

# Roman Catholic Archdiocese of Boston

## Roman Catholic Archdiocese of Boston Pension Plan

### Actuarial Valuation Report

Plan Year

July 1, 2016 – June 30, 2017

October 2016





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October 2016

Roman Catholic Archdiocese of Boston  
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The Roman Catholic Archdiocese of Boston retained Buck Consultants, LLC (Buck) to complete the July 1, 2016 actuarial valuation of the Roman Catholic Archdiocese of Boston Pension Plan (Plan). This report presents the results of the valuation for the plan year ending June 30, 2016 and documents the funded status of the plan as of July 1, 2016. Appendix D, Key Terms, contains definitions of terms used in this report.

### **Purpose of This Report**

Buck has prepared this report for the Archdiocese of Boston for use in review of the operation of the Plan and as a source of information for the financial statements of the Plan. The plan sponsor may also use the report in the preparation of various regulatory filings as well as the Plan's audited financial statements.

Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Buck to review any statement you wish to make on the results contained in this report. Buck will accept no liability for any such statement made without prior review by Buck.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report.

### **Data Used**

Buck performed the valuation using participant data supplied by the Plan Administrator and financial data supplied by the Archdiocese of Boston. Buck reviewed the data for reasonableness and consistency with data for the prior valuation, but performed no audit of the data. The accuracy of the results of the valuation is dependent on the accuracy of the data. Appendix B contains a summary of the data used in the valuation.

### **Plan Provisions**

The Plan was last amended and restated effective January 1, 2011. The Plan was frozen effective December 31, 2011. Appendix B contains a summary of the plan provisions reflected in the valuation.

### **Assumptions and Methods**

Appendix A contains a summary of the actuarial assumptions and methods used in the valuation.

**Actuarial Certification**

The Plan's Trustees selected the actuarial assumptions used to calculate the present value of accrued liabilities. We believe the actuarial assumptions used are appropriate for this purpose.

The report was prepared under the supervision of Thomas M. Sablak, the Plan's Actuary and a Member of the American Academy of Actuaries, who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

BUCK CONSULTANTS, LLC



Thomas M. Sablak, EA, FSA, MAAA  
Principal, Retirement Consulting Actuary



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## Summary of Funded Status

|   | July 1, 2016       | July 1, 2015       |
|---|--------------------|--------------------|
| A. Present value of accrued benefits (PVAB) |                    |                    |
| 1. Active participants                      | \$50,197,615       | \$54,700,372       |
| 2. Deferred vested participants             | 30,759,395         | 31,518,518         |
| 3. Retired participants and beneficiaries   | <u>156,408,191</u> | <u>155,421,828</u> |
| 4. Total, [A.1. + A.2. + A.3.]              | \$237,365,201      | \$241,640,718      |
| B. Market value of assets                   | <u>191,880,292</u> | <u>215,991,574</u> |
| C. (Deficit)/Surplus [B. - A.4.]            | (\$45,484,909)     | (\$25,649,144)     |
| D. Funded status, [B. / A.4.]               | 80.8%              | 89.4%              |

## Reconciliation of Funded Status

July 1, 2015 to July 1, 2016

|     |                                      |                |
|-----|--------------------------------------|----------------|
| A.  | (Deficit)/Surplus as of July 1, 2015 | (\$25,649,144) |
| B.  | (Increase)/Decrease due to           |                |
| 1.  | Benefit accruals                     | 0              |
| 2.  | Contributions                        | 7,435,919      |
| 3.  | Net interest                         | (1,425,552)    |
| 4.  | Liability gain/(loss)                | 1,727,995      |
| 5.  | Asset gain/(loss)                    | (23,698,055)   |
| 6.  | Assumption changes*                  | (4,545,896)    |
| 7.  | Plan amendments**                    | 669,824        |
| 8.  | Annuity purchase                     | 0              |
| 9.  | Other                                | 0              |
| 10. | Net (increase)/decrease              | (\$19,835,765) |
| C.  | (Deficit)/Surplus as of July 1, 2016 | (\$45,484,909) |

\*The mortality table was changed from the 2015 IRS Static Mortality Table to the RP2014 mortality table with mortality improvement scale MP2015 effective July 1, 2016, which increased the deficit by \$9,200,115. The assumed expense load was changed from 4.00% as of July 1, 2015 to 2.00% as of July 1, 2016, which decreased the deficit by \$4,654,220.

\*\*Voluntary lump sum opportunities offered to certain active and deferred vested participants reduced the deficit by \$669,824.

