DIOCESE OF ROCKVILLE CENTRE

LAY EMPLOYEE PENSION PLAN

BENEFITS BOOKLET

For Employees of Hospital (or Other Health-Related Entity) Employers

Includes Revisions Through January 1, 2015

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PREFACE

The Pension Plan for Lay Employees of the Diocese of Rockville Centre (the "Pension Plan" or the "Plan") was established effective January 1, 1966. Many improvements have been added through the years to the Pension Plan. This booklet incorporates all the amendments to the present and provides you with an up-to-date description of the Pension Plan.

The Plan was designed for the Roman Catholic organizations within the Diocese of Rockville Centre (the "Diocese"). Each organization participating in the Plan must make it available to its eligible lay employees.

This booklet describes the Pension Plan's terms as applicable to employees who are in active employment with a participating hospital (or other health-related entity) employer in the Diocese on or after January 1, 2015. This booklet does not apply to employees who terminated active service before that date. Employees who terminated active service before January 1, 2015 should consult prior versions of this booklet to learn of the Pension Plan's terms as applicable to them.

This booklet is not a complete or technical explanation of the Pension Plan. It is intended to be a clear explanation of the provisions of the Pension Plan that are of interest to most participants. The official "plan document" governs all questions relating to the Pension Plan. A copy of the Pension Plan document is available for examination, at your request, during regular office hours in the Office of Human Resources for the Diocese of Rockville Centre at 50 North Park Avenue, Rockville Centre, NY 11576 (the "Office of Human Resources").

It is also important to note that neither this booklet nor the terms of the Plan document should be construed as an employment contract. Each participant of the Plan is an employee of a distinct employing entity which participates in the Plan as a Catholic employer in the geographic Diocese of Rockville Centre.

HIGHLIGHTS

- The Plan is a defined benefit pension plan.

- Participation in the Plan and Plan benefits are provided at no cost to you.

- Your retirement benefits will depend on your earnings, the number of years you participated in the Pension Plan and the date you begin to receive benefits.

- You will continue to earn pension credits (i.e., years of credited service) even if you change employment, provided your change in employment is to another participating employer in the Pension Plan. (An exception may apply if you leave employment, begin receiving benefits under the Pension Plan, then return to employment for a participating employer--as described in further detail in the subsequent section of this booklet entitled "If You Change Participating Employers or Are Reemployed By the Same Employer".)

- You are "vested" in your retirement benefits - that is, you have a nonforfeitable, legal right to the benefits you have accrued - when you have completed at least 5 years of vesting service for a participating employer.

- Your pension benefits will be payable to you for as long as you live after retirement and normally will cease upon your death, unless you elect one of the optional payment methods providing for different payment features.

- If you are vested and should die before you actually begin to receive benefits, a death benefit may be paid to your designated beneficiary.

PARTICIPATION IN THE PLAN

You begin participation in the Pension Plan on the first of the month coincident with or next following the completion of one "year of continuous eligible service" with a participating employer in the Diocese, if you are that time:

- at least 21 years old;

- a permanent lay employee regularly scheduled to work at least 20 hours per week and actively at work or on an approved leave of absence with pay; and

- not participating under any other formal pension plan or retirement arrangement to which your employer contributes.

Notwithstanding the preceding, for employees of St. Catherine’s of Sienna Medical Center and Nursing Home (“St. Catherine’s”), the 20 hour-per-week minimum described above is generally replaced by a 37 1/2 hour-per-pay period requirement.

For the purpose of determining whether or not an employee has completed the one "year of continuous eligible service" required for participation, an employee's time while on approved leave of absence or while regularly scheduled to work for less than 20 hours a week (37 1/2 hours per pay period for St. Catherine’s employees) will be included. (The Plan has separate provisions for an employee who has a break in service or changes participating employers. These provisions are explained in a subsequent section of this booklet entitled "If You Change Participating Employers or Are Reemployed By the Same Employer".)

