

Capital Health System Retirement Savings & Investment Plan Features & Highlights

Getting Started

Capital Health System provides you with a total retirement program through the 403b plan with Great West Retirement Services® (Great-West).

Our plan features:

- CHS Automatic Base Retirement Contributions
- Your own voluntary pre-tax deferrals
- CHS matching contributions

Read these highlights to learn more about your Plan and how simple it is to enroll. If there are any discrepancies between this document and the Plan Document or the Summary Plan Description, the Plan Document and/or the Summary Plan Description will govern.

What is a 403(b) plan?

A 403(b) plan is a retirement savings plan designed for employees of public schools and tax-exempt organizations, including most universities and hospitals. These plans allow eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through voluntary salary deferral.

Contributions and any earnings on contributions are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, when many participants typically receive less income and may be in a lower income tax bracket than while working.

Distributions at retirement are subject to ordinary income tax. A 10% federal tax penalty may apply to distributions made prior to age 59½.

Am I eligible for a Base Retirement Contribution?

To be eligible for a Base Retirement Contribution (BRC) into the Plan for any

calendar year you must be an active employee credited with at least 1000 hours of service that year. Collective Bargaining Unit employees are excluded. Please refer to the Summary Plan Description for more eligibility information.

How is the amount of my Base Retirement Contribution determined?

CHS will contribute an amount into your 403(b) account based on your eligible compensation each pay period. This contribution will be equal to a percentage of your compensation determined by your years of vesting service.

<u>Vesting Years of Service</u>	<u>CHS Contribution</u>
0-4	2.5%
5-9	3.0%
10-14	4.0%
15+	5.0%

Am I eligible to contribute to the Plan?

All active employees of CHS are immediately eligible to contribute their own salary deferrals into their 403(b) account.

Why should I participate in the Plan?

Along with the automatic Base Retirement Contributions you receive from CHS, it is important that you also play an active role in planning for your future retirement needs. Saving through automatic and convenient payroll deductions makes it easier, and at the same time reduces the amount of Federal taxes you will pay each year. Your Capital Health System Retirement Savings & Investment Plan can be an excellent tool to help make your future more secure.

How much can I contribute?

The maximum contribution amount to the 403(b) Plan is 100% of your compensation up to \$15,500 in 2008.

Participants in the 403(b) Plan turning age 50 or older in 2008 may contribute an additional \$5,000.

Special catch-up rules may apply to individuals who have worked a total of 15 or more full-time equivalent years, allowing them to contribute even greater amounts. Please contact your Great-West representative to find out if you qualify for this provision.

Is there any reason why I should not contribute to the Plan?

Contributing may not be advantageous if you are experiencing financial difficulties, have excessive debt, do not have an adequate emergency fund (typically in an easy-to-access account), or if you expect to be in a higher tax bracket during your retirement.

Am I eligible for CHS matching employer contributions?

All active CHS employees are eligible to receive matching contributions, with the exception of per diem employees and collective bargaining unit employees. Matching contributions are made each pay period into your account.

How much is CHS's matching contribution?

Capital Health System provides a matching contribution of 25% up to the first 4% of eligible pay that you contribute. Matching contributions are made each pay period into your account.

Once you have completed 15 years of continuous service with CHS, the matching amount is 50% up to the first 4% of eligible pay that you contribute.

Matching contributions are only made in a pay period that you make an elective contribution and are eligible to receive a match.

How do I enroll?

You have two options on how to enroll in the Plan.

1. New employees will receive a letter with a Personal Identification Number (PIN).¹ Once this letter is received, you may visit the Web site at www.gwrs.com and follow the instructions to enroll.²
2. New and/or existing employees who have never enrolled may complete the appropriate enrollment forms, included in the enrollment kit you can obtain from the Great-West Representative, indicating the amount you wish to contribute, your investment option selection(s) and beneficiary designation(s).

Please return the completed forms to your Great-West representative.

What if I do not enroll?

If you do not set up your account with Great-West, the automatic Base Retirement Contributions you receive under this Plan will be deposited in an account that will be established for you. Your BRCs will be invested in the Plan's default fund, until such time as you make an investment selection.

¹ The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement Services immediately if you suspect any unauthorized use.

² Access to KeyTalk and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades and maintenance, or other reasons. Transfer requests made via the Web site or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

When am I vested in the Plan?

Vesting refers to the percentage of your account that you are entitled to receive upon distribution and varies by the type of contribution. You are always fully and immediately vested in your own contributions.

You become fully vested in your matching employer contributions after completing two years of employment with CHS according to the following vesting schedule.