## Summary of Assets Available for Plan Benefits

|  | July 1, 2016  | July 1, 2015  |
|--|---------------|---------------|
| A. Fair value of assets in the Roman Catholic Archbishop of Boston Collective Investment Partnership | \$188,258,613 | \$211,337,970 |
| B. Cash and cash equivalents   | 2,239,022     | 3,293,296     |
| C. Other receivables and payables  | 5,674         | (25,089)      |
| D. Receivable contributions  | 111,897       | 48,417        |
| E. Net prepaid/(accrued) expenses  | 1,262,079     | 1,332,137     |
| F. Due from/(to) related organizations   | <u>3,007</u>  | <u>4,843</u>  |
| G. Market value of assets available for plan benefits, [A. + B. + C. + D. + E. + F.]                 | \$191,880,292 | \$215,991,574 |

## Reconciliation of Assets by Funding Location

|                                  | Market<br>Value of<br>Assets<br>7/1/2015 | Contributions<br>7/1/2015 to<br>6/30/2016 | Benefits<br>Paid<br>7/1/2015 to<br>6/30/2016 | Allocated<br>Investment<br>Return<br>7/1/2015 to<br>6/30/2016 | Market<br>Value of<br>Assets<br>7/1/2016 | Investment<br>Return | Actuarial<br>Gain/<br>(Loss) |
|----------------------------------|--|---|--|---|--|----------------------|------------------------------|
| ACHS<br>(Frozen)                 | \$12,129                                 | \$0                                       | (\$1,530)                                    | (\$579)   | \$10,020                                 | -4.84%               | (\$1,317)                    |
| ACHS<br>(New)                    | 5,645                                    | 613                                       | (274)  | (258)   | 5,726                                    | -4.84%               | (635)                        |
| Life<br>Resources                | 2,234                                    | 91  | (135)  | (103)   | 2,087                                    | -4.84%               | (248)                        |
| Cemetery<br>Pool                 | 6,209                                    | 97  | (637)  | (296)   | 5,373                                    | -4.84%               | (681)                        |
| St.<br>Sebastian's               | 3,277                                    | 103                                       | (305)  | (152)   | 2,923                                    | -4.84%               | (359)                        |
| Open<br>Parishes                 | 115,327                                  | 4,628                                     | (9,938)                                      | (5,395)   | 104,622                                  | -4.84%               | (12,722)                     |
| Closed<br>Parishes               | 1,579                                    | 0   | (999)  | (89)  | 491                                      | -4.84%               | (155)                        |
| Central<br>Admin                 | 13,229                                   | 512                                       | (1,117)                                      | (620)   | 12,004                                   | -4.84%               | (1,461)                      |
| All Other<br>Active<br>Locations | 18,622                                   | 949                                       | (1,413)                                      | (865)   | 17,293                                   | -4.84%               | (2,061)                      |
| Under<br>Agreement               | 37,741                                   | 443                                       | (5,086)                                      | (1,757)   | 31,341                                   | -4.84%               | (4,059)                      |
| Annuitized                       | <u>0</u>                                 | <u>0</u>                                  | <u>0</u>                                     | <u>0</u>  | <u>0</u>                                 | N/A                  | <u>0</u>                     |
| Total                            | \$215,992                                | \$7,436                                   | (\$21,434)                                   | (\$10,114)  | \$191,880                                | -4.84%               | (\$23,698)                   |



## Reconciliation of Liabilities by Funding Location

|                                  | Actual<br>PVAB<br>7/1/2015 | Expected<br>Accruals<br>7/1/2015 to<br>6/30/2016 | Benefits<br>Paid<br>7/1/2015 to<br>6/30/2016 | Interest<br>7/1/2015 to<br>6/30/2016 | Other<br>Changes<br>7/1/2016* | Expected<br>PVAB<br>7/1/2016 | Actual<br>PVAB<br>7/1/2016 | Actuarial<br>Gain/<br>(Loss) |
|----------------------------------|----------------------------|--|--|--------------------------------------|-------------------------------|------------------------------|----------------------------|------------------------------|
| ACHS<br>(Frozen)                 | \$17,680                   | \$0  | (\$1,530)                                    | \$1,099                              | \$334                         | \$17,583                     | \$17,507                   | \$76                         |
| ACHS<br>(New)                    | 4,770                      | 0  | (274)  | 301                                  | 58                            | 4,855                        | 4,827                      | 28                           |
| Life<br>Resources                | 2,232                      | 0  | (135)  | 141                                  | 37                            | 2,275                        | 2,197                      | 78                           |
| Cemetery<br>Pool                 | 5,654                      | 0  | (637)  | 347                                  | 134                           | 5,498                        | 5,565                      | (67)                         |
| St.<br>Sebastian's               | 3,950                      | 0  | (305)  | 247                                  | 64                            | 3,956                        | 3,886                      | 70                           |
| Open<br>Parishes                 | 126,295                    | 0  | (9,938)                                      | 7,886                                | 2,336                         | 126,579                      | 125,908                    | 671                          |
| Closed<br>Parishes               | 9,684                      | 0  | (999)  | 597                                  | 72                            | 9,354                        | 9,248                      | 106                          |
| Central<br>Admin                 | 14,084                     | 0  | (1,117)                                      | 879                                  | 256                           | 14,102                       | 13,998                     | 104                          |
| All Other<br>Active<br>Locations | 17,939                     | 0  | (1,413)                                      | 1,120                                | 324                           | 17,970                       | 17,890                     | 80                           |
| Under<br>Agreement               | 39,352                     | 0  | (5,086)                                      | 2,393                                | 262                           | 36,921                       | 36,339                     | 582                          |
| Annuitized                       | <u>0</u>                   | <u>0</u>   | <u>0</u>                                     | <u>0</u>                             | <u>0</u>                      | <u>0</u>                     | <u>0</u>                   | <u>0</u>                     |
| Total                            | \$241,640                  | \$0  | (\$21,434)                                   | \$15,010                             | \$3,877                       | \$239,093                    | \$237,365                  | \$1,728                      |

\*Combined impact of mortality assumption change, expense load assumption change, and voluntary lump sum opportunity.