Generally, if you were working for a participating employer immediately prior to the employer’s adoption of this Plan, the service you performed prior to your employer’s adoption of the Plan will be counted for some, but not all, Plan purposes. Typically, such prior service will be counted for purposes of eligibility and vesting, but not for purposes of determining the amount of your benefits under the Plan’s benefit formula. However, there are exceptions to this general rule which are set forth in the official Plan document. If you have any questions as to whether, and how, your prior service is counted under the Plan, please contact the Plan Administrator.

ENROLLMENT IN THE PLAN

Your participation is automatic once you fulfill the previously outlined conditions for participation. However, you will need to complete an Employee Information Form, and submit evidence of your date of birth to the Office of Human Resources, when requested to do so. Failure to comply with the foregoing may delay the commencement of your retirement benefits.

RETIREMENT DATES/WHEN BENEFITS BEGIN

After you terminate active service with a participating employer, you may receive your vested benefits. Upon your termination of employment, your benefit commencement date can be on or after your "Normal Retirement Date", "Deferred Retirement Date", or "Early Retirement Date".

While benefits generally cannot begin to be made until after your termination of employment, in certain cases, benefits may commence while still employed (as described below under “Deferred Retirement”).

NORMAL RETIREMENT DATE: Your Normal Retirement Date is the first day of the month coinciding with or immediately following the date on which you reach age 65, or your tenth anniversary of participation in the Plan (including the time you spend satisfying the one "year of continuous eligible service" requirement for Plan participation), whichever is later. Therefore, if you are hired by a participating employer after attaining age 55, your Normal Retirement Date will be your tenth anniversary of participation in the Plan (including the time you spend satisfying the one "year of continuous eligible service" participation requirement).

DEFERRED RETIREMENT: You may work beyond your Normal Retirement Date and continue to accrue pension benefits. An employee who continues to work after his or her Normal Retirement Date may generally not begin receiving benefits until actual termination of employment. An exception applies to active employees who attained age 70 prior to January 1, 2003. Specifically, if you continue to work past your Normal Retirement Date and you attained age 70 prior to January 1, 2003, you were required to commence receiving pension payments at age 70. Active employees who attain age 70 on or after January 1, 2003 will not commence receiving pension payments until the later of termination of employment or Normal Retirement Date. All active employees who attain age 70 (whether or not this occurred prior to January 1, 2003) will continue to accrue future pension benefits for years of credited service performed on or after age 70. For active employees who are now receiving in-service distributions on account of their attainment of age 70 prior to January 1, 2003, post-December 31, 2002 accruals will be reflected as an increase in their monthly benefit payments following their eventual termination of employment.

If you continue to work beyond the first day of April of the calendar year following the calendar year in which you attain age 70 1/2, you will receive an actuarial adjustment to reflect the time between such April 1st (or, if later, January 1, 2015) and the time distributions begin to be paid to you.

EARLY RETIREMENT: You may retire early and wish to begin receiving your Pension Plan benefits prior to your Normal Retirement Date. Your Early Retirement Date is the first day of the month on or after your completion of 5 years of service for vesting purposes with a participating Diocesan employer and which is within ten years before your Normal Retirement Date. For example, if you were hired on or prior to age 55, and, therefore, your Normal Retirement Date is the first day of the month on or after your attainment of age 65 (see the above discussion regarding "Normal Retirement Date"), your Early Retirement Date will be the first day of the month on or after the later of your completion of 5 years of vesting service and your attainment of age 55. If, alternatively, you were hired after age 55, and, therefore, your Normal Retirement Date is your tenth anniversary of participation in the Plan, your Early Retirement Date will be the first day of the month on or after your completion of 5 years of vesting service. If you retire prior to your Normal Retirement Date, you may elect to begin to receive Pension Plan benefits on the first day of any month which is on or after your Early Retirement Date. Please note, you are not required to receive your Pension Plan benefits prior to your Normal Retirement Date even if you terminate employment prior to your Normal Retirement Date. You may wish instead to wait and receive your benefits at a later date, up to your Normal Retirement Date, at which time benefits must begin to be paid.

