



**THE ARCHDIOCESE OF SAN FRANCISCO**

**PAROCHIAL PENSION PLAN**

**PLAN DIGEST**

This booklet is a digest of The Archdiocese of San Francisco Parochial Pension Plan. The plan has been established by the Archdiocese as a benefit for employees.

This booklet reflects plan amendments through December 31, 2013. This plan was established effective January 1, 1996, when it replaced the prior Parochial Pension Plan. If you have any prior written material describing all or part of the plan, it is obsolete.

In this booklet, the word "Archdiocese" means The Roman Catholic Archbishop of San Francisco. Whenever the term "employee" is used, it means lay persons who are employed by The Roman Catholic Archbishop of San Francisco, a Corporation Sole, The Roman Catholic Seminary of San Francisco, the Archdiocese of San Francisco Parish, School and Cemetery Juridic Persons Capital Assets Support Corporation, or the Archdiocese of San Francisco Parish and School Juridic Persons Real Property Support Corporation.

*The official name of the plan is "The Archdiocese of San Francisco Parochial Pension Plan".* For purposes of brevity and variety, it is frequently referred to in this digest and elsewhere as "the pension plan" or simply "the plan".

This digest is only a summary of The Archdiocese of San Francisco Parochial Pension Plan. All of your rights and benefits are described in the official plan documents. In the event of a conflict with the language of the official plan document, the plan document is controlling.

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## HIGHLIGHTS

The plan can be very important to you in the future. So, regardless of how far away retirement may seem to be now, we suggest that you and your spouse read this booklet carefully. If you have any questions -- now or in the future -- contact the archdiocesan Employee Benefits Manager at the address on the last page.

- **The Archdiocese sets money aside to pay Plan benefits.** The plan is technically called a *cash balance pension plan*. This kind of plan determines the amount of your pension benefit by reference to a hypothetical *pension account* for you. Your account is credited with a certain percentage of your *annual earnings*\* each year -- called *employer credits* -- and it is assumed to earn interest at a fixed rate -- called *interest credits*. You cannot make contributions to the plan. Your benefit at termination corresponds to your pension account balance at that time.
- **The pension funds are held in a trust.** It is important to keep in mind that your *pension account* is for recordkeeping purposes only. In reality, your plan benefits, along with those of other participants, will be paid from a pooled trust fund (the trust) held by an independent corporate trustee and inaccessible to creditors of the Archdiocese. An actuary determines the amount of the Archdiocese's yearly contributions to the trust fund so that benefits can be paid by the trustee from the trust fund when due.
- **You become increasingly entitled to your pension account according to a vesting schedule.** You are vested in your pension account balance under a graduated schedule which begins with 20% vesting after 3 years of service and increasing by 20% each additional year, reaching the maximum of 100% after 7 years.

\*Annual earnings includes all wages paid to you by the Archdiocese during a calendar year for personal services rendered as reported on Form W-2, before reduction for taxes, health and welfare benefits, tax sheltered annuities, or a cafeteria plan.

- **Taking a distribution from this plan does not affect your Social Security benefits.** Your benefits under this plan are completely separate from and in addition to any benefits to which you may become entitled under the Social Security Act.
- **Your benefit payment options at termination will depend on your age at distribution.** At normal or postponed retirement (age 65 or later), your pension account will be paid to you in a lump sum or as a monthly annuity; it is your choice. Prior to age 65, your vested pension account will be paid to you in a lump sum.

### **Advantageous Tax Treatment**

Because the plan is intended to be a *qualified* "church plan" under Internal Revenue Code Sections 401(a) and 414(e), your benefits are not taxable until you actually receive them.

*When you apply for benefits, you should inform yourself of the tax laws that apply to qualified plan distributions; the Archdiocese cannot help you with tax questions.*

\* \* \* \* \*

## WHO IS ELIGIBLE AND NOT ELIGIBLE FOR PARTICIPATION

### **Eligible**

The following classifications of employees are eligible for coverage under the plan (unless ineligible or excluded as described below):

- Lay employees in the archdiocesan parishes and schools.
- Pastoral Center lay employees.
- Lay employees of all other archdiocesan departments.
- Lay employees of The Roman Catholic Seminary of San Francisco, the Archdiocese of San Francisco Parish, School and Cemetery Juridic Persons Capital Assets Support Corporation, the Archdiocese of San Francisco Parish and School Juridic Persons Real Property Support Corporation.

### **Ineligible Classifications**

The following classifications of employees are *ineligible* for coverage under the plan -- but all their service will count for eligibility and vesting if they later enter an eligible classification listed above:

- Part-time employees (persons who *regularly and customarily* work less than 20 hours per week).
- Temporary employees (persons who *regularly and customarily* work less than five months in a calendar year).
- Employees who are covered under another plan of retirement benefits sponsored by the Archdiocese, or any subordinate corporation.
- Employees who are covered under the terms of a collective bargaining agreement where retirement benefits are the subject of good faith bargaining, unless the collective bargaining agreement provides specifically for coverage under this plan.



