

IN THIS ISSUE

- Retirement Benefits
- Free Money!
- What do I Need to Know?
- True/False Test
- Retirement Choices
- Improved Website

Thinking about Retirement? – Good for You!!!

Here's a new challenge for you this month! Don't be one of those people who tells him/herself that

understanding your retirement benefits is so complicated that you can't understand it and put it off...and off...and off. This newsletter is to change your way of thinking and to encourage you to start planning for your retirement, whether it's "just around the corner" or not! It's never too late, or too early!

1. Your Ascension Health **Pension Plan** provides you with one source of retirement income, at no cost to you, paid by St. Vincent. To be eligible for the pension, you must be vested. You are vested once you have been paid for 1,000 hours or more in each of five calendar years (as long as there are less than five (5) consecutive "Breaks in Service" as defined by the Pension Plan). Your pension benefit grows with increases in your service, earnings, and age.
2. You have the choice of saving money for your retirement through payroll deduction into your Ascension Health **Retirement Savings Plan** account with Diversified Investment Advisors. Doing so is the right choice to make, since all of us will need several sources for our retirement income.
3. The 3rd part of our retirement program is our "free money give-away"! To encourage you to save for your own retirement, St. Vincent will reward you for doing so by also contributing to your retirement savings! This is called the **Employer Match**.



There's no such thing as "FREE MONEY"! What's the "catch"?

We want to make a believer out of you – there is **no catch!** By contributing from your paycheck to your Retirement Savings Plan account with Diversified Investment Advisors, you receive a matching contribution of 50 cents for every \$1 you save on the first 5% of your biweekly pay! To take maximum advantage of this **free money** from St. Vincent, you should contribute at least 5% of each paycheck to your Diversified account. For example, if you contribute \$26 per pay period for one year (or 26 pays), you will have saved \$676 tax-free for your retirement. Your **free** Employer Match for this same period will amount to **\$338**, for a combined one-year total of over \$1000 for your future retirement!

All associates, regardless of status or length of service, including PRN and Registry, are eligible to contribute and receive **free money**. Anyone can enroll as soon as you have received your first paycheck. Call 877-346-7284, select Option 1 or 2, or visit www.divinvest.com to start (or increase) your retirement savings!

What Do I Need to Know?

Not only are we giving you the questions to ask, we're also giving you the answers! If you haven't yet learned... knowledge is power, and retirement knowledge can give you power over your own financial future!

Q1. How do I find out the value of my pension benefit?

A1. You may request an estimate of your benefit at any time. Call 1-877-346-7284, option 3, and speak with an Ascension Health Pension Services representative to request a future pension benefit. Be sure to provide the birth date of the person (you may name only one) you may want to consider as a beneficiary for your pension benefit in the event you die before your beneficiary. This doesn't obligate you in any way, but gives you the information you need to make your best decision.



And...nobody will know but you. You may also call Gail Rowe, local SVH Retirement Plan Admin. at 583-3403 (or via the HR Service Ctr, 1-877-784-4772).

Q2. When should I request a Pension estimate if I am planning to retire?

A2. No earlier than 6 months and no later than 3 months before the date you would like your pension benefit to start. Ascension Health will mail your estimate to your home, and you should receive it within one month of your request.

Q3. Why must I request a Pension estimate from Ascension Health?

A3. You must see a written Pension estimate within six months of your actual retirement date. Because there are several pension payment options available to you, an estimate must be presented so that you can make an informed decision.

Q4. When can I complete my Ascension Health Retirement Application?

A4. Paperwork must be completed within ninety (90) days of your Pension benefit start date. If completed earlier than this, it will be invalid and returned, thus delaying the process.

Q5. What about my funds with Diversified Investment Advisors (DIA)?

A5. You may leave your funds with Diversified until a later date. You may also roll them over to an IRA, withdraw your funds as cash, or a combination of both. You should consult with a tax specialist to help you choose the option that is most beneficial to you. You may also contact one of our local DIA representatives, or speak with a Diversified Distribution Counselor by calling 1-877-346-7284, Option 2.

There is no True/False test, but all the Answers below are True...

- “Credited Service”, “Highest Average Earnings”, or HAE, and your age at retirement are all used to calculate your Pension benefit. The more years of credited service and the higher your HAE, the better your Pension benefit.
- You earn a full year of Credited Service for each year in which you work 1,872 or more. If you work at least 500, but less than 1,872 hours, you earn a partial year of Credited Service equal to your hours divided by 1,872.
- Your HAE is the highest consecutive 5 years of Pension Plan Earnings out of your last 10 years of

service. Earnings in years of 500 hours or less are not counted for Pension. Earnings are annualized if hours are over 500 and under 1,872 in the calendar year; in other words, you will not be penalized for working part-time.