If you choose to begin receiving your Plan benefits on an Early Retirement basis, you will receive a reduced pension amount. However, this reduction will generally be less if you terminate employment on or after your Early Retirement Date than if you terminate employment prior to your Early Retirement Date. (See the section later in this booklet entitled "Early Retirement".) The dollar amount of your pension may be further reduced if you elect an optional type of payment, described later.

THE AMOUNT OF YOUR RETIREMENT BENEFITS

IMPORTANT TERMS: The amount of your retirement benefit will depend on:

- your "annual earnings" for each year you are a Pension Plan participant;

- your "years of credited service" in the Pension Plan; and
- the date you begin receiving your pension benefits.

Your "annual earnings" for any year will generally be the amount shown on your Form W-2 in the preceding year (increased by any pre-tax deductions under section 125--healthcare/dental coverage, or 403(b)--tax deferred annuities), but excluding any overtime, bonus or other unusual payment. The Internal Revenue Service places certain limits on the annual earnings that an employer may use to calculate pension benefits. Normally these limits (which are modified by the IRS from time to time) will not apply to you. You will be advised if your benefit is affected by any IRS limits.

In determining your "years of credited service" (i.e., the type of service recognized under the Pension Plan in determining the amount of your retirement benefit), as opposed to "years of continuous eligible service" which is described above under the section entitled "Participation in the Plan", the Pension Plan counts your continuous service from the date your participation in the Pension Plan began (see the prior section of this booklet entitled "Participation in the Plan"). The one-year period prior to your participation in the Pension Plan also is generally counted, Notwithstanding the preceding, no period of time prior to participation is counted for “years of credited service” purposes while you were (i) younger than the minimum age required for participation (i.e., currently, age 21), or (ii) not regularly scheduled to perform enough hours of service per week required to begin Pension Plan participation (generally 20 hours per week). In addition, any period of time during which you are covered by another retirement plan to which your employer contributions is excluded for purposes of determining your “years of credited service” under the Pension Plan. After your participation in the Pension Plan begins, you will receive benefit credit for a proportional share of the full year's benefit credit based on the number of months in which you perform service as a Pension Plan participant. Similarly, in the year you terminate employment, you will receive a proportional benefit for each month of your credited service. Special rules apply to the calculation of years of credited service for an employee who has a break in service or changes participating employers. Please refer to the later section in this booklet entitled "If You Change Participating Employers or Are Reemployed By the Same Employer" for a description of these rules.

THE BENEFIT FORMULA: You will receive an annual pension at your Normal Retirement equal to the sum of (1) and (2) below.

(1) For credited service performed prior to 2001, for each of your first 10 years of credited service, your benefits will be increased by an amount equal to 1.3% of your annual earnings for 2000 (1999 calendar year) or 2001 (2000 calendar year), whichever is greater; plus, for each of your next 10 years of credited service (i.e., year 11 through 20), an amount equal to 1.4% of your annual earnings for 2000 or 2001, whichever is greater; plus, for each year of credited service in excess of 20 years, an amount equal to 1.6% of your annual earnings for 2000 or 2001, whichever is greater. In no event will this be less than the benefits accrued under the formula in effect on December 31, 2000.

plus

(2) For credited service performed in 2001 and thereafter, the formula is the same as above; however, instead of using 2000 or 2001 annual earnings, you will be credited in accordance with your actual annual earnings for each year of credited service. (Remember, as explained on the preceding page, "annual earnings" for any year is the amount shown on your Form W-2 in the preceding year, increased by pre-tax 125/403(b) plan contributions, and excluding bonuses, overtime or other unusual payments.)