## **Excluded Classifications**

The following classifications are *excluded* from being considered for eligibility under the plan:

- Priests, nuns or members of religious communities or orders.
- Leased employees -- persons on assignment from personnel agencies.
- Persons whose archdiocesan compensation is not reported to them on Internal Revenue Service Form W-2.
- Independent contractors or commission employees.

Your archdiocesan service while excluded, if any, will not count for any purpose if you later enter an eligible classification listed on page 3.

## **Service Requirements**

Assuming you are not ineligible or excluded, to be covered under the plan you must complete one year of service.\*

## **Administration of Eligibility and Changes in Eligibility**

For practical administrative reasons, the plan generally uses your status on December 31 of each year to determine whether or not you are eligible for coverage for that calendar year. If better verifiable data is available, it will be used. The Plan Administrator's decisions in this regard are final.

## **Questions**

If you are in doubt about your eligibility status, contact the Employee Benefits Manager, whose address and phone number are on the last page of this booklet.

*\*Please see the “Service” section of this booklet for more details.*

## SERVICE

Because many aspects of your plan coverage are based on the length and continuity of your *service*, it is important for you to know how it is computed.

In general, *service* means **all** your archdiocesan employment. However, if your archdiocesan employment has been interrupted for any reason, then your aggregate service is determined with reference to the plan's break-in-service and reemployment rules.

To simplify recordkeeping, service is credited in calendar months and years, beginning on the first day of the month in which you are employed. Service ends on the last day of the month in which your employment ends.

*Service* includes all time that you work, plus time you are absent from work during vacations, holidays, temporary illness, authorized leaves of absence, and up to 12 months of layoff due to lack of work. Service also includes maternity and paternity leaves of absence as defined on page 29.

### **Periods Excluded from Service**

The following periods of employment are excluded from "service".

- Any period of layoff lasting more than 12 consecutive months, during which you receive no compensation from the Archdiocese.
- Any absence in excess of 24 months from the beginning of a maternity or paternity leave.
- Any period of *unauthorized* absence.
- Certain periods of military service.
- Any period following your termination of employment as defined on page 7.

## **Service While Ineligible For Coverage**

Service will be counted for vesting and for meeting the plan's one year eligibility requirement if you are classified as ineligible, but no employer credits will be added to your pension account while you are classified as ineligible.

## **Service While Excluded From Coverage**

Any period while you are classified as *excluded* on page 4 is not counted for any purpose; eligibility, vesting, and employer credits will *not* be added to your pension account balance if you are in an excluded classification.

## **Transfers Within the Archdiocese**

If you transfer employment from one archdiocesan location to another, such as from one parish school to another parish school, your service is not terminated but continues and is carried forward, and employer credits will continue to be added to your pension account -- provided, of course, that you are still in an eligible class of employees following your transfer. However, if, after the transfer, you are in an *ineligible* class of employees, no future employer credits will be added to your pension account, but service will continue to be credited to you in your new location for purposes of vesting. Remember, any period of employment in an *excluded* class will not count for any purpose.

## **Change of Eligibility**

If your status changes from eligible to ineligible, such as from full-time to part-time, your service is not terminated but continues and is carried forward, but employer credits to your pension account will be discontinued. However, if you change from an eligible class to one of the excluded classifications of employees (listed on page 4) your service while so classified will not be counted for any purpose, and employer credits will be discontinued also.

## **No Distributions Upon Status Changes**

You are not eligible for a distribution of your vested pension account balance upon a change in eligibility status, since your employment within the Archdiocese has not been terminated. For example, if you transition from a full-time to part-time position within the Archdiocese, you are not eligible to receive a distribution.

## **Termination of Employment**

Your coverage under the plan will terminate on the earliest of the following events:

- quit, discharge, or layoff from archdiocesan employment;
- death;
- disability as defined on page 14;
- failure to return to work after an illness or accident;
- failure to return to work after an authorized leave of absence;
- failure to return to work from a maternity or paternity leave within two years from the beginning of the leave;
- failure to return to work after military service within the time your employment rights are protected by law.

## **Break-In-Service**

If your archdiocesan employment terminates, you will incur a break-in-service. Your break-in-service will generally be counted from the last day of the month in which your employment terminated.

**Exception: For a maternity or paternity leave, a break-in-service is counted from the second anniversary of the beginning of the leave.**

## **Reemployment**

If you are later reemployed, you are credited with service as follows:

- ***Reemployment within twelve months.*** No break-in-service; the interval between your termination date and reemployment date counts as service.
- ***Reemployment after twelve months.*** You have incurred a break-in-service; the interval between your termination date and reemployment date does not count as service.

**Exception: For a maternity or paternity leave, you are credited with service if you return to work within 24 months of the beginning of the leave.**

If you enter the uniformed services of the United States and are entitled to reemployment under federal law, your benefit and status under this plan will be determined according to federal law applicable to your period of military service.