## Summary of Funded Status by Funding Location

|                                  | Active<br>PVAB<br>7/1/2016 | Deferred<br>Vested<br>PVAB<br>7/1/2016 | Retired and<br>Beneficiary<br>PVAB<br>7/1/2016 | Total<br>PVAB<br>7/1/2016 | Market<br>Value<br>of Assets<br>7/1/2016 | (Deficit)/<br>Surplus<br>7/1/2016 | Funded<br>Status<br>7/1/2016 | Funded<br>Status<br>7/1/2015 |
|----------------------------------|----------------------------|--|--|---------------------------|--|-----------------------------------|------------------------------|------------------------------|
| ACHS<br>(Frozen)                 | \$0                        | \$4,235                                | \$13,272                                       | \$17,507                  | \$10,020                                 | (\$7,487)                         | 57.2%                        | 68.6%                        |
| ACHS<br>(New)                    | 1,954                      | 436                                    | 2,437  | 4,827                     | 5,726                                    | 899                               | 118.6%                       | 118.3%                       |
| Life<br>Resources                | 0                          | 795                                    | 1,402  | 2,197                     | 2,087                                    | (110)                             | 95.0%                        | 100.1%                       |
| Cemetery<br>Pool                 | 1,153                      | 116                                    | 4,296  | 5,565                     | 5,373                                    | (192)                             | 96.6%                        | 109.8%                       |
| St.<br>Sebastian's               | 1,730                      | 409                                    | 1,747  | 3,886                     | 2,923                                    | (963)                             | 75.2%                        | 83.0%                        |
| Open<br>Parishes                 | 29,740                     | 13,502                                 | 82,666   | 125,908                   | 104,622                                  | (21,286)                          | 83.2%                        | 91.3%                        |
| Closed<br>Parishes               | 0                          | 1,547                                  | 7,701  | 9,248                     | 491                                      | (8,757)                           | 5.3%                         | 16.3%                        |
| Central<br>Admin                 | 2,047                      | 2,157                                  | 9,794  | 13,998                    | 12,004                                   | (1,994)                           | 85.8%                        | 93.9%                        |
| All Other<br>Active<br>Locations | 5,293                      | 1,813                                  | 10,784   | 17,890                    | 17,293                                   | (597)                             | 96.7%                        | 103.8%                       |
| Under<br>Agreement               | 8,281                      | 5,749                                  | 22,309   | 36,339                    | 31,341                                   | (4,998)                           | 86.2%                        | 95.9%                        |
| Annuitized                       | 0                          | 0                                      | 0  | 0                         | 0  | 0                                 | N/A                          | N/A                          |
| <b>Total</b>                     | <b>\$50,198</b>            | <b>\$30,759</b>                        | <b>\$156,408</b>                               | <b>\$237,365</b>          | <b>\$191,880</b>                         | <b>(\$45,485)</b>                 | <b>80.8%</b>                 | <b>89.4%</b>                 |

## ASC 960

| Measurement Date   | July 1, 2016                             | July 1, 2015   |
|--|--|--|
| A. Actuarial present value of vested accumulated plan benefits |  |  |
| 1. Vested benefits   |  |  |
| a. Participants currently receiving benefits                   | \$156,408,191                            | \$155,421,828  |
| b. Other participants  | <u>80,957,010</u>                        | <u>85,967,652</u>  |
| c. Subtotal  | \$237,365,201                            | \$241,389,480  |
| 2. Non-vested benefits   | <u>0</u>                                 | <u>251,238</u>   |
| 3. Total accumulated plan benefits                             | \$237,365,201                            | \$241,640,718  |
| B. Market value of assets                                      | \$191,880,292                            | \$215,991,574  |
| C. Unfunded accumulated plan benefits                          | (\$45,484,909)                           | (\$25,649,144)   |
| D. Funded status [B. ÷ A.3.]                                   | 80.8%                                    | 89.4%  |
| E. Key assumptions   |  |  |
| 1. Interest rate   | 6.50%                                    | 6.50%  |
| 2. Mortality   | RP2014<br>Mortality Table<br>with MP2015 | 2015 IRS Static<br>Mortality Table<br>(Based on RP-2000) |