<u>Year(s) of Vesting Service</u>	<u>Vested Percentage</u>
1	0%
2	100%

The vesting schedule for Base Retirement Contributions is as follows:

<u>Year(s) of Vesting</u>	<u>Vested Service Percentage</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6+	100%

You will earn a year of vesting for purposes of the Base Retirement Contribution each calendar year that you are credited with at least 1000 hours of service.

What are my investment options?

A wide array of investment options is available through the Savings and Investment Retirement Plan. Investment option information is available through the Web site at www.gwrs.com or by calling KeyTalk® toll free at (800) 701-8255. The Web site and KeyTalk are available to you 24 hours a day, seven days a week.²

Managing Your Account

How do I keep track of my account?

Great-West will mail you a quarterly account statement showing your account balance and activity. You can also check your account balance and transfer money among investment options on the Web site at www.gwrs.com or by calling KeyTalk at (800) 701-8255.²

How do I make investment option changes?

Use your PIN and Social Security number to access either the Web site or KeyTalk. If accessing the Web site for the first time, you will be prompted to create a Username to be used for subsequent visits. You can move all or a portion of your existing balances among investment options and change how your payroll contributions are invested.²

How do I make contribution changes?

You may make contribution changes by calling KeyTalk at (800) 701-8255, by accessing www.gwrs.com² or by filling out a Salary Reduction Agreement available from your Great-West representative.

How do I get more information?

Log on to the Web site at www.gwrs.com to obtain Plan information, financial education, financial calculators and other tools to help you manage your account. You may also call KeyTalk at (800) 701-8255, or the on site Plan Representative at 394-4323 for more information.

Rollovers

May I roll over my account from my former employer's plan?

Yes, but only approved balances from an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or an Individual Retirement

Account (IRA) may be rolled over to the Plan. Withdrawals from the 403(b) Plan may be subject to the 10% early withdrawal federal tax penalty. Please check with your Great-West representative for more information.

May I roll over my account if I leave employment with my current employer?

If you leave employment with CHS, you may roll over your account balance(s) to another eligible governmental 457(b), 401(k), 403(b) or 401(a) plan if your new employer's plan accepts such rollovers. You may also roll over your account balance to an IRA. Please contact your Great-West representative for more information.

Investment Assistance

Can I get help with my investment decisions?

Employees of Great-West and CHS cannot give investment advice. There are financial calculators and tools on the Web site at www.gwrs.com that can help you determine which investment options might be best for you.

Fees

Are there any recordkeeping or administrative fees to participate in the Plan?

There are no recordkeeping or administrative fees to maintain your account.

Are there any fees for the investment options?

Each investment option has an investment management fee that varies by investment option. These fees are deducted by each investment option's management company before the daily price or performance is calculated. Fees pay for trading and other management expenses.

Funds may impose redemption fees, and/or transfer restrictions, on certain transfers, redemptions or exchanges.

Distributions

When can I receive a distribution from my account?

Qualifying distribution events of your own contributions are as follows:

- Retirement
- Permanent disability
- Financial hardship (as defined by the Internal Revenue Code and your Plan's provisions)
- Severance of employment (as defined by the Internal Revenue Code)
- Attainment of age 59½
- Death (your beneficiary receives your benefits)

You may only receive a distribution from your Base Retirement Contribution account if you separate from service and are vested, or have reached the Plan's normal retirement age.

May I take a loan from my account?

You may borrow the lesser of \$50,000 or 50% of your own contribution account balance. The minimum loan amount is \$1,000, and you have up to five years to repay your loan—six to 15 years if the money is used to purchase your primary residence. There is also a \$50 origination fee for each loan, plus an ongoing annual maintenance fee of \$25, which is billed at \$6.25 per quarter.

What happens to my account when I die?

Your designated beneficiary(ies) will receive the remaining value of your account, if any. Your beneficiary(ies) must contact a Great-West representative to request a distribution.

Taxes

Ordinary income tax will apply to each distribution. Distributions from the 403(b) Plan received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty.

What are my distribution options?

- 1) Leave the value of your account in the Plan until a future date
- 2) Receive:
 - Periodic payments
 - Fixed annuity payments
 - Partial lump sum with remainder paid as periodic payments or annuity payments
 - A lump sum
- 3) Roll over your account balance to an eligible governmental 457(b), 401(k), 403(b) or 401(a) plan or to an IRA

How does my participation in the Plan affect my taxes?

Because your contributions are taken out of your paycheck before taxes are calculated, you pay less in current income tax. You do not report any current earnings or losses on your account on your current income tax return. Your account is tax-deferred until you withdraw money, usually at retirement.

Distributions from the Plan are taxable as ordinary income during the years in which they are distributed or made available to you or to your beneficiary(ies). A 10% early withdrawal federal tax penalty may also apply to distributions taken before age 59½.

Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Great-West Retirement Services refers to products and services provided by Great-West Life & Annuity Insurance Company and its subsidiaries and affiliates.

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