

INCREASING PAYMENT ALTERNATIVE

Financial Position

Investing

Estate Planning

Managing Risk

Retirement Planning

Taxes

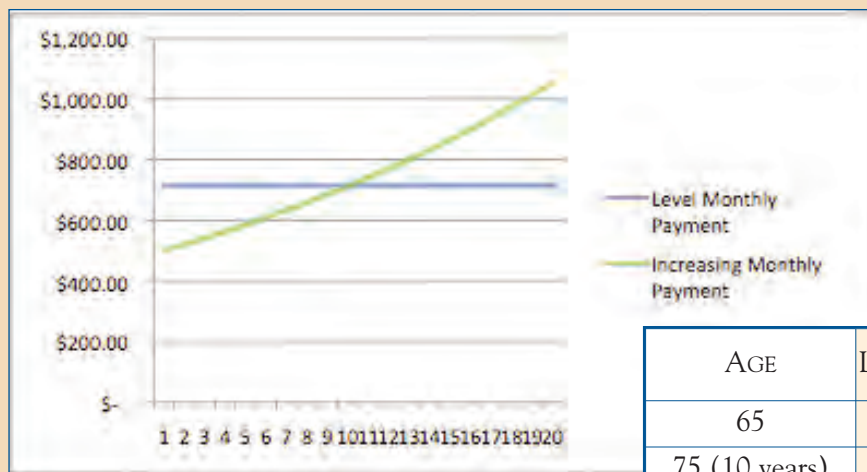
You have the primary responsibility to establish a hedge against inflation. And you are responsible for some, if not most, of your increasing medical costs in retirement. To help you, we are providing another tool, the Master Retirement Plan increasing payment alternative.

Increasing Payments

As you plan to use your Master Retirement Plan benefit, you can select from two payment alternatives: a level payment or an increasing payment in which your benefit increases 4% per year. In exchange for the increasing payments, you initially receive a lower monthly payment.

The chart and table below show how the level payments remain constant while the increasing payments start lower and may end significantly higher.

In a way the increasing payment alternative is a budgeting tool. Live on less during the first few years of retirement. Have more in the later years when the cost of living will be higher. And the benefit payments continue to increase at 4% annually until the benefit ends.



Note: You may need to or you may have an option to take a one-time lump sum payment. See your Benefits Handbook for information.

Relative Value of Alternatives

Both the level payments and the increasing payments are calculated by multiplying the Standard Benefit (10-year certain & life) by an annuity conversion factor.

The relative value of each annuity option with both payment alternatives is the same, which is the full amount we expect your payments to add up to over your life expectancy, no matter what you select. For the increasing payment, the estimated break-even point is 16 to 18 years after retirement. This is when the cumulative payments under the increasing payment are the same as the cumulative payments under the level payment.

With both the level payment and increasing payment alternatives, and then the payment options, you have as many as 20 comparable annuity options from which to choose.

Remember, with early retirement, which is beginning to receive your payments between ages 55 and 64, monthly payments are reduced.

AGE	LEVEL PAYMENTS	INCREASING PAYMENTS
65	\$715	\$500
75 (10 years)	\$715	\$712
85 (20 years)	\$715	\$1,053
95 (30 years)	\$715	\$1,283

This table shows the first four years of increasing payments based on an employee retiring on January 1, 2010, with a monthly annuity benefit beginning at \$412. The first adjustment occurs on January 1, 2011, and then each January 1 thereafter.

BENEFIT YEAR	BENEFIT ADJUSTMENT	MONTHLY BENEFIT
2010	None	\$412.00
2011	\$412.00 x 1.04 =	\$428.48
2012	\$428.28 x 1.04 =	\$445.62
2013	\$445.62 x 1.04 =	\$463.44

What You Should Consider

You may want to consider the increasing payment alternative if you have:

- A longer life expectancy for you or your spouse
- Concern for long-term inflation and when you want the largest cash flow
- Additional financial resources in your early retirement years
- The ability to live within your means without initially accessing your retirement and investment accounts, such as your Thrift Plan

Terms and Definitions

Annuity

A regular income paid at fixed intervals and produced by your Master Retirement Plan benefit.

Benefit Credit

The number of months (a maximum of 396 months or 33 years, with some exceptions) of service you have earned.

Final Average Salary

The average monthly salary, using eligible gross income, of the highest five years before you terminate employment with a participating employer.

Joint & Survivor

You, the participant, and your legal spouse at the time of your retirement.

Master Retirement Plan Calculator

A powerful Web tool that *estimates* your future monthly retirement benefit.

Relative Value

The total worth of one payment alternative compared to another payment alternative. It is the full amount we expect your payments to add up to over your life expectancy. It is based on your final average salary, your benefit credit, and your age at retirement.

Term Certain (Certain & Life)

Guaranteed equal monthly benefit payments for your lifetime and which, if you die, continue to your legal spouse or named beneficiary for the designated period or term, such as 10 years from the first benefit payment you receive.

Termination Date

The date you end employment with a participating employer.

Estimate Your Benefit

1. Log into the Deseret Mutual Web site with your login ID and password.
2. Select the Retirement tab.
3. Then under Retirement Options, open Master Retirement / Pension.
4. Click on the Estimate Your Master Retirement Plan Benefit. You'll see your vesting credit and benefit credit start dates.
5. Input your projected last day of employment and the date you would like to begin receiving your benefit payments and click Project Salary.
6. Follow the directions to modify the information if you need to.
7. Click Show Results to see your estimated Master Retirement Plan monthly benefit payments.

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