### Changes in Actuarial Present Value of Accumulated Plan Benefits (PVAB)

|  |               |
|--|---------------|
| A. PVAB as of July 1, 2015                                   | \$241,640,718 |
| B. Changes during the plan year attributable to:             |               |
| 1. Benefits accumulated (including noninvestment experience) | (\$1,727,995) |
| 2. Interest (decrease in the discount period)                | 15,010,054    |
| 3. Benefits paid   | (21,433,648)  |
| 4. Change in plan assumptions*                               | 4,545,896     |
| 5. Change in plan provisions**                               | (669,824)     |
| 6. Annuity purchase***                                       | 0             |
| 7. Transfer  | <u>0</u>      |
| 8. Net change  | (\$4,275,517) |
| C. PVAB as of July 1, 2016                                   | \$237,365,201 |

\*The mortality table was changed from the 2015 IRS Static Mortality Table to the RP2014 mortality table with mortality improvement scale MP2015 effective July 1, 2016, which increased the liability by \$9,200,115. The assumed expense load was changed from 4.00% as of July 1, 2015 to 2.00% as of July 1, 2016, which decreased the liability by \$4,654,220.

\*\*Voluntary lump sum opportunities offered to certain active and deferred vested participants reduced the liability by \$669,824.

## Summary of Participants Included in the Valuation

| Valuation Date   | July 1, 2016 | July 1, 2015 |
|--|--------------|--------------|
| A. Active participants                                       |              |              |
| 1. Number  | 1,621        | 1,859        |
| 2. Average age   | 52.6         | 51.4         |
| 3. Average service   | 15.3         | 14.2         |
| 4. Sum of benefits (annual)                                  | \$7,399,516  | \$8,391,811  |
| 5. Average benefit (annual)                                  | \$4,565      | \$4,514      |
| B. Terminated vested participants                            |              |              |
| 1. Number  | 1,263        | 1,251        |
| 2. Average age   | 52.5         | 52.1         |
| 3. Sum of benefits (annual)                                  | \$4,617,695  | \$4,870,226  |
| 4. Average benefit (annual)                                  | \$3,656      | \$3,893      |
| C. Retired participants and beneficiaries receiving payments |              |              |
| 1. Number  | 3,327        | 3,347        |
| 2. Average age   | 75.2         | 74.5         |
| 3. Sum of benefits (annual)                                  | \$16,290,822 | \$16,275,427 |
| 4. Average benefit (annual)                                  | \$4,897      | \$4,863      |
| D. Total number of participants [A.1. + B.1. + C.1.]         | 6,211        | 6,457        |

## Summary of Active Participants by Funding Location

|                            | Headcount    |                       | Statistics  |                 | Accrued Benefits (annual) |                |                        |
|----------------------------|--------------|-----------------------|-------------|-----------------|---------------------------|----------------|------------------------|
|                            | Count        | Change from Last Year | Average Age | Average Service | Total                     | Average        | Change from Last Year* |
| ACHS (Frozen)              | 0            | 0.0%                  | NA          | NA              | NA                        | NA             | 0.0%                   |
| ACHS (New)                 | 91           | -13.3%                | 53.2        | 14.6            | 284,183                   | 3,123          | 2.0%                   |
| Life Resources             | 0            | 0.0%                  | NA          | NA              | NA                        | NA             | 0.0%                   |
| Cemetery Pool              | 17           | -26.1%                | 52.0        | 22.3            | 198,663                   | 11,686         | 16.9%                  |
| St. Sebastian's            | 24           | -4.0%                 | 53.5        | 25.5            | 230,497                   | 9,604          | -4.4%                  |
| Open Parishes              | 1,001        | -13.3%                | 53.0        | 14.8            | 4,344,376                 | 4,344          | 2.7%                   |
| Closed Parishes            | 0            | 0.0%                  | NA          | NA              | NA                        | NA             | 0.0%                   |
| Central Administration     | 69           | -13.8%                | 52.6        | 11.3            | 309,019                   | 4,479          | 1.9%                   |
| All Other Active Locations | 193          | -9.4%                 | 49.0        | 13.6            | 863,107                   | 4,472          | 3.8%                   |
| Under Agreement            | 227          | -12.7%                | 51.3        | 19.0            | 1,159,835                 | 5,109          | -7.9%                  |
| <b>Total</b>               | <b>1,621</b> | <b>-12.8%</b>         | <b>52.6</b> | <b>15.3</b>     | <b>\$7,399,516</b>        | <b>\$4,565</b> | <b>1.1%</b>            |

