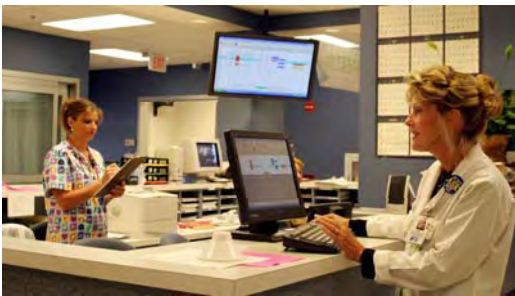


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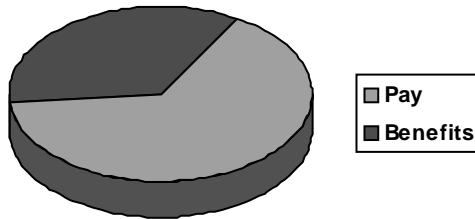
Our Investment in You

Your benefits are often called “your hidden paycheck” and represent a significant addition to your base pay. The list below presents your annualized estimated benefit values.

Benefit	Your Investment	ABC Investment
ABC Pension Plan & Trust	\$0	\$3,394
401(k) / 403(b) Plan	\$3,959	\$0
Social Security/Medicare Insurance	\$4,327	\$4,327
Health Insurance (Medical/Pharmacy)	\$3,136	\$8,881
Dental Insurance	\$380	\$223
Vision Insurance	\$0	\$0
Employee Assistance Program	\$0	\$96
Life Insurance	\$522	\$66
Long-Term Disability Insurance	\$402	\$181
Short-Term Disability Insurance	\$1,089	\$0
Long Term Care Insurance	\$478	\$0
PTO	\$0	\$6,526
Major Medical Leave	\$0	\$1,740
TOTAL BENEFITS COST	\$14,293	\$25,434
Estimated Annual Base Pay for 2005:		\$56,559
Total Compensation (ABC paid Benefits plus Base Pay):		\$81,993



Your Total Compensation Package



Annual Pay 69%

Benefits 31%

Other Benefits Available to You

ABC Health Alliance provides additional benefits that add significant value to your total compensation. Below are some of those benefits:

- Jury Duty Pay
- Free Parking
- Unemployment Insurance
- Health Care Spending Account
- Educational Assistance
- Bereavement Leave
- Workers' Compensation
- Cafeteria Discounts
- Dependent Care Spending Account
- On-site Child Care



Preparing for Your Retirement

ABC Health Alliance Pension Plan and Trust

You will automatically be enrolled in the Pension Plan on the entry date of January 1 or July 1 after the attainment of age 20 and the completion one Year of Service in which you have worked 1,000 hours.

Employer contributions range from 4% to 8% of your compensation, depending on years of service and whether you were hired before January 1, 2003 or after that date.

The benefit below assumes you continue in your employment at your current rate of pay:

- **\$19,939.32** **Your Pension Plan balance as of 12/31/2004**
- **100%** **Your vesting percentage**
- **\$3,394** **ABC's current annual cost for your Pension Plan**

ABC Health Alliance 403(b) / 401(k) Plan

ABC Health Alliance provides a tax-deferred retirement plan to encourage you to reach your retirement goals.

As a participant, you may elect to contribute up to 100% of your compensation through salary reduction up to the dollar limit of \$14,000 in 2005, or if age 50 or over you may contribute up to \$18,000. You will not pay federal income tax on your retirement savings until you receive the money.

The projections below include your total Account balance as of December 31, 2004, which was \$17,598.78. Also included are estimated future contributions of 7.0% of your current annual pay and earnings of 6%, 8%, and 10%.

At Age	6% Interest	8% Interest	10% Interest
55	\$32,062	\$33,493	\$34,994
60	\$66,265	\$74,141	\$83,123
65	\$112,400	\$134,699	\$162,311

Preparing for Retirement

Social Security

Each year you are required by the U.S. government to contribute a percentage of your earnings into a form of retirement, commonly known as Social Security. Your contributions are matched by ABC and paid directly to the Social Security Administration. These contributions fund retirement income for you and your spouse, Medicare, disability benefits, survivor income for your spouse and dependent children and a lump sum death benefit for burial expenses. The program is designed to supplement your personal retirement income savings.

