

PLAN HIGHLIGHTS

A guide to your Plan of a Lifetime™



The Botsford Health Care Continuum
457(b) Plan



This material is designed to give you an overview of your program's features and the investment options available to you.

If a discrepancy exists between the provisions found in this material and the legal plan documents, the legal plan documents will govern.

Diversified Investment Advisors is an investment advisory firm with a singular business focus — retirement savings plan management. Diversified provides comprehensive investment and administrative services for more than \$66 billion in retirement plan assets, helping more than 1.4 million participants save and invest wisely for retirement.

Plan Highlights

What You Need to Know About Your Retirement Savings Plan

The Botsford Health Care Continuum 457(b) Plan is an employer-sponsored program intended to comply with regulations under Internal Revenue Code Section 457(b).

Who Can Participate

A select group of physicians, management and highly compensated employees of tax-exempt entities, with a base pay of \$100,000 or greater.

Entry Dates

You must submit an enrollment form one month prior to the month the deferral becomes effective, i.e., if deferrals are to begin the first pay period in July 2005, an enrollment form must be completed by June 30.

Your Contributions to the Plan

Section 457(b) Plan allow you to contribute up to an annual contribution limit of:

- \$14,000 in 2005
- \$15,000 in 2006
- All contributions are subject to the general creditors of your employer until distributions are made.
- Contributions are deducted from gross pay each pay period.
- Changes can be made monthly.
- Contributions and earnings are not subject to Federal Income Tax until made available to you. State taxation rules generally are similar, although some exceptions exist.

Catch-up provisions

Please refer to the Plan Document or Plan representative to determine your eligibility.

Investment Funds And Transfers

Your contributions are allocated to your choice of investment options offered under the program with Diversified. You may select one or from a combination of sixteen (16) funds offered.

Changes in the investment of future and past contributions may be made daily.

Participant Loans

Loans are not permitted under this Plan by law.

Withdrawals and Distributions

- Distributions may not occur earlier than separation of service, the year in which you attain age 70-1/2, or for unforeseeable emergencies.
- Upon enrollment in the 457(b) plan, you are required to specify your Distribution election. You will be allowed to modify this election time once prior to commencement of benefits.
- Your distribution election can be a lump sum, periodic payments or transfer to another eligible 457(b) plan.
- Once distributions begin, you must continue on the payment option selected. It is irrevocable.
- Rollovers are not permitted under this plan by law.

Plan Highlights

What You Need to Know About Your Retirement Savings Plan

Account Information

Individual account records are updated daily. Investment transactions received by Diversified are processed the same business day if received by 4 p.m. Statements are mailed on a quarterly basis and include account balance, investment results, and all transaction that have taken place during the period. Individual confirmations are also sent with each change that you make to your account.

Summary Plan Description

The above highlights represent only a brief overview of the Plan's features and do not constitute a legally binding document. Please refer to the Summary Plan Description for more information about the specific Plan provisions.

Frequently Asked Questions

This section answers questions most often asked about your employer's 457(b) Eligible Deferred Compensation Plan and its benefits. The plan document provides details specific to your plan, which may not be covered in this booklet. Additional materials are also available which discuss the investment options.

What is an eligible Deferred Compensation 457(b) Plan?

Simply stated, it is a better way to save. The Botsford Health Care Continuum 457(b) Plan is a tax favored non-qualified supplemental retirement savings program offered to a select group of management or highly compensated employees of tax-exempt entities. Your plan provides:

- Tax savings on every dollar you contribute;
- Automatic savings through payroll deduction; and,
- Tax deferred savings on your investments.

How does it Work?

You elect to save a portion of your income. Generally, contributions are deducted from your gross pay before federal, state and local income taxes are withheld. This means your tax savings are immediate.

The contributions you make are invested as you direct. Investment earnings on your contributions are not taxed as they accumulate in the Plan.

Since this is a non-qualified plan, your contributions are subject to the general creditors of your employer.

Prior to retirement or separation from service, you can elect to receive your account balance in a lump sum, as a series of payments, or defer distributions to a later date, in accordance with the plan's terms. Income taxes are due only in the year(s) your benefits are made available to you.

How would plan participation affect my paycheck?

If you signed up for a contribution of \$400 per pay period and are subject to a 28% Federal tax withholding rate (and no other income tax withholding), your take home pay would only change by \$288. This figure may be higher or lower depending on your actual withholding rate and applicable state and local taxes.

What happens to the contributions I make?

Your Plan offers a wide array of investment options to which you may direct your contributions. You may choose to invest in one option, or allocate assets among several options. You may also transfer assets among most options at any time.

How do I keep track of my account?

You will receive quarterly statements detailing account information and investment results. Additionally, you may call our toll-free line (800-926-0044) at any time to obtain current account information or view your account through our internet site at www.divinvest.com. Our newsletters, seminars and communication materials will also help you stay informed.

Helping you save and invest wisely

Frequently Asked Questions

Can I withdraw from the plan at any time?

Federal rules do not allow distributions unless you have:

- separated from service
- retired
- reach the year in which you attain age 70-1/2
- have an unforeseeable emergency as defined by IRS regulations
- QDRO determinations
- A small inactive account (based on plan provisions)

What are my distribution options?

You have a variety of options:

- Leave your funds in the Plan until a date you designate (distributions must begin at age 70-1/2). Earnings continue to grow tax deferred while maintaining the same investment flexibility available to active participants;
- Receive your account balance as a lump sum;
- Receive your account balance in installment payments over time;
- Receive a portion of your account in a lump sum and the remaining balance as installment payments over time; or
- It may be possible to transfer your account to another 457(b) plan.

How are taxes applied when distributions are received?

Distributions are taxed when received and included in your personal income for the year the distribution was received.

What happens to the money in my account if I do not live to collect it?

Each participant in the Plan may name a beneficiary who will receive the remaining account balance or installment payments in the event of the participant's death.

Diversified DirectSM
www.divinvest.com
1-800-926-0044

Diversified offers superior customer service and direct access to up-to-date information about your retirement savings account. Through our website and toll-free telephone service, you can access account information and investment performance, and initiate selected transactions on your account.

Diversified Direct Online – www.divinvest.com – provides web-based investment modeling and retirement planning tools to help you create or modify your Plan of a Lifetime strategy. You may also call Diversified Direct – 1-800-926-0044 – to speak with a Participant Advisory Counselor for enrollment assistance, investment counseling, and retirement planning guidance.

Diversified Direct can help you:

- Set a retirement income goal
- Create a retirement savings strategy
- Choose among the available investment options
- Learn about diversification
- Roll over an existing account to your retirement savings plan
- Open a Diversified IRA
- Stay informed about economic conditions, tax regulations and Social Security
- Keep your retirement savings strategy up-to-date
- Rebalance your investments
- Create a plan for investing during retirement
- Choose an appropriate distribution option when you retire or leave your employer

Diversified Direct is available 24 hours a day, seven days a week. Customer Service and Participant Advisory Counselors are available Monday through Friday, 8:00 a.m. to 9:00 p.m., ET. Customer service is available in 140 languages.

Helping you save and invest wisely