## WHEN PLAN COVERAGE STARTS

Your coverage under the plan is automatic. It begins on the *first* day of the month in which you complete one year of service, provided you are not otherwise ineligible for coverage at that time.

### Coverage Ends

Your coverage under the plan ends when you retire, die, become disabled, or terminate employment.

### Inactive Participation

If your status is changed from eligible to either *ineligible or excluded*, but you are still employed by the Archdiocese, you will be classified as inactive on the plan's records. You will not receive employer credits to your pension account, if any, while you are inactive. However, while you are inactive, interest credits will be added to your pension account, if any. If you return to an eligible status, you will begin to earn more employer credits.

Remember, service for other purposes, such as vesting, will continue to be counted while you are classified as *ineligible*, but not when you are classified as *excluded*.

### Administrative Provision Regarding Status Changes

Your eligibility status under the plan is reviewed once each year, as of December 31, after each archdiocesan location has reported census data changes for the year to the Employee Benefits Manager. Therefore, if your status changes--for example, from full-time to part-time employment during this calendar year -- the Employee Benefits Manager will probably not learn of your change until next calendar year, when your location's census data is reviewed. Unless your location reports the exact date of your status change, along with other information needed to calculate the amount, if any, of your employer credit for a partial year, the Employee Benefits Manager will assume that your December 31 status was in effect throughout the year. For example, if you change from part-time to full-time during the year, but no date is given, you will be counted as full-time for the entire year. The opposite is true if you go from full-time to part-time status during the year.

## PENSION ACCOUNT

### Pension Account Balance

A pension account will be created on the plan's records for you when you become covered under the plan, although the plan's assets are actually pooled in a trust fund and not segregated individually. Your pension account balance on any date consists of three items:

- (1) Employer Credits;
- (2) Interest Credits; and
- (3) Prior Plan Credit, if any.

Your pension account balance is also called your *accrued benefit* under the plan.

### Employer Credits

An amount equal to 7% of your *annual earnings* will be credited to your pension account for each year of service while you are in an eligible status. This amount is called an *employer credit*.

*Annual earnings includes all wages paid to you by the Archdiocese during a calendar year for personal services rendered as reported on Form W-2, before reduction for taxes, health and welfare benefits, tax sheltered annuities, or a cafeteria plan, if any.*

Remember, employer credits *will not* be added to your pension account for any time you are in an ineligible or excluded classification, or for any time you do not receive wages from the Archdiocese. Employer credits will stop on the December 31 preceding or coincident with your termination of employment (as defined on page 7).

## **Interest Credits**

Interest at the rate of 5% compounded annually will be credited monthly to your pension account balance. This is called an *interest credit*. Interest credits continue as long as you have an account balance -- even if you become ineligible for plan coverage. Interest credits will stop at the end of the month preceding the month in which payment of your pension account is scheduled to begin by the Employee Benefits Manager.

**It is the Archdiocese's intention to continue interest credits at the current rate indefinitely. However, there is no guarantee. The Archdiocese has the right to increase or decrease the rate of future interest credits or to discontinue them.**

Note: For periods prior to January 1, 2014, interest is credited at the rate of 7% compounded annually.

## **Prior Plan Credit**

If you were covered by an archdiocesan pension plan that was superseded by this plan, your pension account under this plan started with a Prior Plan Credit reflecting your benefit under the superseded plan.

## **Annual Statement of Account**

Annually, after the end of the calendar year, if you are an active participant under the plan, you will receive a personalized statement showing your status under the plan including the following items:

- (a) the beginning balance in your pension account as of the previous January 1;
- (b) the amount of interest credits added to your beginning balance;
- (c) the amount of employer credits, if any, allocated to your pension account for the calendar year, and
- (d) the new balance in your pension account as of December 31.



Individual statements will be provided once a year -- after the plan's census data is collected and processed. This project may take several months, owing to the need to manually collect census data from each archdiocesan location separately. Your patience is appreciated.

### **Changes in Status**

If your status changes from eligible to either *ineligible or excluded*, and your employment has not terminated, no further employer credits will be added to your pension account, although interest credits will continue to be added.

If the exact date of your status change is known to the Employee Benefits Manager, that date will be used for purposes of stopping or starting employer credits. But if the exact date is not known, the Employee Benefits Manager will use your status (and earnings) on each December 31 as the benchmark for the prior 12 months for purposes of allocation of employer credits.

The Employee Benefits Manager's determination as to your status will be final.

## RETIREMENT

### **Normal Retirement**

A *normal* pension is one which is paid to you upon retirement when you reach age 65. This date is called your *normal retirement date*.

### **Postponed Retirement**

A *postponed* pension is one which is paid to you beginning after your normal retirement date. If you work past your normal retirement date, employer credits and interest credits will continue to be added to your pension account, provided that you remain in an eligible classification. If you do not remain in an eligible class, your pension account will continue to receive interest credits only.