In 1999, the SSA began providing a form titled Personal Earnings and Benefit Estimate Statement to each participant on an annual basis. It provides you with an estimate of your retirement benefits at age 62, 65, or 70. For more information about this form call toll free **(800)772-1213** or view its web site at www.ssa.gov.

In 1983, the legislation increased the Normal Retirement Age for Social Security retirement benefits. The following table will allow you to determine your Normal Retirement Age based on your date of birth.

Year of Birth	Normal Retirement Age	Year of Birth	Normal Retirement Age
Before 1938	65	1955	66 and 2 months
1938	65 and 2 months	1956	66 and 4 months
1939	65 and 4 months	1957	66 and 6 months
1940	65 and 6 months	1958	66 and 8 months
1941	65 and 8 months	1959	66 and 10 months
1942	65 and 10 months	1960 and after	67
1943 - 1954	66		



Survivor's Benefits

- **\$50,000 Basic Coverage \$114,000 Supplemental Employee Life**
- **\$50,000 AD&D Coverage \$0 Supplemental AD&D**
- **\$15,000 Spouse Coverage \$100,000 Supplemental Family AD&D**
- **\$5,000 Child(ren) Coverage**
- **\$66 ABCHA's current annual cost for your Life Insurance**

Basic Group Life Insurance

ABC Health Alliance provides basic life insurance for you in the amount of 100% of your Annual Earnings. In the event of accidental death, an additional 100% of your Annual Earnings will be paid to your beneficiary. Maximum benefit amount is \$50,000.

Employee Supplemental Life Insurance

You may purchase additional life insurance in the amount of 100%, 200%, or 300% of your Annual Earnings up to a maximum Basic and Additional Life Benefit equal to \$1,000,000.

Dependent Life

Under the Life Insurance Plan, you may purchase \$15,000 of coverage for your Spouse. Life Insurance for your dependent children is available at \$5,000 of coverage. Dependent children include children ages birth to 19 years of age and up to 26 years of age if child is a full-time student. In case of adoption, you may cover your dependent from the date the child is placed in your home for adoption. Stepchildren residing in your home who meet the age or student criteria are eligible for coverage.

Benefits are reduced by 50% at age 70 for Basic Life, AD&D, Employee Supplemental Life, and Dependent Life.

Supplemental AD&D Insurance

You may purchase Supplemental Accidental Death & Dismemberment coverage in increments of \$10,000, up to 10 times your salary, with a maximum of \$700,000. Your spouse may be insured at 50% of your coverage level if no children are covered at the time of the accident, or 40% of your benefit if children are covered. Each eligible child may be covered at 15% of your benefit if your spouse is not covered, or 10% of your benefit if your spouse is covered. Benefits are reduced to 65% at age 70, 45% at age 75, 30% at age 80, and 15% at age 85.

Other Survivor's Benefits

Pension Plan

Your total Account balance will be paid to your spouse or other beneficiary.

401(k) and 403(b) Plan

Your total Account balance will be paid to your spouse or other beneficiary.

Social Security

Your beneficiary may be eligible for a benefit from Social Security.

Income Protection

Long-Term Disability (LTD)

Long-Term Disability Insurance coverage provides you with partial replacement of your income. If you become disabled as defined in your policy, you will be eligible to receive 50% of your monthly base pay, to a maximum monthly benefit of \$1,000 if you choose Option 1. Option 2 will provide 60% of your monthly base pay up to \$6,000. The benefits begin after 180 consecutive days of disability and may be payable to age 65.

- **\$2,828** **Your estimated monthly Long-Term Disability benefit**
- **\$181** **ABC's current annual cost for your LTD Insurance**

Short-Term Disability (STD)

Short-Term Disability provides income protection of 60% of your basic earnings up to \$800 per week after a waiting period of 30 days if you choose Option 1, or 15 days if you choose Option 2.

Maximum benefit duration is 26 weeks (6 months). Please see your plan description for details and limitations.