The above is illustrated by the following table:

Year of Credited Service	Annual Benefit Percentage	Annual Earnings Used For Pre-2001 Credited Service	Annual Earnings Used For Credited Service In and After 2001
First ten (1 to 10)	1.3% (.013)	Greater of 2000 and 2001 annual earnings	Annual earnings
Next ten (11 to 20)	1.4% (.014)	Greater of 2000 and 2001 annual earnings	Annual earnings
Each year in excess of twenty (20) years	1.6% (.016)	Greater of 2000 and 2001 annual earnings	Annual earnings

BENEFIT EXAMPLE: For example, an employee hired on December 10, 1972 at age 28 (born December 10, 1944) enters the Pension Plan on January 1, 1974, so that, by January 1, 2010, the employee has 37 years of credited service (i.e., 36 years of Pension Plan participation plus one year representing the Pension Plan's one year waiting period). The employee has recognized annual earnings for 2001 (i.e., 2000 W-2 earnings plus pre-tax 125/403(b) plan contributions, minus bonuses, overtime or other unusual payments) of $36,500, $35,000 for 2000 (i.e., 1999 W-2 earnings plus pre-tax 125/403(b) plan contributions, minus bonuses, overtime or other unusual payments), and the below-listed annual earnings for 2002 through 2009. The employee retires at age 65 and receives benefits on January 1, 2010.

Beginning on the employee's Normal Retirement Date, January 1, 2010, the employee is entitled to receive an annual pension from the Pension Plan of $20,647. The pension amount is figured in two steps.

Step 1:
For Credited Service Prior to 2001 (i.e., 28 years)

Number of Plan Years	***X***	***%***	***X***	***Greater of 2000 or 2001 Earnings***	***=***	***Amount of Annual Benefit***
1973 - 1982 *(10 years)*		1.3% (.013)		$36,500		$4,745
1983 - 1992 *(10 years)*		1.4% (.014)		$36,500		$5,110
1993 - 2000 *(8 years)*		1.6% (.016)		$36,500		$4,672
				total	=	$14,527

Step 2:
For Credited Service from 2001 through 2009

Plan Year	***X***	***%***	***X***	***Annual Earnings***	***=***	***Amount of Annual Benefit***
2001		1.6% (.016)	X	$36,500		$584
2002		1.6% (.016)	X	$38,000		$608
2003		1.6% (.016)	X	$39,500		$632
2004		1.6% (.016)	X	$41,000		$656
2005		1.6% (.016)	X	$42,500		$680
2006		1.6% (.016)	X	$44,000		$704
2007		1.6% (.016)	X	$45,500		$728
2008		1.6% (.016)	X	$47,000		$752
2009		1.6% (.016)	X	$48,500		$776
				total	=	$6,120

The total annual pension amount starting at Normal Retirement (age 65 in this case) payable by the Pension Plan is the sum of the benefits from Step (1) and Step (2):

$14,527 + $6,120 = $20,647

MINIMUM BENEFIT: The Pension Plan provides a minimum annual benefit for retirees equal to $150.00 multiplied by years of credited service if that formula produces a higher benefit than the normal formula set forth above.

OFFSET FOR EMPLOYER-PROVIDED BENEFITS UNDER A SEPARATE PLAN: If you accrue benefits under a separate plan in respect of past service which is recognized under this Plan, any benefits you accrue under this Plan will be reduced by the benefits you accrue under the separate plan in order to avoid a duplication of benefits for the same period of service. If you accrue future benefits under a plan to which the Employer contributes, future service benefits under this Plan shall cease.

EARLY RETIREMENT

As was described earlier in this Summary, if you terminate employment prior to your Normal Retirement Date, you may (but are not required to) elect to begin receiving your benefits as of the first day of any month which is on or after your Early Retirement Date and before your Normal Retirement Date. Any benefits which commence to be paid prior to your Normal Retirement Date are herein referred to as "Early Retirement benefits". (Alternatively, you may instead wait and begin to receive your benefits on your Normal Retirement Date, in which case your benefits are considered "Normal Retirement benefits" and the below reduction factors do not apply.)

The following discusses how your Early Retirement benefits are calculated—(a) if you terminate employment prior to your Early Retirement Date; and (b) if you terminate employment on or after your Early Retirement Date. The level of reduction which applies to any Early Retirement benefits is generally less if you continue to work at least until your Early Retirement Date than if you terminate employment prior to your Early Retirement Date.

Termination of Employment Prior to Early Retirement Date.