**IMPORTANT NOTE:** You may not begin to collect a pension under the plan while you are still employed by the Archdiocese -- even if you are employed in an ineligible class, such as a part-time employee.

## DISABILITY

### **Disability Defined**

To be eligible for a disability benefit, you must:

- (1) become disabled after January 1, 1996;
- (2) become disabled while employed by the Archdiocese; and
- (3) provide evidence that you are receiving Social Security disability benefits.

### **Amount of Disability Benefit**

The full amount of your pension account balance, if any, is payable to you.

### **Payment of Disability Benefit**

Your pension account balance will be paid to you *in a single sum* as soon as possible after your eligibility for a disability benefit has been verified, provided proper application has been made. Disability benefits are always paid as a lump sum; your pension account balance may not be converted to an annuity.

## PRE-RETIREMENT SURVIVOR BENEFITS

The plan provides a pre-retirement survivor benefit if your death occurs while you have a pension account balance on the plan's books, either as an active employee, or as a terminated employee with a vested deferred benefit.

### **Eligibility**

To be eligible for a pre-retirement survivor benefit, you must have (1) an undistributed pension account balance if your death occurs while you are employed by the Archdiocese, or (2) a vested deferred benefit if your archdiocesan employment has terminated, and (3) payment of benefits to you in any form (lump sum or annuity) must not have started.

### **Amount of Survivor Benefits**

- ***Death While Employed by the Archdiocese:*** If your death occurs while you are employed by the Archdiocese, your spouse, or if you have no spouse, your beneficiary will be paid an amount equal to your pension account balance in a single sum.
- ***Death of a Former Employee:*** If your death occurs after your archdiocesan employment terminates but before payment of benefits to you has started, your spouse, or if you have no spouse, your beneficiary, will be paid an amount equal to your vested deferred benefit in a single sum.

### **Payment of Survivor Benefits**

Payment of survivor benefits is made only in a single lump sum, provided the proper application has been filed with the Employee Benefits Manager. Annuity benefits are not available.

## **VESTED BENEFIT**

The percentage of your pension account balance to which you have a nonforfeitable right if you leave archdiocesan employment is your *vested pension benefit*, sometimes also called your *vested deferred benefit* or *vested pension account balance*.

If your archdiocesan employment terminates for a reason other than retirement, disability, or death, then whether or not you will receive your pension account balance depends upon how many years of service you had completed on your termination of employment date.

If you terminate employment before you can officially retire under the plan, you will be vested in your pension account balance according to the vesting schedule below.

### **VESTING SCHEDULE**

<b>Years of Service</b>	<b>Percent Vested</b>
Less than 3	-0-
3 but less than 4	20%
4 but less than 5	40%
5 but less than 6	60%
6 but less than 7	80%
7 or more	100%

## **Time of Payment**

Payment of your vested pension account balance may be made immediately upon termination of employment, or may be deferred up to one year following your termination employment. If you do not apply for distribution of your pension benefit within 12 months of your termination date from the Archdiocese, you will be contacted by the Plan Administrator or his delegate, Pension Services.

Interest credits will continue to be added to your vested pension account through the month preceding payout. Remember, the Archdiocese has the right to increase or decrease the rate of future interest credits or to discontinue them.

If your vested pension account balance equals \$5,000 or less, the Archdiocese will pay you your benefit immediately in a lump sum. You may not defer payment.

## **Form of Payment**

- ***At Normal or Postponed Retirement Date:*** You have the option of taking an annuity or a lump sum.
- ***At Termination of Employment Date Before Normal or Postponed Retirement Date:*** Payment will be made **only** in a lump sum. There is no annuity option available.

## **Termination After Normal Retirement Date**

If you terminate your employment after your normal retirement date, your termination will be deemed retirement for purposes of the plan. You will also be fully vested in your pension account balance -- even if you have less than 7 years of service.

## DISTRIBUTIONS FROM THE PLAN

### Normal Forms of Payment upon Retirement (at age 65 or later)

Two types of annuity benefits are available at normal or postponed retirement -- one for single employees, the other for married employees. The annuity benefit appropriate for your marital status will automatically take effect unless you elect the lump sum cash option. The amount of your monthly annuity benefit will depend on the size of your vested pension account balance and on the plan's annuity conversion factors, which take into account your age and marital status at retirement.

**Annuities are not available for employees who are under age 65. Employees who have reached age 65 must have a vested account balance greater than \$5,000 in order to be eligible for an annuity.**

- ***Single Employee Normal Form Annuity:*** If you are not married at retirement, your normal form of payment will be a *Life Annuity With Full Cash Refund*. Under this form of annuity, the plan will pay you a monthly retirement income for life. If you die before you have been paid an amount equal to your vested pension account balance -- calculated at the time your annuity benefits start -- the remainder will be paid (*refunded*) to your beneficiary.
- ***Married Employee Normal Form Annuity:*** If you are married when your retirement benefits begin, the normal form of payment is a *Life Annuity With a Fifty Percent Surviving Spouse Benefit With Full Cash Refund*.