- **\$653** **Your estimated weekly Short-Term Disability benefit**

Long-Term Care

Long-Term Care insurance provides assistance if you are unable to care for yourself. Facility Monthly Benefit is \$2,000 and Home Monthly Benefit is \$1,000. The elimination period is 90 days. Option 1 Facility Benefit Duration is 3 Years, and Lifetime Maximum is \$72,000. Option 2 Facility Benefit Duration is 6 Years and Lifetime Maximum is \$144,000.

You have elected Option 2 Long Term Care for yourself. You have elected Option 2 Long Term Care Insurance for your spouse.

Health Care Benefits

ABC Health Alliance offers a choice between three options of health care coverage for you and your family. See your Summary Plan Descriptions for all plan details and limitations.

- **You have elected Option 3 Family Medical Coverage, Option 2 Family Dental Coverage, no Vision Coverage, and Option 3 Family Prescription Coverage.**
- **You have elected Employee Assistance Coverage for your entire family.**

Option 1 pays after \$500 Individual/\$1,500 Family deductible:

- 80% for Inpatient hospital services at ABCHA
- 60% for Inpatient hospital services outside of Guilford, Forsyth, and Alamance counties
- 30% for Inpatient hospital services Non-ABC, inside Guilford county
- 80% for Outpatient surgery, lab, and X-ray at ABCHA, after deductible
- 60% for Outpatient surgery, \$500 additional deductible at non-ABC provider
- 70% for other covered expenses

Out-of-pocket expenses are \$3,000 per individual and \$6,000 per family.

Option 2 pays after \$350 Individual/\$1,000 Family deductible:

- 80% for Inpatient hospital services at ABCHA
- 70% for Inpatient hospital services outside of Guilford, Forsyth, and Alamance counties
- 30% for Inpatient hospital services at Non-ABC, inside Guilford county
- 90% for Outpatient surgery, lab, and X-ray, no deductible at ABCHA
- 80% for Outpatient surgery, \$500 additional deductible at non-ABC provider
- 80% for other covered expenses

Out-of-pocket expenses are \$1,500 per individual and \$3,000 per family.

Option 3 pays after \$0 deductible:

- 100% for office visits, after \$20 copay for Primary Care Physician, \$35 for Specialist
- 90% for In-Network Inpatient hospital services (\$100 copay)
- 80% for Cariten Network Inpatient hospital services
- 30% for In region, Non-ABC Inpatient hospital services after deductible
- 90% for Outpatient surgery, lab, and X-ray, no deductible at ABC
- 80% for Outpatient surgery, \$500 additional deductible at non-ABC facility

Out-of-pocket expenses are \$1,500 per individual and \$3,000 per family.

Prescription Drugs for all plans have a \$5 copay for generic drugs, a \$15 copay for preferred drugs, and a \$30 copay for non-preferred drugs. There is no coverage after the annual limit for Options 1 and 2. Option 3 copays will increase to \$10/\$30/\$60 after the annual limit is met. See plan documents for details.

You may also order by mail. Co-payments for a 90 day supply are \$10 generic, \$30 preferred, and \$60 non-preferred. For option 3, the copays increase to \$20/\$60/\$120 after the annual limit is reached.

Vision Benefit Plan: Option 1 Plan benefits provide an exam and lenses up to UCR expenses once per year for a \$10 copay and frames for UCR expense after a \$50 copay every 24 months. If you choose coverage, you must stay in the plan for 2 years. By choosing Option 2, you elect not to have ABC vision care benefits.

The Dental Plan pays after the \$50 Individual/\$150 annual deductible:

- 100% for preventive services for Options 1, 2, and 3
- 80% for Basic Services, after deductible for Options 2 and 3, 60% for Option 1
- 50% for Major Services, after deductible for Option 3, no coverage for Options 1 and 2
- 50% for Orthodontic Services up to \$1,000 per covered member, Options 2 and 3 only

- **\$9,104 ABC's current annual cost for your Health Care coverage**

Paid Time Off

ABC Health Alliance appreciates your dedicated service and provides you with opportunities for rest, relaxation, and personal pursuits.