If you terminate employment prior to your Early Retirement Date and you elect to begin to receive your benefits on or after your Early Retirement Date, but prior to your Normal Retirement Date, your benefit are calculated in accordance with the information provided in "The Benefit Formula" section and are reduced by the present value adjustment. That is, because you are receiving your benefits prior to your Normal Retirement Date, the benefits you would have received had you waited until your Normal Retirement Date are reduced to be the economic equivalent of the benefits that you would have received had you waited until Normal Retirement. Put another way, because an individual who begins receiving benefits before his/her Normal Retirement Date would receive a greater number of monthly distributions through death than an individual who waits until his/her Normal Retirement Date, an adjustment is made to the benefits to reflect this fact. The adjustment is not a penalty; it merely makes the Normal Retirement Date amount and the Early Retirement Date amount economic equivalents, in case you want to commence benefits earlier than your Normal Retirement Date.

Termination of Employment On or After Early Retirement Date.

If you terminate employment on or after your Early Retirement Date and you elect to begin to receive your benefits before your Normal Retirement Date, your benefit are calculated in accordance with "The Benefit Formula" (as previously explained) and are reduced by multiplying the Normal Retirement benefits by an early retirement factor. The factor is based on the difference between the date on which you begin to receive benefits and your Normal Retirement Date. The factor is 4% per year (prorated for partial years) for each year that you retire and begin to receive benefits prior to your Normal Retirement Date. Note that this factor is intended to result in a lesser rate of reduction in your benefits than the present value adjustment which applies to Early Retirement benefits for those participants who terminate employment prior to their Early Retirement Date (as described above). That is, by using this "Early Retirement" factor instead of the present value adjustment, the Diocese has elected to "subsidize" the Early Retirement benefits of those participants who continue to work until their Early Retirement Date. This is what is commonly known as an "Early Retirement Subsidy".

Number of Years ***<u>Until Normal Retirement Date</u>***	***<u>Percentage Multiplier</u>***
1	96%
2	92%
3	88%
4	84%
5	80%
6	76%
7	72%
8	68%
9	64%
10	60%

A common misconception with regard to the Plan is that an individual who terminates after his/her Early Retirement Date and begins to receive benefits before his/her Normal Retirement Date suffers a penalty because of that decision. The contrary is true. Because the factor used is a lower reduction than a present value reduction, a qualifying employee who begins receiving benefits before his/her Normal Retirement Date is economically better off than one who waits until his/her Normal Retirement Date to begin benefits.

In addition to individuals who terminate employment after their Early Retirement Date, an individual whose termination of employment is due to his/her death or disability and/or has at least 20 "years of credited service" is also eligible for this subsidy.

<u>HOW BENEFITS ARE PAID</u>

Pension benefits normally are payable in monthly installments for an individual's lifetime and are paid as of the last day of each month for that month. The standard form of payment is as a life annuity, which means that payments cease upon death. However, you are free to elect an optional form of payment which provides for continued payment of your benefits after your death to a beneficiary, subject to the rules described in the next section. (If you are married, unless you elect otherwise, your benefits will be paid as a Joint and ½ Survivor annuity, described in the next section, with your spouse as your beneficiary.)

If you receive your Pension Plan benefits in any form of payment other than a life annuity, then the payments to you will be less than the amount computed in accordance the Pension Plan's normal benefit formula. This is because the "actuarial cost" of providing a survivor benefit to your beneficiary upon your death is subtracted from the normal formula benefit under the Pension Plan when it begins to be paid to you.

