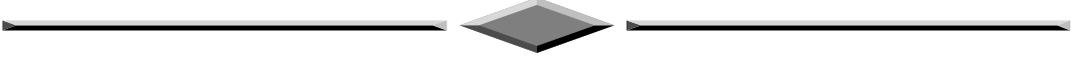


Please note that this Plan is Frozen effective July 1, 2011



Retirement Plan for the Lay Employees of
The Archdiocese of Baltimore

Eligibility and Enrollment

Benefit eligible lay employees of the Archdiocese are automatically enrolled in the Pension Plan on July 1st following the completion of the Plan's eligibility requirements. The eligibility requirements are: attain age 21; complete one full year of benefit eligible service.

Cost

The direct employer pays the full cost this pension benefit.

Retirement Benefit

The benefit is calculated according to a formula, which takes into account the employee's compensation and years of credited service with the Archdiocese of Baltimore. The formula is the greater of:

\$9 per month, per year of credited service

OR

1.25% of an employee's final average compensation times the first 10 years of their credited service, plus

1.5% of an employee's final average compensation times the next 5 years of their credited service, plus

1.75% of an employee's final average compensation times the remaining years of their credited service, plus

.25% of an employee's final average compensation in excess of \$40,000 times their total years of credited service

Final average compensation is the average of an employee's five highest consecutive calendar years of earnings from their last ten full calendar years of earnings.

Normal Retirement Example

Final average compensation \$45,000, years of credited service 23

$$9.00 \quad X \quad 23 \text{ Years} \quad = \quad 207.00 / \text{month}$$

OR

1.25%	X	45,000	X	10 Years	=	5,625.00
1.50%	X	45,000	X	5 Years	=	3,375.00
1.75%	X	45,000	X	8 Years	=	6,300.00
.25%	X	5,000	X	23 Years	=	<u>287.50</u>
Total Annual Retirement Benefit						\$ 15,587.50
Total Monthly Retirement Benefit						\$ 1,298.96

The greater benefit is \$1,298.96; therefore, this is the benefit that will be paid.

Retirement Payment Options

When an employee retires, he/she will be given several payment options that may provide a retirement benefit to his/her spouse or beneficiary upon the retiree's death. These reduced benefits will be explained when the employee retires.

Retirement Date

The Normal Retirement date is the later of the first of the month after an employee's 65th birth date or the 5th anniversary of the employee's participation in the Plan. An employee may retire as early as age 55 (Early Retirement) with at least 10 years of credited service and be eligible to receive a reduced pension benefit that reflects the fact that benefits will be paid over a longer period of time. An employee may choose to work beyond age 65 and have their pension benefit continue to grow until they actually retire.

Death Benefit (active participant)

If an active participant has been married for at least one year and qualifies for an Early Retirement Benefit (age 55 with 10 years of credited service), the employee's spouse is automatically provided death benefit coverage through the Pension Plan. No other participants are eligible for death benefit protection from the Pension Plan with the exception that employee contributions held by the Plan will always be refunded with interest upon the death of any participant. (Prior to 1980, employees were required to contribute to the plan with payroll deductions in order to participate. Since July 1980 no employee contributions are required or allowed in the pension plan.)

Vesting

"Vesting" means an employee's ownership in and right to keep his/her pension benefit. Once an employee has 5 years of credited service, they are automatically 100% vested in their pension benefit. If he/she should terminate their employment prior to that time, they will forfeit any right to receive a pension benefit.

Termination of Employment

If an employee's employment terminates after becoming 100% vested, they will be entitled to a deferred pension benefit. The vested benefit he/she has earned as of the date their employment terminates will generally remain in the plan's trust fund until they qualify for retirement under the terms of the plan. The employee will, however, be offered a lump sum cash out of their pension benefit upon termination of employment if the vested benefit he/she has earned has a present lump sum value of less than \$5,000. As previously indicated, if he/she terminates before becoming fully vested, they will not be entitled to any pension benefits.

Annual Statements

Each year, active participants will receive a statement showing their estimated projected normal retirement pension benefit.

This is a summary of the Retirement Plan for the Lay Employees of the Archdiocese of Baltimore. The purpose of the summary is to provide an overall look at how the plan works. The actual plan document will govern. If you have further questions regarding the plan, please do not hesitate to contact:

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