\*based on average accrued benefit

## Reconciliation of Active Participants by Funding Location

|                            | Count<br>(7/1/15) | New<br>Hires | Rehires  | Trans.<br>In | Vested<br>Terms | Non-<br>Vested<br>Terms | In<br>Pay<br>Status | Paid<br>Lump<br>Sum | Died     | Trans.<br>Out | Count<br>(7/1/16) |
|----------------------------|-------------------|--------------|----------|--------------|-----------------|-------------------------|---------------------|---------------------|----------|---------------|-------------------|
| ACHS (Frozen)              | 0                 | 0            | 0        | 0            | 0               | 0                       | 0                   | 0                   | 0        | 0             | 0                 |
| ACHS (New)                 | 105               | 0            | 0        | 0            | (7)             | 0                       | (5)                 | (2)                 | 0        | 0             | 91                |
| Life Resources             | 0                 | 0            | 0        | 0            | 0               | 0                       | 0                   | 0                   | 0        | 0             | 0                 |
| Cemetery Pool              | 23                | 0            | 0        | 0            | (5)             | 0                       | 0                   | (1)                 | 0        | 0             | 17                |
| St. Sebastian's            | 25                | 0            | 0        | 0            | 0               | 0                       | 0                   | (1)                 | 0        | 0             | 24                |
| Open Parishes              | 1,153             | 3            | 0        | 0            | (109)           | (1)                     | (17)                | (29)                | 0        | 0             | 1,000             |
| Closed Parishes            | 0                 | 0            | 0        | 0            | 0               | 0                       | 0                   | 0                   | 0        | 0             | 0                 |
| Central Admin              | 80                | 1            | 0        | 0            | (8)             | 0                       | (1)                 | (3)                 | 0        | 0             | 69                |
| All Other Active Locations | 213               | 0            | 0        | 0            | (15)            | 0                       | (1)                 | (4)                 | 0        | 0             | 193               |
| Under Agreement            | 260               | 1            | 0        | 0            | (10)            | 0                       | (4)                 | (20)                | 0        | 0             | 227               |
| Annuitized                 | 0                 | 0            | 0        | 0            | 0               | 0                       | 0                   | 0                   | 0        | 0             | 0                 |
| <b>Total</b>               | <b>1,859</b>      | <b>5</b>     | <b>0</b> | <b>0</b>     | <b>(154)</b>    | <b>(1)</b>              | <b>(28)</b>         | <b>(60)</b>         | <b>0</b> | <b>0</b>      | <b>1,621</b>      |

## Summary of Deferred Vested Participants by Funding Location

|                            | Headcount    |                       | Statistics  | Accrued Benefits (annual) |                |                        |
|----------------------------|--------------|-----------------------|-------------|---------------------------|----------------|------------------------|
|                            | Count        | Change from Last Year | Average Age | Total                     | Average        | Change from Last Year* |
| ACHS (Frozen)              | 94           | -10.5%                | 55.4        | \$528,826                 | \$5,626        | -1.7%                  |
| ACHS (New)                 | 32           | 10.3%                 | 48.0        | 87,922                    | 2,748          | 0.6%                   |
| Life Resources             | 30           | -9.1%                 | 53.2        | 114,534                   | 3,818          | -7.6%                  |
| Cemetery Pool              | 7            | 75.0%                 | 47.8        | 22,204                    | 3,172          | -24.6%                 |
| St. Sebastian's            | 11           | -8.3%                 | 52.0        | 67,283                    | 6,117          | -5.1%                  |
| Open Parishes              | 616          | 9.4%                  | 51.9        | 2,060,022                 | 3,344          | -8.3%                  |
| Closed Parishes            | 60           | -9.1%                 | 57.5        | 192,528                   | 3,209          | 1.8%                   |
| Central Administration     | 74           | 5.7%                  | 52.5        | 388,953                   | 5,256          | 0.3%                   |
| All Other Active Locations | 106          | 8.2%                  | 46.6        | 298,691                   | 2,818          | -5.9%                  |
| Under Agreement            | 233          | -14.0%                | 53.2        | 856,732                   | 3,677          | -4.0%                  |
| <b>Total</b>               | <b>1,263</b> | <b>1.0%</b>           | <b>52.5</b> | <b>\$4,617,695</b>        | <b>\$3,656</b> | <b>-6.1%</b>           |

\*based on average accrued benefit

## Reconciliation of Deferred Vested Participants by Funding Location

|                            | Count<br>(7/1/15) | Vested<br>Terms | Trans.<br>In | Alt.<br>Payee/<br>Surv.<br>Spouse | Non-<br>Vested<br>Terms | In<br>Pay<br>Status | Rehires  | Paid<br>Lump<br>Sum | Trans.<br>Out | Died     | Count<br>(7/1/16) |
|----------------------------|-------------------|-----------------|--------------|-----------------------------------|-------------------------|---------------------|----------|---------------------|---------------|----------|-------------------|
| ACHS (Frozen)              | 105               | 0               | 0            | 0                                 | 0                       | (7)                 | 0        | (4)                 | 0             | 0        | 94                |
| ACHS (New)                 | 29                | 7               | 0            | 0                                 | 0                       | (1)                 | 0        | (3)                 | 0             | 0        | 32                |
| Life Resources             | 33                | 0               | 0            | 0                                 | 0                       | (3)                 | 0        | 0                   | 0             | 0        | 30                |
| Cemetery Pool              | 4                 | 5               | 0            | 0                                 | 0                       | 0                   | 0        | (2)                 | 0             | 0        | 7                 |
| St. Sebastian's            | 12                | 0               | 0            | 0                                 | 0                       | (1)                 | 0        | 0                   | 0             | 0        | 11                |
| Open Parishes              | 563               | 112             | 0            | 0                                 | 0                       | (30)                | 0        | (29)                | 0             | 0        | 616               |
| Closed Parishes            | 66                | 0               | 0            | 0                                 | 0                       | (6)                 | 0        | 0                   | 0             | 0        | 60                |
| Central Admin              | 70                | 8               | 0            | 0                                 | 0                       | (1)                 | 0        | (3)                 | 0             | 0        | 74                |
| All Other Active Locations | 98                | 15              | 0            | 0                                 | 0                       | (3)                 | 0        | (4)                 | 0             | 0        | 106               |
| Under Agreement            | 271               | 12              | 0            | 0                                 | (1)                     | (8)                 | 0        | (41)                | 0             | 0        | 233               |
| Annuitized                 | 0                 | 0               | 0            | 0                                 | 0                       | 0                   | 0        | 0                   | 0             | 0        | 0                 |
| <b>Total</b>               | <b>1,251</b>      | <b>159</b>      | <b>0</b>     | <b>0</b>                          | <b>(1)</b>              | <b>(60)</b>         | <b>0</b> | <b>(86)</b>         | <b>0</b>      | <b>0</b> | <b>1,263</b>      |