SURVIVOR BENEFITS

DEATH BEFORE YOU BEGIN TO RECEIVE BENEFITS:

a) Death Before Normal Retirement Date

The Pension Plan provides a death benefit (a "Pre-retirement Death Benefit") to your designated beneficiary if you should die after becoming vested (5 or more years of vesting service), but before you begin to receive benefits under the Pension Plan. If your death occurs on or after your attainment of age fifty-five (55), but prior to your Normal Retirement Date, the Pre-retirement Death Benefit is payable to your beneficiary as soon as practicable after your death and is equal to the benefit he or she would have received if you had retired early and elected the Joint and ½ Survivor Option (described below) just before your death. If your death occurs before you attain age fifty-five (55), the Pre-retirement Death Benefit is payable to your beneficiary upon the date you would have attained age fifty-five (55) and is equal to the benefit he or she would have received if you had (i) terminated employment on the date of death (unless you terminated employment prior to your death, in which case the date of your actual termination will be used), (ii) survived to fifty-five (55), (iii) begun to receive benefits under the Joint and ½ Survivor Option, and then (iv) died on the day after payments began. Whether your death occurs before or after you attain age fifty-five (55), the benefit will be reduced for both the cost of the Joint and ½ Survivor Option as well as for early retirement. The benefit will further be actuarially adjusted to reflect the age of your beneficiary at the time benefits commence.

b) Death After Your Normal Retirement Date

If you should die on or after your Normal Retirement Date, but before you actually begin to receive benefits, your beneficiary is also eligible for the Pre-retirement Death Benefit described above, unless you have elected one of the optional forms of payment (described below). In that case, the Pre-retirement Death Benefit will be replaced by the optional form of payment you have chosen.

c) Designating A Beneficiary for the Pre-retirement Death Benefit

If you do not designate a beneficiary for the Pre-retirement Death Benefit, the benefit will be paid to your survivor(s) in the following order: your spouse, child, parent, sister and brother. We ask that you designate your beneficiary in writing and file the designation form with the Office of Human Resources when requested to do so. You may change your beneficiary at any time by filing a new designation form with the Office of Human Resources.

For Pre-retirement Death Benefit elections made on or after March 1, 1999, if you are married, you are required to designate your spouse as your Pre-retirement Death Benefit beneficiary, unless you receive your spouse's consent to the naming of another beneficiary. This rule does not change any written elections on file with the Office of Human Resources before March 1, 1999.

Please note that you may wish to consult with an Estate Planning or Elder Law attorney prior to altering or changing your beneficiary designation as it may impact on your other planning strategies.

DEATH AFTER YOU BEGIN TO RECEIVE BENEFITS (OPTIONAL FORMS OF PAYMENT):

If you are unmarried when your retirement income begins, unless you elect one the optional forms of payment described below, your benefits will be paid for your lifetime only, and no benefits will be available after your death. If you are married when your retirement income begins, unless you elect (with your spouse's consent) one of the optional forms of payment described below, your benefits will be paid in the form of a Joint and 1/2 Survivor Option with your spouse as the designated beneficiary. For this, and all purposes under the Plan, "spouse" means the person of the opposite sex, if any, to whom you are legally married under applicable State law in the State in which you reside, as determined by the Plan Administrator.

a) Life Annuity Option

Under this form, your unreduced pension is payable for your lifetime and as described in the section in the booklet entitled "The Benefit Formula". If you are married, you may receive your benefit in this form only with your spouse's consent.

b) Life Annuity with 120 Guaranteed Monthly Payments

You may elect (with your spouse's consent if you are married) a reduced pension during your life with the understanding that, should you die within 10 years of the date benefits commence, the benefits payable to you during your lifetime will continue to your named beneficiary for the balance of the 10-year period only.

c) Joint and ½ Survivor Option

You may elect to receive a reduced pension during your life, with the understanding that a benefit equal to ½ of the amount you were receiving during your lifetime will be paid following your death to the person designated on your election form. The amount of the benefits depends on your age and the age of your named beneficiary. If you elect the Joint and ½ Survivor Option and your beneficiary predeceases you, upon notice to the Office of Human Resources and the submission of evidence of your beneficiary's death, your benefits will be recalculated as if you elected the life annuity option. This is known as the "Pop-Up" feature of the Joint and ½ Survivor Option.

d) Joint and 100% Survivor Option

You may elect to receive a reduced pension during your life, with the understanding that the same amount you were receiving during your lifetime will continue to be paid following your death to the person designated on your election form. The amount of the benefits depends on your age and the age of your named beneficiary. If your named beneficiary predeceases you, upon notice to the Office of Human Resources and the submission of evidence of your beneficiary's death, your benefits will be recalculated as if you elected the life annuity option. This is known as the "Pop-Up" feature of the Joint and 100% Survivor Option.