This means that you receive regular monthly payments during your lifetime. If you predecease your spouse, 50% of the pension you were being paid will be paid to your spouse for life. If both you and your spouse die before an amount equal to your vested pension account balance -- calculated at the time your annuity benefits start -- has been paid, the remainder will be paid (*refunded*) to your beneficiary.

If your spouse predeceases you, *after* payments to you have started, your benefit will continue to be paid to you; it will not increased or decreased on account of your spouse's death.

Also, if you remarry, your new spouse cannot be added in place of your deceased spouse, nor can your remaining annuity payments be converted to a lump sum.

If your spouse dies *before* your benefit payments begin, then this form of payment will not take effect and you will be entitled to the single employee normal form annuity benefit described above.

## **Eligible Spouse**

To be eligible for a surviving spouse's pension under the normal form of annuity for married employees described above, your spouse must be continuously married to you from the date payment of your pension benefit starts until the date of your death. If you marry, or remarry, after payment of your pension benefit has started, your new spouse will not qualify for the surviving spouse's pension.

## **Optional Form of Payment**

***Lump Sum Payment.*** Instead of the normal form of annuity payment described above for your marital status, you may elect to receive your vested pension account balance in a lump sum.

Under this form of benefit payment, you elect to receive your vested pension account balance in a single lump sum, payable upon termination from archdiocesan employment. Your lump sum may be paid to you, or paid in a *direct rollover* to your IRA or another employer-sponsored plan. (See page 22 for further information on direct rollovers.) Upon payment of your vested pension account balance, no further benefits are payable to you, your spouse, or any other beneficiary.

The Archdiocese has the right at any time to change the forms of benefit payable under the plan, including the right to eliminate forms of benefit payment, but not after payment of benefits have commenced. When you apply for benefits, the Employee Benefits Manager will inform you of the benefit forms available at that time.



## **Small Payments**

If your vested pension account balance equals \$5,000 or less when it becomes payable, it will be paid in a lump sum immediately. Annuities are not available for employees with vested pension account balances of \$5,000 or less.

## **Electing a Method of Payment**

You must choose a method of payment -- annuity or lump sum -- before the date benefits are scheduled to begin.

*It is very important* to note that, if you are married, your spouse must consent to your election in writing in the presence of a Notary Public.

## **Default Method of Payment**

If the Plan is unable to contact you about payment of your benefit, or if you do not complete and sign the necessary application forms, your benefit will be paid using a default method, as follows:

*Automatic Rollover* will apply if you are under age 65 and your vested pension account balance is more than \$1,000. The Plan's trustee will transfer your benefit to an IRA in your name, where it will be invested in a vehicle designed to preserve principal, subject to the IRA custodian's normal fees. Contact Pension Services for more information.

*Cash Lump Sum* will apply if you are over age 65 or your vested account balance is \$1,000 or less.

## **Distributions at Disability, Death, and Termination of Employment**

If you become disabled or die before retirement (age 65), your pension account balance will be paid in a lump sum. No annuity options are available. If your archdiocesan employment terminates before you retire under the plan, you may elect to receive your vested pension account balance immediately in a lump sum or defer payment up to one year following your termination of employment date.

## **Deferred Payment**

If you terminate your archdiocesan employment before your normal retirement date, you may choose to defer payment of your vested pension benefit up to one year following your termination of employment date, instead of taking a lump sum. When you defer payment, your vested pension account will remain on the plan's books. Payment cannot be deferred beyond one year following your termination of employment date - unless you have been reemployed by the Archdiocese.

You should understand that your vested pension account will not be allocated any employer credits (because you are not employed by the Archdiocese). And remember, if you choose to defer payment, the rate of future credits may be *increased or decreased* by the Archdiocese, or they may be discontinued -- there is no guarantee that interest will always be credited at the rate of 5% per annum. The Archdiocese also has the right to change the forms of benefit payable under the plan -- for example, the lump sum benefit could be discontinued.

## **Date of Payment**

Payment of your benefit will begin as soon as possible after you terminate and have filed an accurate and complete application form. Application forms may be obtained by calling Pension Services toll-free at (800) 867-0780.

When you apply for your pension benefit, you will be provided with a description of all forms of payment which are then available to you, and the relevant financial effect of each form of payment, so that you and your spouse can make an informed election.

## **In-Service Withdrawals**

***In-service withdrawals are not permitted***, and if made, could cause the plan to lose its tax-favored status. For example, if you stop working full-time for the Archdiocese but continue as a part-time employee, your vested pension benefit cannot be paid, because your archdiocesan employment has not ended. To avoid in-service withdrawals, the Archdiocese has established the following policy regarding your re-employment: ***If you terminate Archdiocesan employment and receive a payment from this plan, you may not be employed by any Archdiocesan site in any capacity during the 12 months following your termination.***

## APPLYING FOR BENEFITS

You must apply for your benefits on forms supplied by the Plan Administrator's delegate, Pension Services. You will be asked to verify all the data upon which your pension will be calculated, including your age, your marital status, and your pay history. You will also be asked to elect a form of payment and make income tax withholding decisions.