## Summary of In Pay Status Participants by Funding Location

|                            | Headcount    |                       | Statistics  | Accrued Benefits (annual) |                |                        |
|----------------------------|--------------|-----------------------|-------------|---------------------------|----------------|------------------------|
|                            | Count        | Change from Last Year | Average Age | Total                     | Average        | Change from Last Year* |
| ACHS (Frozen)              | 245          | -0.4%                 | 73.9        | \$1,381,181               | \$5,637        | 1.8%                   |
| ACHS (New)                 | 89           | 6.0%                  | 71.0        | 213,420                   | 2,398          | 0.4%                   |
| Life Resources             | 37           | 2.8%                  | 72.8        | 133,786                   | 3,616          | 1.6%                   |
| Cemetery Pool              | 53           | -3.6%                 | 76.2        | 497,235                   | 9,382          | 1.7%                   |
| St. Sebastian's            | 25           | 4.2%                  | 76.6        | 197,049                   | 7,882          | -1.1%                  |
| Open Parishes              | 1,723        | -0.1%                 | 75.0        | 8,494,462                 | 4,930          | 1.2%                   |
| Closed Parishes            | 265          | -4.0%                 | 77.5        | 857,363                   | 3,235          | -1.3%                  |
| Central Administration     | 173          | -1.1%                 | 75.7        | 1,038,345                 | 6,002          | -1.3%                  |
| All Other Active Locations | 277          | -1.8%                 | 74.7        | 1,176,794                 | 4,248          | -0.9%                  |
| Under Agreement            | 440          | -1.1%                 | 74.8        | 2,301,187                 | 5,230          | 0.6%                   |
| <b>Total</b>               | <b>3,327</b> | <b>-0.6%</b>          | <b>75.2</b> | <b>\$16,290,822</b>       | <b>\$4,897</b> | <b>0.7%</b>            |

\*based on average accrued benefit

## Reconciliation of In Pay Status Participants by Funding Location

|                            | Count<br>(7/1/15) | In<br>Pay<br>Status | New<br>Benes. | Trans.<br>In | Rehires  | Died         | Trans.<br>Out | Other    | Count<br>(7/1/16) |
|----------------------------|-------------------|---------------------|---------------|--------------|----------|--------------|---------------|----------|-------------------|
| ACHS (Frozen)              | 246               | 7                   | 0             | 0            | 0        | (8)          | 0             | 0        | 245               |
| ACHS (New)                 | 84                | 6                   | 0             | 0            | 0        | (1)          | 0             | 0        | 89                |
| Life Resources             | 36                | 3                   | 0             | 0            | 0        | (2)          | 0             | 0        | 37                |
| Cemetery Pool              | 55                | 0                   | 0             | 0            | 0        | (2)          | 0             | 0        | 53                |
| St. Sebastian's            | 24                | 1                   | 1             | 0            | 0        | (1)          | 0             | 0        | 25                |
| Open Parishes              | 1,724             | 47                  | 9             | 0            | 0        | (57)         | 0             | 0        | 1,723             |
| Closed Parishes            | 276               | 6                   | 0             | 0            | 0        | (17)         | 0             | 0        | 265               |
| Central Admin              | 175               | 2                   | 0             | 0            | 0        | (4)          | 0             | 0        | 173               |
| All Other Active Locations | 282               | 4                   | 0             | 0            | 0        | (9)          | 0             | 0        | 277               |
| Under Agreement            | 445               | 12                  | 3             | 0            | 0        | (20)         | 0             | 0        | 440               |
| Annuitized                 | 0                 | 0                   | 0             | 0            | 0        | 0            | 0             | 0        | 0                 |
| <b>Total</b>               | <b>3,347</b>      | <b>88</b>           | <b>13</b>     | <b>0</b>     | <b>0</b> | <b>(121)</b> | <b>0</b>      | <b>0</b> | <b>3,327</b>      |

## Appendix A: Actuarial Assumptions and Methods

The following assumptions were selected by the Plan's Trustees. The asset valuation method was also selected by the Plan's Trustees.