If you want to select an optional form of payment, you must do so before your retirement benefits are due to commence. Prior to selecting an option, if you wish, the Office of Human

Resources will provide you with an estimate of the benefits under the available options. You will also receive forms to make your selection.
If you elect an optional form of payment, you cannot change or rescind the selection of your named beneficiary once payments have begun.

Notwithstanding the above, if, at the time you elect to receive benefits, your annual benefit payment is $600.00 or less ($50.00 or less per month), you may elect to receive your benefits in installments less frequently than monthly or you may elect to receive your entire pension entitlement in a cash lump sum of equivalent value to the normal form of benefit. In addition, if at the time you are entitled to begin receiving your benefits, the cash lump sum value of your entire pension entitlement is $5,000 or less, your entire pension entitlement will automatically be paid in the form of a cash lump sum, except as provided below.

Notwithstanding the preceding, if the cash lump sum value of your pension benefit is no more than $5,000, but is over $1,000, unless you elect to receive a cash lump sum distribution or a direct rollover to another qualified retirement plan or an Individual Retirement Account ("IRA") that you establish, your benefit will be automatically rolled over into a default IRA established in your name by the Plan Administrator. If your pension benefit is automatically rolled over into an IRA, the amount rolled over will be invested in an investment product that is designed to preserve the value of the amount transferred and to provide a reasonable rate of return and liquidity. The Employer will contract with one or more IRA providers to establish any IRA needed to comply with the Plan's automatic rollover provisions. If an IRA is established for you, you will be responsible for paying reasonable expenses required to establish and maintain the IRA. Those fees will be deducted from your IRA account as they become due. More details about your IRA will be provided to you if an IRA is established for you. If you have questions about the Plan's procedures for automatic rollovers, please contact the Plan Administrator at the address provided in this Summary.

VESTING

"Vesting" means that you have a non-forfeitable legal right to the benefits you have accrued in the Pension Plan. Vesting occurs after you have completed 5 years of vesting service with a participating employer.

If your employment ends and you have completed at least 5 years of vesting service with a participating employer, you will be eligible for a deferred pension, based on benefits earned to the date of your termination. Your benefits will be paid at what would have been your Normal Retirement Date had your active employment continued to that date. Alternatively, you may elect to receive your benefits at your Early Retirement Date; however, as discussed above under the section entitled "Early Retirement", there will be a reduction in your benefits if you wish to commence payment at an Early Retirement Date.

You earn a month of service for vesting purposes for each month in which you are performing service for a participating employer, even if you were not participating in the Plan (e.g., you regularly were scheduled to work less than 20 hours per week). You generally earn a year of service for vesting purposes each time you are credited with 12 months of service for vesting purposes, whether or not such months were performed consecutively.

IF YOU CHANGE PARTICIPATING EMPLOYERS OR ARE REEMPLOYED BY THE SAME EMPLOYER

(a) Prior to Pension Plan Participation:
If your employment terminates before you enter the Pension Plan and you are later reemployed, your previous service will generally be counted for vesting purposes, but not for eligibility purposes (i.e., for purposes of completing the 1 year of continuous employment requirement to begin participation) or for benefit accrual purposes (i.e., for purposes of calculating your benefits under the Pension Plan's benefit formula).

(b) Subsequent to Plan Participation: If your employment terminates after you enter the Pension Plan and you are later reemployed by a participating employer, your previous service will generally be counted for vesting purposes, but only for eligibility and benefit accrual purposes if either (i) you were vested at the time of your original employment termination, or (ii) you were unvested at the time of your original employment termination, but the length of your previous service was equal to or greater than the length of your break in service prior to your reemployment.

