Employee Benefits

The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) introduced into law Internal Revenue Code Section 3121(b)(7)(F). As a result, you, as a part-time, seasonal or temporary employee of a government employer, may deposit part of your compensation in an employer retirement plan, instead of Social Security. Thus, you are not covered by Social Security in your current position.

Under the 401(a) FICA Alternative Plan, you contribute 7.5% of your compensation on a pre-tax basis to account in your name. Benefits which you have earned under any other retirement plan of a previous employer or future employer will not be reduced by participating in this plan.

Also, if you leave a position covered by this plan for any reason before retirement, you may withdraw the balance of your account, or continue to save for retirement.

Eligibility

All employees who are not covered by their employer's retirement plan are automatically enrolled in this plan. There is no minimum age or service requirement.

Contributions

• You contribute 7.5% of your compensation in place of Social Security tax deduction.
• You contribute before tax withholding is calculated, which reduces your current income taxes.
• You pay no taxes on your contributions or the earnings in your account until withdrawal. Social Security taxes are never deducted.

Individuals who are "active participants" for the year in certain tax-advantaged retirement plans, such as the FICA Alternative Plan, are subject to federal tax law limitations on deductions contributing for the same year to an Individual Retirement Account (IRA). These limitations may also affect a spouse's IRA deductions. Be sure to consult an independent tax advisor if you wish to take full federal tax deductions for contributions to an IRA.

Vesting

You will always own 100% of your account balance.

Investments

The investment options for this retirement plan are comprised of a Guaranteed Pooled Fund (an interest bearing account) and variable investment options. Wells Fargo is the trustee and handles all deposits into and distributions from your account. Investments are controlled by the participants. You may choose to invest your money in one or more of the 17 different funds available, using the enclosed investment election form.

The funds are offered by Transamerica Asset Management, Inc., an investment management company. The Core Funds are registered investment companies and the underlying Core Funds that are components of the Core Funds Group (including those of the underlying Core Funds). Returns are annualized. For certain funds, certain fees may have been waived or expenses advanced during the periods shown. Without such waivers or advance of expenses, the total returns shown would have been lower. Additionally, the after-tax return assumes a lower marginal tax rate, which could reduce the performance data quoted.

Each of the funds of the Transamerica Funds Group (other than the Stock Index Fund) is available through a Core Fund & Fiduciary Structure, under which each such "Fiduciary" fund invests in a "Core Fund" with a corresponding investment objective and strategy. The Core Funds Group is a registered investment company (registered with the Securities and Exchange Commission as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), and a "master investment company" under the 1940 Act) of which the predecessor pooled separate accounts had been registered under the Act, performance might have been adversely affected. The performance data quoted are hypothetical and are based on the historical data from the Core Funds Group (including those of the underlying Core Funds). The Core Funds Group contains additional information about the funds, including the investment objectives, risks, charges, and other expenses. You should consult all such information carefully before investing. Please read the prospectus carefully before you make your investment choices.

Diversified Investment Advisers is a national investment advisory firm specializing in retirement plans. The company's experience, spectrum of services and defined strategies to meet the investment needs and goals of your plan.

Fiduciary Conduit investment seeks capital appreciation. The fund invests primarily in common stocks that appear to be undervalued. The fund manager employs a variety of techniques and market conditions. The manager uses an emphasis on equity funds. The fund has limited exposure to a variety of fixed income funds.

T. Rowe Price Capital Appreciation Fund seeks long-term capital appreciation. The fund invests primarily in common stocks that appear to be undervalued relative to the S&P 500 index. The advisor seeks stocks with above-average growth prospects, high-book value, and low-price-to-book, and price-to-cash-flow ratios relative to the company's underlying value. The fund seeks capital appreciation and income. The fund seeks capital appreciation and income. The fund seeks capital appreciation and income.