### **Tax Withholding on Annuities**

If you choose annuity payments, you are required by federal law (and the laws of some states) to make an election as to whether you want income taxes withheld from your monthly annuity. If you fail to make an election, income taxes will automatically be withheld.

### **Direct Rollover of Lump Sum to IRA**

This plan is a qualified church plan under Internal Revenue Code Sections 401(a) and 414(e). If you elect a lump sum benefit instead of an annuity, you will be provided forms and information, as required by federal law, to elect a *direct rollover* of all or part of your lump sum distribution to an Individual Retirement Arrangement (IRA) or another employer's pension plan. Amounts paid by *direct rollover* will not be subject to income tax withholding. However, any amount paid directly to you will be subject to mandatory federal tax withholding.

### **Spouse Consent Requirements**

If you are married, you may not apply for benefits, elect the lump sum option, or elect a direct rollover of any part of your vested pension account balance, unless your spouse consents to it. Your spouse must:

- (a) consent in writing on forms provided by or acceptable to the Employee Benefits Manager, and
- (b) your spouse's signature must be witnessed by a Notary Public.

You must establish your marital status to the satisfaction of the Plan Administrator or his delegate, Pension Services, before any payment will be made to you.

## **Submitting Your Application**

Data verification forms, application forms, income tax withholding forms, and any other forms needed to collect your benefits or name a beneficiary are available from Pension Services at (800) 867-0780.

It is your responsibility to furnish any additional information that may be required and to make sure the Employee Benefits Manager, Pension Services, and the plan trustee have your correct address so your pension check(s) will reach you.

Ordinarily, benefit applications are processed within 6-8 weeks, but special situations may take longer.

If your application is incomplete or improperly completed, it will be returned to you, and you will be given an explanation or assistance necessary to perfect your application.

If you are not eligible for a benefit, the Employee Benefits Manager will tell you why in writing. You will also be told how you can appeal the decision.

## **Exceptions to Application Requirement and Spouse Consent**

If your vested pension account balance equals \$5,000 or less, your benefit is payable only in a lump sum, and it may be processed without a full application or spouse consent. However, you must still comply with the direct rollover procedure required by federal law, which will be explained to you in writing at the relevant time.

If the Plan Administrator or his delegate contacts you one year after your employment terminates to arrange distribution and you fail to complete the application or provide spouse consent, your vested pension account will be paid to you under the default method described on page 20.

## **OTHER THINGS YOU SHOULD KNOW**

### **Participant Records**

Participant records are maintained by the Employee Benefits Manager on a calendar year basis. The accuracy of your data in the pension plan master file is largely based on your archdiocesan employer's response to the Employee Benefits Manager's annual data questionnaire. Each archdiocesan parish, school or other location is asked to update its plan records annually as of December 31, and submit current data for incorporation in the plan's permanent data base.

### **Plan Administrator**

The official Plan Administrator is the Archbishop. Day-to-day operations of the plan are performed by the archdiocesan Employee Benefits Manager.

All questions and requests for information about the plan's administration and/or operations should be directed to the Employee Benefits Manager at the address on the last page of this booklet.

### **Covered Employees**

Not everyone is eligible for coverage under the plan. Whenever the term "participant" is used in this digest, it means only those employees who meet the plan's service requirement for coverage, and who are not classified as ineligible or excluded. Where the context is appropriate, "participant" also includes other persons who have an undistributed pension account balance on the books of the plan.

Whenever the term "employee" is used, it means persons who are employed by The Roman Catholic Archbishop of San Francisco, a Corporation Sole, or The Roman Catholic Seminary of San Francisco, the Archdiocese of San Francisco Parish, School and Cemetery Juridic Persons Capital Assets Support Corporation, or the Archdiocese of San Francisco Parish and School Juridic Persons Real Property Support Corporation.

This booklet describes the plan as in effect on January 1, 2014. Some provisions of the booklet may not apply to employees who terminated employment before that date, and future plan amendments may supersede some of the material presented.

## **Employee Contributions**

Employees are not permitted to make contributions to this plan. You may be eligible to establish and make contributions to an Individual Retirement Account (IRA) and/or to a tax sheltered plan described in Internal Revenue Code Section 403(b). You should seek advice elsewhere (from the Internal Revenue Service, your accountant or your tax advisor) concerning your eligibility for either an IRA or an Internal Revenue Code Section 403(b) tax sheltered plan.

## **Reemployment After Receiving Payment(s)**

If you return to work for the Archdiocese in an eligible classification after you have received your plan benefits in a lump sum, a new pension account will be created on the plan's books for you, and new employer credits and interest credits will be added.