Furthermore, if you terminate employment, begin receiving Pension Plan benefits, then are reemployed by a participating employer (whether it is the same employer or another participating employer) on or after March 28, 2001, you will have the choice of the following:

- Continue to receive the monthly pension benefits during the rehire period but, generally, not accrue any additional pension benefits for your subsequent active service; or,

- Suspend the payment of the monthly pension benefits during the rehire period, but accrue additional pension benefits for your subsequent active service. When you stop working, the suspended benefits will begin again plus the additional benefits accrued for your additional service.

If you are rehired by the same participating employer or hired by another participating employer, you and your employer must advise the Office of Human Resources immediately.

ADMINISTRATION OF THE PLAN

A Pension Committee administers the Pension Plan. The Committee is appointed by the Bishop of the Diocese and has full power and responsibility to administer the Pension Plan, to interpret the Pension Plan, to decide questions of eligibility and to authorize payments of benefits.

The Diocese has established a Pension Trust Fund which receives and holds all of the contributions to the Pension Plan. The fund is managed by a Trustee and its adequacy is measured by independent actuaries.

TERMINATION OF THE PLAN

Although the Diocese intends to continue the Pension Plan indefinitely, the Diocese does have the right to change, amend or even discontinue the Pension Plan. If the Pension Plan is ever terminated, the Fund must be distributed for the exclusive benefit of the participating employees and their beneficiaries. The Plan Document, which is the official description of the Pension Plan, defines the priorities of payment of the funds to the participants.

A "DEFINED BENEFIT PHILOSOPHY"

(a) Design: As previously noted, the Pension Plan is a "defined benefit plan". This means that the monthly benefits identified to be payable during your retirement is not impacted in any manner by the investment performance of the assets held by the Diocese in the Pension Plan. Occasionally in the past, employees of certain participating employers have expressed a desire for a "modern" plan, such as a 401(k) plan or an employer contribution 403(b) plan, where the employee directs the investments of assets held under the plan. In such plans, in a distressed investment economy such as the one we just experienced, there is a significant likelihood that the employee would have had a very significant reduction in the benefits ultimately to be payable under such a plan. In a defined benefit plan (like the Pension Plan), however, the benefits are the monthly benefits expressed under the plan at retirement, without regard to investment performance of the plan's assets. If the assets held under the Plan underperform, the participating employers are required to increase contributions. Therefore, the recent investment economy has not had a negative impact on Pension Plan benefits. This is central to the Plan's main purpose. That is, to supply a vehicle which will allow the Plan’s assets to be properly managed so that a stable source of retirement income, when added to an employee's personal retirement savings (e.g., 403(b) plan and personal savings), will permit the employee to have a comfortable, secure retirement.

(b) Trust: Contributions made by participating employers are held in a Trust for which an independent institutional fiduciary serves as trustee. Because assets are held in the Trust, they are not permitted by law to be used for any purpose other than for the distribution of benefits.

(c) Oversight: In addition to the design and legal controls providing benefit security to Pension Plan participants, the Pension Plan is supervised diligently by a Pension Committee comprised of members representing the various ministries of the Diocese (e.g., healthcare employers, Catholic Charities, parishes, etc.). This Committee meets at least twice annually to review the Plan and to consider the Plan's role in satisfying a portion of the retirement income needs of current and retired employees (which is supplemented by the employees 403(b) and other employee savings).

Additionally, the Pension Committee directs that the Trust is audited annually by independent certified public accounts and commissions an actuary to provide annual certifications that the Trust assets, together with future employer contributions, are adequate to eventually pay retirement benefits as they become due.

We hope that the above provides you with the comfort of knowing that continuous service for the Diocese will provide you with secure retirement benefits that will be available at the closure of your active employment.

ABOUT SOCIAL SECURITY

The Pension Plan was designed to help you have a pleasant retirement.

It is intended to supplement your Social Security and personal savings. You and your employer have shared the cost of your Social Security taxes throughout your working years. You should consider your benefits under Social Security as part of your retirement planning.

During the past few years, the Social Security laws have been amended and modified. We suggest that you contact your local Social Security Office for any information about Social Security benefits at retirement.