- If you terminate employment at age 55, you could receive 100% of your vested Pension benefit. For each year you wait to receive your pension, your benefit increases by 7% up to age 65.
- You may save up to 80% of your earnings in your Retirement Savings Plan to a maximum of \$15,500 in 2008. If you turn age 50 this year or are older than 50, you are allowed to contribute an additional \$5,000 in 2008.
- Your Retirement Savings is also referred to as your 403(b), and your Employer Match is also called your 401(a). This is because these are the sections of the IRS Code where they are located (i.e., Section 403, paragraph “b”).

What Choices Will I Have for my Retirement Benefit?

Below are answers to questions typically asked about benefits under the Pension Plan.

- **What are my options at retirement?** You may choose to receive your pension in a Lump-sum Payment or in one of the optional monthly forms of payment: Single Life, Single Life with Cash Refund Option, Single Life with inflation protection, Joint & Survivor, and Joint & Survivor with inflation protection.
- **What is the Lump-sum Payment?** If you choose the Lump-sum Payment, you receive your full pension in one payment. No further benefits are payable after you receive your Total Plan Distribution. This gives you both control and responsibility over investing your pension benefit.
- **Why would I choose a monthly payment option?** Each monthly option provides a monthly benefit for the rest of your life. Each form of payment provides benefits that are equal in value to your Lump-sum Payment. If you choose an option that provides a survivor benefit after your death, then your own lifetime pension will be less than if you choose the Single Life annuity.
- **What is a Single Life form of payment?** A Single Life form of payment provides a monthly pension for your lifetime only. Payments stop at your death.



- **What is the Single Life with Cash Refund Option?** You receive a reduced benefit for your lifetime, but, if you die before receiving the full value of your pension then the remainder is paid to your beneficiary(ies) in one lump-sum payment following your death. The full value of your pension is the Lump-Sum Payment amount determined at your retirement date.
- **What is a Joint & Survivor form of payment?** A Joint & Survivor (J&S) form provides a reduced benefit for your lifetime. Upon your death, if your beneficiary is still living, he or she will receive a percentage of the pension payment you were receiving. The percentage is either 50%, 75%, or 100%, depending on the option you elect. For example, if you elect the 50% J&S form, your survivor will receive a lifetime benefit equal to one-half (50%) of the amount you received. The amount under this form is less than under the Single Life form, and the amount of reduction depends upon the age of your beneficiary and which J&S option you elect. The younger your beneficiary is and the higher the J&S percentage you choose, the greater the reduction to your monthly payments. If your beneficiary dies before you do, your benefit amount stays the same. Payments stop when you die. You may not name another beneficiary after your retirement date because your benefit amount depends upon the age of your named beneficiary.
- **What does “inflation protection” mean in the Single Life and Joint & Survivor forms of payment?** “Inflation protection” means that you receive a reduced benefit for your lifetime, but each January, following one full year of the benefit being paid, the pension payment is raised by a cost-of-living increase (limited to 3%) throughout the lifetime of the benefit.
- **When may I receive my benefits?** Your benefit is payable as early as age 55, provided you are vested when your employment ends. Alternatively, you may choose to leave your benefit in the Plan, where it will continue to grow as your age increases, until you choose to receive your benefits at a later date.
- **Do I have to stop working to start receiving my pension benefit?** Once you attain age 65, you have the option of receiving your pension while still working and continuing to earn benefits under the Pension Plan. If you are vested and have attained

age 55, but are under age 65, you must stop working before receiving your pension benefits.

Easier Access to Ascension Health Benefits Web Site

Ascension Health sponsors www.FinancialPathways.org to provide associates with retirement planning resources, including benefit summaries, eligibility requirements, and examples of how employer contributions are determined. To use the Web site, you will need to sign in because it's a secure site that provides Ascension Health benefit information applicable to your specific Health Ministry. We are pleased to inform you that Ascension Health has made it easier to log in the first time.

If you are a first time visitor, you can obtain your temporary password by using Internet Explorer and going to www.FinancialPathways.org. Follow these steps to activate your password and set up a secret question so the Web site can remind you of your password in the future, should you forget it.

Step 1: Click on the “First Time Visitor?” link. It will prompt you to enter:

- your **Social Security Number** (# only, no dashes),
- the following keyword: **welcome**
- your **date of birth**

Step 2: Once you enter those three items, you'll be given a **temporary password** on the Web page. Then you can log in, using your Social Security Number as your login name and the temporary password obtained in Step 1. You will be prompted to set up a secret question and agree to the Terms of Use. (If you don't agree, you may choose not to use the site.)

If you have visited the Web site before but have forgotten your login name or password, just click on “Forgot Login name or Password,” answer your secret question, and the Web site will remind you of your login name and password. **Questions?** We believe you will find the Web site is easy to use; however, if you encounter problems, please contact Ascension Health at **877.346.7284, select Option 2** and a Pension Services representative will assist you.