If you return to work for the Archdiocese in an eligible classification while you are collecting monthly annuity benefits, payment of those benefits will stop. Your pension account will receive new employer credits and interest credits while you work in an eligible class. When you later retire or cease to be in an eligible class, your pension benefits will start again. Your new benefit will be based on the pension account balance you would have had if you had not received any benefits, adjusted by subtracting the benefits you received and the interest credits they would have earned if they had remained in your pension account. You will have another opportunity to elect either a lump sum or an annuity when your pension recommences. There is no guarantee that your pension benefit will be larger as a consequence of your reemployment.

If you terminate Archdiocesan employment and receive a payment from this plan, you may not be employed by any Archdiocesan site in any capacity during the 12 months following your termination.

### **Benefits While on Leave of Absence or in Suspense**

You cannot withdraw your pension account or begin receiving benefits while you are employed by the Archdiocese, even if your participation in the plan is suspended because you are in an ineligible or excluded classification. The same rule applies to an authorized leave of absence, even if it is without pay.

### **Loans or Withdrawals/Distributions Before Termination**

The plan is intended to help build financial security for your retirement and long term needs. Therefore, no loans or withdrawals from your pension account are permitted. Pension benefits will not be distributed to you until after your archdiocesan employment has terminated and your vested status in your pension account has been calculated and verified. There are no exceptions to this rule.

### **Designation of Beneficiary**

At anytime you are married, **your spouse is automatically your primary beneficiary.** Neither you nor your spouse may elect otherwise.

If you are single, you may designate anyone, or your estate, as your primary beneficiary and you may change your designation any time, using the forms provided by the Employee Benefits Manager or Pension Services.

Whether you are married or single, it is advisable for you to designate a secondary beneficiary to receive the benefit due upon your death, just in case your spouse or other primary beneficiary does not survive you.

If you fail to designate a beneficiary, or if your spouse or beneficiary is not living at the time survivor benefits are to be paid, then the benefit due, if any, will be paid as follows:

- (1) In equal shares to the surviving children (natural or adopted) for whom you had a legal and parental responsibility;
- (2) If there are no such children, to your parents in equal shares or, if only one parent survives, to that parent;
- (3) If there are no such children or parents, in equal shares to your surviving siblings;
- (4) If none of the above survive, in equal shares to your surviving grandparents;
- (5) If none of the above survive, in equal shares to your surviving aunts and/or uncles who are children of your grandparents; or
- (6) If none of the above survive, to your estate.

Should your spouse or other primary beneficiary fail to survive you by at least 30 days--or if you and your spouse or other beneficiary die in a common accident or disaster -- you will be deemed to have died last, and any benefit due will be paid in accordance with that assumption.

Beneficiary designation forms, with instructions, are available from Pension Services at (800) 867-0780.

### **Abandoned or Unclaimed Benefits**

It is your responsibility to see that the Employee Benefits Manager has your correct address. If the plan is unable to pay your benefit to you because your identity or whereabouts are unknown, your benefit will be paid by automatic rollover (see page 20) or payment will be delayed, until you are identified or located, or until your death is legally established.

Pension Services will mail notification of the intended automatic rollover or delay of your benefit payment to your last known address. If no response is received within 30 days, the automatic rollover or delay will take place.



## **Legal Incapacitation**

If you, your spouse, or any of your beneficiaries are entitled to receive benefits under the plan and become legally incapacitated -- or if your designated beneficiary is a minor -- benefits will be paid to the person or institution that, in the opinion of the Plan Administrator, is providing for the care and maintenance of the individual in question. Any such payment constitutes a full and complete discharge of the plan's obligation to pay a benefit.

## **Misstatement and Data Errors**

If your age, marital status, date of hire, date of termination, or any other relevant fact related to your coverage under the plan, or an application for payment of benefits, is misstated or erroneous due to incorrect data, the Plan Administrator has the right to make an adjustment in your benefits based on the correct information.

Any error in vested pension account balances due to a misstatement or data error will be corrected. Any overpayment of benefits due to misstatement will be deducted from future payments if possible. The Plan Administrator may also institute legal action to recover any overpaid amount or wrongfully paid amount. Interest may be charged on any amount that is overpaid or wrongly paid due to misstatement.

While you have a pension account under the plan, you will be provided annually with a personalized Statement of Account which will set forth all your relevant data on file plus your vested status under the plan. It is your responsibility to read it carefully and advise the Employee Benefits Manager of any misstatements or errors.

## **Assignment or Attachment Prohibited**

To the extent permitted by law, benefits payable under the plan are not subject to assignment, transfer, other legal encumbrance, or process. However, a court's domestic relations order may affect the payment of your pension benefits under certain circumstances.