Paid Time Off

Your PTO accruals allow for you to observe 6 major holidays, 4 days of illness, 2 weeks vacation (10 days for 0-5 years of service; days increase by one for each additional year), and one extra day. **Your accrual is based on the PTO/MML Plan.**

ABC Health Alliance observes the following holidays, which are included in your PTO benefit:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

PTO hours accrue on hours worked up to 80 hours per pay period. The PTO accrual rate is based on years of service as follows:

Years of Service	PTO Hours/Days	Years of Service	PTO Hours/Days
0-5	168 / 21	11	216 / 27
6	176 / 22	12	224 / 28
7	184 / 23	13	232 / 29
8	192 / 24	14	240 / 30
9	200 / 25	15	248 / 31
10	208 / 26		

You must use 4 days of PTO for illness or personal leave before using Major Medical Leave. A maximum of 360 hours of PTO may be accumulated. Please be aware of your PTO balance and use PTO as needed to avoid losing any hours of paid time off. If your balance exceeds 104 hours, you may cash out 8 hours per year of service during the last pay period of November.

- **\$6,526** **Annual Value of Your Paid Time Off Accrual**
- **\$6,864** **Value of your Paid Time Off balance (252.41 hours) as of 1/1/2005**

Major Medical Leave (MML)

You will accrue MML at a rate of 8 days annually, prorated for team members working less than 80 hours per pay period. A maximum of 960 hours may be accumulated in your Major Medical Leave Bank. See plan documents for requirements for use of MML.

- **\$1,740** **Annual Value of Your Major Medical Leave Accrual**
- **If you need to use it per policy, the salary replacement value of your Major Medical Leave balance (408.43 hours) as of 1/1/2005 is \$11,106**

Financial and Legal Information

Benefit	Provider	Phone Number
Medical - POS	Cariten	1(800)284-0042
Medical/Vision	Corporate Systems	1(423)282-3420
Dental Insurance	Delta Dental	1(800)223-3104
Pharmacy	Rx Solutions	1(423)232-9842
Flexible Spending Account	Stanley Benefit Services	1(336)271-4450
Mental Health	EAP	1(423)722-3000
LTD/STD & Life	Highmark	1(800)551-0332
Long Term Care	Unum	1(800)227-4165
ABC Pension Plan	Stanley Benefit Services	1(336)271-4450
401(k) Plan	Stanley Benefit Services	1(336)271-4450
403(b) Plan	Stanley Benefit Services	1(336)271-4450

WILL

- Do you have an up-to-date Will?
- When was it executed?
- Have you designated executors, trustees, and guardians for your children?
- Do any changes in federal or state tax, probate or property laws affect the provisions of your Will?
- Do any benefit changes need to be made because of birth, death, adoption or marriage, etc?
- Are any changes required because of maturity of children, illness or an increase or decrease in assets?

DEATH OR DISABILITY BENEFITS

- Are your beneficiary designations up to date?
- Are your insurance policies adequate in the event of your death or disability?
- Are your insurance policies adequate in the event of a family members death?
- Are there benefits from a defined benefit or tax-deferred plan at death or disability?

LOCATION OF IMPORTANT PAPERS

Will _____

Bank books & records _____

Safe deposit box _____

Insurance policies _____

Family records _____

IMPORTANT CONTACTS

Attorney **Phone Number** _____

Address _____

Executor **Phone Number** _____

Address _____

Financial Advisor **Phone Number** _____

Address _____

Insurance Agent **Phone Number** _____

Address _____

Important For You to Know

ABC Health Alliance provides this summary of your benefits to help you better understand all of your benefit plans. Your total compensation package (which includes pay) is designed to enhance your quality of life.

Important Information

The purpose of this report is only to summarize your benefits. It does not establish your eligibility to participate in any plan or to receive benefits. Your Summary Plan Descriptions will legally govern in case of questions or conflicts. This report is not a legal contract and does not replace or override your original plan documents.

Calculations

Basic assumptions are made in order to present this report to you. It is assumed that your income, benefits, and the law will not change until your retirement.



Your Personal Information

JOHN DOE

This annual summary of your employee benefits provided by ABC Health Alliance represents the highlights of each plan. The benefit values and costs assume you have met or will meet your eligibility requirements.

We provided the following information for the report.

Payroll Information as of	January 1, 2005
Social Security Number	XXX-XX-1234
Date of Birth	8/16/1952
Date of Hire	4/24/1990

