Benefit	
Retirement Program through 6/30/10 Employer Matching Contribution + Pension Plan	Retirement Program beginning 7/1/10 Cash Balance Plan + Employer Matching Contribution + Pension Plan
If this plan continued for the next 5 and 10 years with employer matching contribution of 3%	With employer matching contribution of 3%

In 5 years (7/1/2015), Erica's Retirement Program benefits from Trinity Health are estimated to be:			
• Cash Balance Plan (lump sum):	N/A	As compared to	\$18,127
• Employer matching contribution (lump sum):	+ \$27,598		+ \$27,598
• Pension Plan (payable at age 65):	+ \$1,049/month for life		+ \$724/month for life
• Total benefit for comparison purposes	\$27,598 ● lump sum + \$1,049/month OR \$1,571/month ☆		\$45,725 ● lump sum + \$724/month OR \$1,567/month ☆
In 10 years (7/1/2020), Erica's Retirement Program benefits from Trinity Health are estimated to be:			
• Cash Balance Plan (lump sum):	N/A	As compared to	\$49,094
• Employer matching contribution (lump sum):	+ \$48,586		+ \$48,586
• Pension Plan (payable at age 65):	+ \$1,470/month for life		+ \$724/month for life
• Total benefit for comparison purposes	\$48,586 ● lump sum + \$1,470/month OR \$2,167/month ☆		\$97,680 ● lump sum + \$724/month OR \$2,095/month ☆
<p><i>Note: Erica's contributions to the 403(b)/401(k) Plan and personal savings (IRA, bank account, etc.) are not included in the amounts, so her actual monthly retirement income may be greater.</i></p>			
<p>Whether Erica prefers to receive her benefit as a monthly annuity or as a lump sum, she may want to consider increasing her contribution to the 403(b)/401(k) Plan and talking with her Diversified Retirement Plan Specialist about ways to close any gap between her projected Retirement Program benefit and her retirement income goals.</p>			

Highlights of this Example

- ☆ Erica's total monthly benefit under the Retirement Program beginning July 1, 2010, is similar in five and 10 years to what she has under the Retirement Program through June 30, 2010.
- However, the lump sum available to her in five years is over one and one-half times greater, and the lump sum available to her in 10 years is over two times greater.
 - In five years: **\$45,725** lump sum **as compared to \$27,598** lump sum
 - In 10 years: **\$97,680** lump sum **as compared to \$48,586** lump sum

Meet Rose – Mid-Career

Let's meet Rose.

- She is a 45-year-old full-time associate.
- She has 16 years of benefit service as of June 30, 2010.
- She works 1,872 hours per year and earns \$70,000.
- Her **estimated earned benefit through June 30, 2010**, under the Pension Plan is **\$1,218** per month for life payable at age 65.
- She **contributes enough to receive the maximum employer matching contribution** from Trinity Health to her 403(b)/401(k) Plan now and in the future.

- Her current **employer matching contribution account balance** is **\$11,498** (2 percent maximum employer matching contribution).
- Rose **is eligible for the transition adjustment** because she is actively employed on July 1, 2010, and vested with points (age plus benefit service) equal to 60 or more on June 30, 2010.

The example below shows Rose's estimated benefit in five years and 10 years.

Comparison of Projected Estimated Benefit			
Retirement Program through 6/30/10 Employer Matching Contribution + Pension Plan		Retirement Program beginning 7/1/10 Cash Balance Plan + Employer Matching Contribution + Pension Plan	
If this plan continued for the next 5 and 10 years with employer matching contribution of 2%		With employer matching contribution of 3%	
In 5 years (7/1/2015), Rose's Retirement Program benefits from Trinity Health are estimated to be:			
• Cash Balance Plan (lump sum):	N/A	As compared to	\$24,699
• Employer matching contribution (lump sum):	+\$23,688 ☆		+\$28,107 ☆
• Pension Plan (payable at age 65):	+\$1,751/month for life		+\$1,367/month for life ○
• Total benefit for comparison purposes	\$23,688 lump sum + \$1,751/ month OR \$2,173/month		\$52,806 lump sum + \$1,367/ month OR \$2,291/month
In 10 years (7/1/2020), Rose's Retirement Program benefits from Trinity Health are estimated to be:			
• Cash Balance Plan (lump sum):	N/A	As compared to	\$64,587
• Employer matching contribution (lump sum):	+\$41,575 ☆		+\$52,772 ☆
• Pension Plan (payable at age 65):	+\$2,438/month for life		+\$1,367/month for life ○
• Total benefit for comparison purposes	\$41,575 ◇ lump sum + \$2,438/month OR \$2,999/month		\$117,359 ◇ lump sum + \$1,367/month OR \$2,926/month
<i>Note: Rose's contributions to the 403(b)/401(k) Plan and personal savings (IRA, bank account, etc.) are not included in the amounts, so her actual monthly retirement income may be greater.</i>			