## **Employment Rights Not Implied**

Coverage under the plan does not give you the right to be retained in the employ of the Archdiocese, nor does it interfere in any way with the right of the Archdiocese to discharge or terminate you at any time, without regard to the effect such discharge or termination may have on your rights under the plan.

## **Employer Policy and Procedures**

Where this digest discusses aspects of your employment, such as part-time status or leaves of absence, the discussion relates only to coverage and benefits under the plan. Nothing in this digest affects the terms of your employment or any other archdiocesan administrative or personnel policy or procedure governing any aspect of your employment.

## **Maternity or Paternity Leave**

Solely for purposes of the plan, maternity or paternity leave means an absence due to pregnancy, or the birth of your child, or the placement of a child with you in connection with the adoption of the child by you, or for the purpose of caring for your newborn or adopted child during the period immediately following the child's birth or placement for adoption. The granting of leaves of absence and the terms and conditions that apply to them are not the responsibility of the plan.

A maternity or paternity leave, as defined above, will not interrupt service credits, provided you return to archdiocesan employment before your leave expires. If you do not return to the Archdiocese before your leave expires, your employment will be considered terminated 24 months from the date your leave started.

## **Plan Amendment, Merger or Termination**

Although the Archdiocese expects and intends to continue the plan indefinitely, it may be modified, amended, suspended, or terminated at any time. For instance, the rate of future employer credits may be changed, and the rate of interest credits may be increased or decreased, or such credits may be discontinued. The Archdiocese also has the right to change the forms of benefit payable under the plan. However, no amendment to the plan can adversely affect your right to the benefits you have earned up to the time such a modification or amendment is made, to the extent those benefits are funded.

If the plan should ever be merged or consolidated with another plan, your benefit immediately after the merger or consolidation will be at least as great as the benefit you would have received if the plan had then terminated.

In the event the plan is terminated, your right to your plan benefit, to the extent then funded, will become 100% vested regardless of your age or service. At that time, the assets of the plan will be prioritized and subdivided, with pensioners having the highest priority. After all plan obligations have been satisfied, any remaining plan assets will be returned to the Archdiocese.

## **Financing the Plan**

The plan is funded solely through employer contributions to a trust fund. You, as an employee, are not required to pay anything and cannot contribute anything.

The Archdiocese makes contributions to the plan's trust fund, which are calculated by an independent actuary and are expected to be enough to provide present and future benefits.

These contributions and their investment earnings are held in a trust fund, but specific assets are not allocated to particular participants' pension accounts, and no participant has any claim to priority with regard to specific trust fund assets. There is, of course, no guarantee that the trust fund will always be sufficient to provide plan benefits. In the event that assets of the trust fund are not sufficient to pay all plan benefits, benefits will be distributed in accordance with the priorities set forth in the plan document. The Archdiocese has no liability for benefits if the trust fund assets are insufficient.

## **Plan Assets Exclusively for Employees and Beneficiaries**

Plan assets cannot be used for any other purpose than to provide benefits for you, your spouse, or other beneficiary, and to pay plan expenses, unless the plan terminates and all benefits are paid in full.

## **Statutory Limitations**

The plan contains certain benefit limitations required by federal law. You will be notified if you are affected by these limits.

Federal law also contains special rules if the plan were to become top heavy in favor of key employees. It is very unlikely that the plan will ever become top heavy. If this should occur, however, you will receive complete information on application of legal requirements.

## **Social Security and Other Plans**

Plan benefits are completely separate from and in addition to your Social Security benefits, the cost of which both you and the Archdiocese share equally. Besides benefits from this plan and Social Security, you also may have retirement income from other sources, such as personal savings, individual tax sheltered plans described in Internal Revenue Code Section 403(b), an IRA, or another employer's pension plan. Benefits from these sources are not affected by this plan.

## **Official Plan Documents**

This digest is only a summary of The Archdiocese of San Francisco Parochial Pension Plan. All of your rights and benefits are described in the official plan documents, including amendments from time to time. If you were covered by a prior plan, terms of the prior plan will govern as applicable. In the event of a conflict with the language of the official plan document, the plan document is controlling.

## **Questions**

All questions and requests for information about the plan's administration and/or operations should be directed to Pension Services by calling (800) 867-0780.

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## PLAN DIRECTORY

**Official Plan Name:**

The Archdiocese of San Francisco Parochial Pension Plan.

**Plan Sponsor:**

The Roman Catholic Archbishop of San Francisco,  
a Corporation Sole.

**Type of Plan:**

Defined Benefit, Cash Balance Type.

**Plan Effective Date:**

January 1, 1996. This booklet reflects plan amendments through  
December 31, 2013.

**Plan Year:**

The plan year is a calendar year.

**Pastoral Center Mailing Address:**

Employee Benefits Manager  
The Archdiocese of San Francisco  
One Peter Yorke Way  
San Francisco, California 94109-5542  
Phone: (415) 614-5539

**Claims for Plan Payment:**

Pension Services  
Toll-Free Phone: (800) 867-0780



*5/2014*