

MultiCare Health System (MHS) anticipates that the purchase of Auburn Regional Medical Center (ARMC) will be finalized on October 1, 2012. MHS offers two retirement plans: 401(a) Retirement Account Plan and 403(b) Employee Savings Plan. Employees are encouraged to participate in both plans to maximize their retirement benefits. For ARMC employees who will become MHS employees as of the purchase date, general information about MultiCare's retirement plans will be provided.

MHS 401(a) Retirement Account Plan

Who is eligible to participate in the MHS 401(a) Retirement Account Plan (RAP)?

Employees who are age 21 and older will be enrolled in the plan after completing 1 year of service (completing a minimum of 1,000 hours in the first 12 months of employment). If you are over 21, worked 1,000 hours from 10/1/2011 through 9/30/2012, and were hired prior to 10/2/2011, you will enter the plan on 10/1/2012. If you do not meet this initial eligibility, you will be enrolled upon meeting the eligibility criteria identified above.

What is the benefit provided under this plan?

The benefit is made up of MHS contributions and your investment returns. The contribution amount is based on your calendar-year pay and how long you have been a RAP participant.

Years of RAP Participation	RAP Contribution Percentage
5 or fewer years	4% of eligible pay
More than 5 years	6% of eligible pay

How do I qualify for a contribution?

To receive an annual RAP contribution, generally deposited in March following the December 31 calendar plan year end, participants must:

- Be employed by MHS on December 31 of the year,
- Have completed at least 1,000 hours on MHS payroll during the year.

MHS will recognize the 2012 ARMC eligible hours for purposes of earning a contribution for the 2012 plan year. The contribution will be based on eligible earnings from October 1 through year end.

How do I become vested to receive this benefit?

Vesting is the process of earning a right to a benefit through years of MHS employment. You must be employed by MHS for three years, at least 1,000 hours per year, to become vested and have a right to a retirement plan benefit. MHS will recognize former ARMC employee's dates of service accrued prior to the sale as an ARMC employee, assuming the prior service meets the criteria of the MHS retirement plan and the employee is eligible under the terms of the plan.

How are contributions invested?

You will be able to choose how your account will be invested from the funds offered by the Plan.

MHS 403(b) Employee Savings Plan

When will I become eligible for the MultiCare Health System 403(b) Employee Savings Plan?

When you become a MHS employee, you are eligible to contribute to the MHS 403(b) Plan, a voluntary salary deferral savings plan, with no employer matching contribution. You will be able to enroll in the plan after your first MHS pay check (October 12th), by signing in to your account at divinvest.com/plan/multicare or calling Diversified directly at **888-676-5512**. Additional information on how you can enroll will be provided in enrollment materials available after the purchase date.

Will current deferral elections transfer over?

No. Your current ARMC contribution elections will not transfer over. If you want to continue contributing to retirement through payroll deductions, you will need to enroll in the MHS 403(b) Plan after your first MHS pay check (October 12th). For deductions to begin on the October 26th pay check, you will need to enroll by October 17th.

How much will I be able to defer into the MHS 403(b) Employee Savings Plan?

You can defer up to 75% of eligible pay, subject to IRS limits, on the amount an individual can contribute to all retirement plans. The 2012 IRS limit is \$17,000 for participants under age 50 and \$22,500 for participants age 50 or older. These are combined limits for your contributions in both the ARMC and MHS plans. Employer contributions, such as the ARMC matching contributions, are not included in this limit.

What if I have contributed the maximum amount to the ARMC plan for 2012?

If you have already contributed \$17,000 (or for those over 50, \$22,500) to the ARMC retirement plan in 2012, you will not be able to make additional contributions in 2012. It is your responsibility to make sure you do not exceed IRS maximum limits for the calendar year. If you have contributed the maximum for 2012 and would like to sign up for 2013, you should do so after December 15, 2012 by going to www.divinvest.com/plan/multicare or call Diversified directly at **888-676-5512**.

Can I roll over my ARMC account balance into the MHS 403(b) Retirement Savings Plan?

Yes. Details about rollovers are in the Diversified Initial Enrollment Booklet. These will be provided in early October.