Highlights of this Example

- ☆ Rose's employer matching contribution is greater under the modified Retirement Program, since the Trinity Health employer matching contribution percentage increases to 3 percent beginning July 1, 2010.
 - In five years: **\$28,107 as compared to \$23,688**
 - In 10 years: **\$52,772 as compared to \$41,575**
- The transition adjustment increases Rose's Pension Plan benefit through June 30, 2010.
 - In five years and 10 years it increases by **\$149: \$1,367/month for life as compared to \$1,218/month for life** payable at age 65
- ◇ Rose's total monthly benefit under the Retirement Program beginning July 1, 2010, is slightly lower in 10 years than under the Retirement Program through June 30, 2010. However, the lump sum available to her is almost three times greater.
 - In 10 years: **\$117,359 lump sum as compared to \$41,575 lump sum**



Meet Gene – Late Career

Let's meet Gene.

- He is a 59-year-old full-time associate.
- He has 30 years of benefit service as of June 30, 2010.
- He works 2,080 hours per year and earns \$95,000.
- His **estimated earned benefit through June 30, 2010**, under the Pension Plan is **\$2,956** per month for life payable at age 65.
- He **contributes enough to receive the maximum employer matching contribution** from Trinity Health to his 403(b)/401(k) Plan account each year.

- His current **employer matching contribution account balance** is **\$15,404** (2 percent maximum employer matching contribution).
- Gene **is eligible for the transition adjustment** because he is actively employed on July 1, 2010, and vested with points (age plus benefit service) equal to 60 or more on June 30, 2010.

Since Gene is close to the normal retirement age of 65, the example below only shows Gene's estimated benefit in five years. The example assumes he contributes enough to earn the new maximum employer matching contribution of 3 percent of pay beginning July 1, 2010.

Comparison of Projected Estimated Benefit

Retirement Program through 6/30/10 Employer Matching Contribution + Pension Plan	Retirement Program beginning 7/1/10 Cash Balance Plan + Employer Matching Contribution + Pension Plan
If this plan continued for the next 5 years with employer matching contribution of 2%	With employer matching contribution of 3%

In 5 years (7/1/2015), Gene's Retirement Program benefits from Trinity Health are estimated to be:

• Cash Balance Plan (lump sum):	N/A	\$39,316
• Employer matching contribution (lump sum):	+\$31,890 ☆	+\$37,887 ☆
• Pension Plan (payable at age 65):	+\$3,796/month for life	+\$3,325/month for life ○
• Total benefit for comparison purposes	\$31,890 ◆ lump sum + \$3,796/month OR \$4,050/month	\$77,203 ◆ lump sum + \$3,325/month OR \$3,948/month

Note: Gene's contributions to the 403(b)/401(k) Plan and personal savings (IRA, bank account, etc.) are not included in the amounts, so his actual monthly retirement income may be greater.

If Gene prefers to receive his benefit as a monthly annuity, he may want to consider increasing his contribution to the 403(b)/401(k) Plan and talking with his Diversified Retirement Plan Specialist about ways to close any gap between his Retirement Program benefit and his retirement income goals.

Highlights of this Example

- ☆ As highlighted in the example, Gene's employer matching contribution is greater under the modified Retirement Program in five years, since the Trinity Health percentage increases to 3 percent beginning July 1, 2010.
 - In five years: **\$37,887 as compared to \$31,890**
- As you can see, the transition adjustment increases Gene's Pension Plan benefit through June 30, 2010.
 - In five years it increases by **\$369: \$3,325/month for life as compared to \$2,956/month for life payable at age 65**
- ◆ Gene's total monthly benefit under the Retirement Program beginning July 1, 2010, is slightly lower in five years than under the Retirement Program through June 30, 2010. However, the lump sum available to him is more than two times greater.
 - In five years: **\$77,203 lump sum as compared to \$31,890 lump sum**

Build Your Retirement Program Knowledge with Healthstream Module #1

To give you additional support in understanding the Retirement Program modifications, we are requiring your participation in a mandatory Healthstream course: *Module #1 Trinity Health Retirement Program Overview*. Trinity Health leadership approved a 20-minute time period for you to take this free course during work hours. Once you complete this course, you should be able to describe key features of the Retirement Program modifications.