### Economic Assumptions

#### Investment return/discount rate

6.50%.

#### Provisions for expenses

2.00% load on the present value of accrued benefits.

### Demographic Assumptions

#### Mortality

RP-2014 mortality table with Buck modified RP2015 mortality improvement scale for healthy lives; PBGC 1980 Social Security Disability Mortality Table for disabled lives.

#### Marital percentage

80% of males and 50% of females are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

#### Retirement age

Age 65. Terminated vested participants are assumed to commence benefits at age 65.

#### Annual termination rates (sample)

| Age | Rates |
|-----|-------|
| 25  | 31.8% |
| 35  | 17.0% |
| 45  | 8.9%  |
| 55  | 0.0%  |

#### Annual disability rates (sample)

| Age | Rates  |
|-----|--------|
| 25  | 0.134% |
| 35  | 0.146% |
| 45  | 0.208% |
| 55  | 0.435% |

#### Form of payment

Life annuity.

## Appendix A: Actuarial Assumptions and Methods (continued)

### Calculation of Liabilities

Actuarial liabilities in this report were computed using the unit credit cost method. Under this method, the liability is the value of the accrued pension benefit using service and frozen accrued benefits as of the valuation date. There is no reflection of benefits which a participant might receive in the future due to advancement in age or service.

### Actuarial Value of Assets

Assets were valued at market value as of June 30, 2016 as provided by the Archdiocese of Boston.

### Summary of Changes from the July 1, 2015 Valuation

The mortality assumption was changed from the 2015 IRS Static Mortality Table (sex distinct, based on RP-2000) to the RP-2014 mortality table with Buck modified RP2015 mortality improvement scale effective July 1, 2016.

The expense load on the present value of accrued benefits was changed from 4.00% to 2.00% effective July 1, 2016.

## Appendix B: Summary of Plan Provisions

### Effective Date

The original effective date of the Roman Catholic Archdiocese of Boston Pension Plan was January 1, 1963. The Plan was last amended and restated effective January 1, 2011. The Plan was frozen December 31, 2011.

### Eligibility

Employees of the Participating Employers in the Plan. The eligibility date is the first day of the month following the later of:

- 1.) the date on which the Employer begins participating in the Plan, and
- 2.) the earlier of 3 Years of Service or age 21 with 1 year of Service. Participation was closed to employees effective December 31, 2011.

### Employee Contributions

No current contributions, but contributions were required prior to July 1971.

### Participating Employer

Employer listed in the plan document and/or voted by the Trustees as being qualified for inclusion under the Plan.

### Year of Service

One year of service is credited for each calendar year of employment with a Participating Employer in which the Participant completes at least 1,000 hours.

### Eligible Earnings

Regular, basic earnings from a Participating Employer, including pre-tax deferrals under IRC sections 125, 402(e)(3), 402(h), 403(b), 457, and 132(f)(4), but excluding overtime pay and earnings in excess of the annual compensation limit under IRC 401(a)(17).

### Accrued Pension

The sum of (1), (2), (3), and (4):

- 1.) Current formula (for service after January 1, 2004):  
2% of Eligible Earnings up to \$20,000 per Year of Service plus 1% of Eligible Earnings in excess of \$20,000 per Year of Service.
- 2.) Prior formula (for service after June 30, 1987 through December 31, 2003):  
2% of Eligible Earnings plus 0.47% of Eligible Earnings in excess of the Integration Level (two times the Covered Compensation amount) for that year.
- 3.) Accrued benefit as of June 30, 1987:  
133-1/3% of the Accrued Pension accumulated for each year through June 30, 1987 based on earnings up to the wage base, plus 100% of the remaining Accrued Pension earned in those years.
- 4.) Past Service Benefit:  
A benefit, approved by the Trustees, that reflects an Employee's service before the date his Employer begins participation in the Plan.

Accruals in the plan ceased, and participants' accrued benefits were frozen, effective December 31, 2011.

## Appendix B: Summary of Plan Provisions (continued)

### Normal Retirement

#### Eligibility

The first of the month following the later of:

- 1.) Age 65, or
- 2.) 5 Years of Service

#### Benefit

Accrued Pension determined as of the Normal Retirement Date.

### Early Retirement (by election or disability)

#### Eligibility

The first of the month following the attainment of age 55 with 5 Years of Service.

#### Benefit

Accrued Pension determined as of the Early Retirement Date, reduced by the following representative factors specified in the Plan.

| Age | Factor |
|-----|--------|
| 55  | 40.2%  |
| 56  | 43.7%  |
| 57  | 47.5%  |
| 58  | 51.8%  |
| 59  | 56.6%  |
| 60  | 61.9%  |
| 61  | 67.8%  |
| 62  | 74.4%  |
| 63  | 81.9%  |
| 64  | 90.4%  |

### Delayed Retirement

#### Eligibility

Any date after Normal Retirement eligibility.