You will be able to access the Healthstream module online in April. **The course is mandatory, and compliance will be monitored at the local level.** Watch for more information about how to access the course coming soon.

Frequently Asked Questions

Will I miss out on the employer matching contribution to the 403(b)/401(k) Plan if I already contributed the maximum deferral amount before the reinstatement date of July 1, 2010?

No. Your 2010 year-to-date contributions will be recognized when computing your employer matching contribution. As long as you earn compensation after June 30, 2010, you will receive an employer matching contribution on your contributions made during the first part of the year. Compensation used when computing the 3 percent of pay maximum employer matching contribution is pensionable pay earned from July 1, 2010, through December 31, 2010.

Example: Jane earns \$35,000 and contributes 6 percent of her pay to her 403(b)/401(k) Plan account annually. Here is how Jane's 403(b)/401(k) Plan account is estimated to grow in 2010:

Jane's 403(b)/401(k) Plan contribution for all of 2010	\$2,100 (\$35,000 × 6%)
Trinity Health employer matching contribution based on pay earned in the second half of 2010 (\$35,000 × .5 = \$17,500)	\$525 (\$17,500 × 3%) 100% on the first \$500 Jane contributed and 50% on the remaining \$1,600 she contributed totals \$1,300. However, the maximum employer matching contribution is limited to \$525.
Estimated market value increase on contributions made during the year*	\$82.69 (\$2,100 × 3.5%) + (\$525 × 1.75%)
Estimated account total at the end of the year	\$2,707.69 (\$2,100 + \$525 + \$82.69)
*Assumes 7% annual investment on contributions made evenly throughout the year (i.e., a 3.5% weighted return for 12 months of Jane's contributions plus 1.75% on the employer matching contribution for the last six months of 2010).	

Should I wait until the employer matching contribution reinstatement date of July 1, 2010, to begin contributing to the 403(b)/401(k) Plan?

No. All year-to-date contributions are considered when computing the employer matching contribution. Therefore, there is no advantage to waiting until July 1, 2010, to contribute to the 403(b)/401(k) Plan.

I'm vested in the Pension Plan. When I retire, will I be eligible for a lump sum payment, like the benefit available to me under the Cash Balance Plan?

You are eligible for a lump sum from the Traditional Pension Plan only if the value is under \$10,000. Under the Cash Balance Plan you can take an annuity or a total lump sum of the Cash Balance Plan amount.

How do you convert a lump sum to an annuity?

The lump sum is divided by a factor to determine an equivalent monthly payment. The factor is based on your age and assumptions about future interest rates and your life expectancy as provided by the IRS annually. The interest assumption is used to determine how much the lump sum would grow in the future to be available to pay the monthly annuity for your life expectancy.

Is the annuity amount shown in the examples payable monthly for life?

Yes. The benefits shown in the examples are estimated monthly annuities payable for life. Other payment options are available to you at retirement.

The transition adjustment example shows the highest five years of compensation to be the most recent five years. What if my highest five years of compensation were earlier in my career?

We only used the most recent five years for purposes of the example. Your benefit calculation will be based on your highest five years of compensation no matter when they occurred in your career at Trinity Health. Note that compensation prior to 1997 is not used for those who participated in the former Mercy Health Systems plan prior to 2002.



Next Steps

The following steps are designed to help you maximize the features available through the Retirement Program:

- If you are not contributing to the 403(b)/401(k) Plan, consider enrolling and contributing each pay period to build your retirement income and receive the employer matching contribution (beginning July 1, 2010).
- Visit the Retirement Program's website at <https://retirementprogram.trinity-health.org> or call 800.394.5240 to enroll in the 403(b)/401(k) Plan (if you are not yet contributing) or to take advantage of the tools and resources.
- If you are making contributions to the 403(b)/401(k) Plan, but are not contributing enough to receive the maximum 3 percent employer matching contribution (beginning July 1, 2010), consider saving more.
- Complete the mandatory Healthstream course: *Module #1 Trinity Health Retirement Program Overview*.
- Review your personalized statement in May 2010 to learn how the Retirement Program modifications personally affect you.
- Watch for additional communications and opportunities to learn more about the Retirement Program modifications over the next few months.

The 403(b)/401(k) Plan is a tax-advantaged program. When you make before-tax contributions to the Plan, you pay less income tax. Investment earnings on your contributions and the employer matching contribution from Trinity Health are all tax-deferred. You do not pay income taxes until you receive money from the 403(b)/401(k) Plan.



Questions?

Contact the Trinity Health Retirement Plan Office at 800.793.4733 or Diversified Investment Advisors at 800.394.5240, or visit your on-site Diversified Retirement Plan Specialist with any questions.