#### Benefit

Accrued Pension determined as of the Delayed Retirement Date.

### Vested Terminations

#### Eligibility

5 years of Service. However, benefits attributable to Employee Contributions are 100% vested.

#### Benefit

Accrued Pension determined as of the termination date, reduced by factors specified in the Early Retirement section. The pension payable to a vested terminated participant may not commence prior to age 55.

## Appendix B: Summary of Plan Provisions (continued)

### Pre-retirement Death Benefit

#### Eligibility

Death in service, or death after becoming eligible for a Vested Pension.

#### Benefit

50% of the Accrued Pension determined as of the earlier of the termination date or death date, reduced by the factors specified in the Early Retirement section (if applicable), as if the Participant had survived to age 55 (or current age if later), elected a 50% joint and survivor annuity, and died immediately.

### Post-retirement Death Benefit

#### Eligibility

Death after commencement of pension benefit, if participant satisfied the eligibility for an early, normal, or delayed retirement benefit upon termination of employment.

#### Benefit

Upon death, \$10,000 prorated for service less than 10 years, in addition to any death benefits provided by the optional form of benefit elected.

### Normal Form of Payment

#### Married Participants

50% joint and survivor annuity.

#### Single Participants

Life annuity.

### Optional Form of Payment

For married participants who obtain the proper consent, a life annuity option is available.

If, upon termination, the present value of a Participant's Accrued Pension is less than \$5,000, the plan administrator may direct the payment of such benefit in one lump sum.

Certain participants in the RCAB Pension Plan were offered a one-time, voluntary lump sum distribution related to the value of the accrued benefit under the RCAB Pension Plan.

### Summary of Changes from the July 1, 2015 Valuation

None.

## Appendix C: Funding Locations

### ACHS (Frozen) – Accruals Stopped on August 31, 2004

1. St. Clare Catholic High School
2. Archbishop Williams High School
3. Bishop Fenwick High School
4. Cardinal Spellman Central High School
5. Cathedral High School
6. Marian High School
7. Maignon High School
8. Cristo Rey High School
9. Pope John XXIII Central High School

### ACHS (New) – Accruals Started on September 1, 2004

10. Archbishop Williams High School, Inc.
11. Bishop Fenwick High School, Inc.
12. Cardinal Spellman High School, Inc.
13. Marian High School, Inc.
14. Maignon High School, Inc.
15. Pope John XXIII High School, Inc.

### Life Resources

16. Life Resources, Inc.

### Cemetery Pool

17. Cemetery Association (various locations)

### St. Sebastian's

18. St. Sebastian's School, Inc.

### RCAB Corp. Sole

19. Open Parishes
20. Closed Parishes
21. Central Administration
22. Clergy Support & Formation<sup>1</sup>
23. Child Advocacy, Implementation<sup>1</sup>
24. Office of Volunteer Resources<sup>1</sup>
25. The Catholic Foundation<sup>1</sup>
26. Delegate for Healing and Asst. Ministries<sup>1</sup>
27. Charismatic Renewal Services<sup>1</sup>

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<sup>1</sup> Part of Central Administration



## Appendix C: Funding Locations (continued)

### All Other Active Locations

28. Boston Catholic TV Center
29. Catholic Purchasing Services
30. Franciscan Center (Andover)
31. Glastonbury Abbey-Benedictine (Hingham)
32. Lowell Catholic High School
33. Mass. Catholic Conference
34. Missionary Sisters Society of Mary
35. Monastery of St. Clare (Andover)
36. National Catholic Bioethics Center (Barrington)
37. Planning Office For Urban Affairs
38. Blessed John XXIII National Seminary
39. Regina Cleri
40. Elizabeth Seton Residence, Inc. (Wellesley Hills)
41. Marillac Residence, Inc. (Wellesley)
42. Sisters of Charity (Halifax)
43. Sisters of Good Shepherd (Marlboro)
44. Sisters of Notre Dame – Ipswich Province
45. Society of St. James the Apostle
46. St. John's Seminary
47. St. Joseph Provincial House (Lowell)
48. St. Patrick School & Education Center
49. Trinity Catholic Academy
50. Youville Place, Inc.
51. Quincy Catholic Academy
52. St. Joseph's Cemetery
53. St. Clement's Shrine

### Under Agreement

54. Boston College High School
55. Champion Health Center, Inc.
56. Champion Residence & Renewal Center, Inc.
57. Catholic Charitable Bureau
58. Central Catholic High School
59. New England Province of Jesuits (Society of Jesus of New England)
60. St. Mary's Center for Women and Children

## Appendix D: Key Terms

### Funding

#### **Actuarial Value of Assets (AVA)**

The fair market value of the assets (FMV) as of the valuation date.

#### **Present Value of Accumulated Plan Benefits (PVAB)**

The present value of anticipated future pension payments to all current plan participants and their beneficiaries excluding benefits expected to be earned in the future.