



Supplemental Frequently Asked Questions for Current Employees with a Vested Benefit and Age 55+ Regarding Voluntary Benefit Elections

Updated October 2011

Note: Employees eligible for a voluntary lump sum or in-service annuity during the Fall 2011 election period should review all materials provided to them in the September 2011 election package. The information provided below is intended to supplement the information already provided. In addition, employees are encouraged to attend an Information Session for further information. Dates, times and locations of those meetings are available at www.catholicbenefits.org/pension.

In-Service Annuity/Lump Sum Election Questions

1. I did not receive my election packet before September 1, 2011. Will I have extra time to make a decision?

Yes, due to delivery delays caused by Hurricane Irene the week the packages were mailed, all eligible employees now have until Tuesday, November 15, 2011 (return packets must be postmarked by this date), to make a voluntary election of an in-service annuity, a lump sum, or to decline to elect either option. This extension applies regardless of when your package was received.

2. I am under age 65. If I waive the current voluntary options being offered to me (an in-service annuity or lump sum), will I be able to begin receiving monthly annuity payments from the Pension Plan when I turn 65 while I continue to work full time (at least 1,000 hours per year)?

No. Employees who do not elect to receive an in-service annuity or lump sum payment by November 15, 2011, will be required to end their employment with a participating employer in the Pension Plan (meaning working less than 1,000 hours per year, or ceasing work altogether) to begin monthly annuity payments under the Plan. The attainment of age 65 while working does not change the Plan rules, which require that an employee terminate eligible employment to begin annuity payments. The only exceptions to this Plan rule are the special election for an in-service annuity (election period ends November 15, 2011), and attainment of age 70½. Additional rules apply to 70½ distributions, so please contact the Benefits Office for additional information about this option if you reach age 70½ while continue to work at your location.

3. I heard from a friend that employees who elect a lump sum will lose their jobs. Is this true?

No. Your employment status is completely independent of your decision to elect a lump sum, elect an in-service annuity, or decline to elect either of these options. In addition, all election decisions are considered confidential information by the Benefits Office, and information about individual election decisions will not be shared with participating employers. Please contact the Archdiocese Human Resources Department at (617) 746-5829 if you have specific concerns about this issue.

4. If I elect an in-service annuity and then I leave employment with the RCAB, returning to work in the next few years, what will happen with my annuity payments?

Your in-service annuity payments would continue both during your time away from the RCAB and upon your return to work at the RCAB. This is different from the rules for receipt of a post-retirement annuity, which does require that if you elect to retire and receive an annuity, you must suspend your post-retirement annuity payments once you return to work.

RCAB 401(k) and 403(b) Plan Questions

- 1. I am an employee of a parish or parish school. If I elect a lump sum from the RCAB Pension, will I be able to roll it over to the new RCAB 401(k) Plan? I do not have any account information yet for the 401(k) Plan so I do not know how to designate this decision on my election form.**

If you are an employee of a parish, parish school, parish cemetery, or of the Pastoral Center, and you are currently enrolled in the Pension Plan, you will have an account set up for you in October 2011 with TIAA-CREF for the new RCAB 401(k) Plan. You will receive your account number and online log-in by early November, but for purposes of rolling over your Pension Plan lump sum, if elected, you will only need to initial the blank designating the RCAB 401(k) to receive this lump sum. You will receive confirmation of this rollover and will also be able to confirm the receipt of funds in your TIAA-CREF account by the end of January.

- 2. I am an employee of a separately incorporated entity (not a parish or parish school). If my employer decides to join the RCAB 401(k) Plan, how can I get more information about the 401(k)? Also, if I elect a lump sum from the RCAB Pension, will I be able to roll it over to the new RCAB 401(k) Plan? I do not have any account information about the 401(k) Plan and my election form does not include an option for the RCAB 401(k).**

If your employer decides to join the RCAB 401(k) Plan, you will be notified directly by your employer. The Benefits Office will also send information to you about the 401(k) Plan after the Office is notified by your employer about this decision. You may also access basic information about the RCAB 401(k) Plan at www.catholicbenefits.org/401k. Education and Enrollment Seminars on the 401(k) Plan will begin on October 11th as reflected on the attached schedule. If you are notified that your location will participate in the RCAB 401(k) Plan and you would like to roll your Pension Plan lump sum into the 401(k) Plan, you may do so by writing this on the election form in the space asking for the Financial Institution/Plan Name.

- 3. When will the new RCAB 401(k) Plan become effective for salary deferrals from my pay? How and when can I sign up to defer some of my salary to RCAB 401(k) Plan?**

The new RCAB 401(k) Plan will be effective in January 2012 for salary deferrals of up to \$16,500 per year (\$22,000 per year if you are over age 50). TIAA-CREF representatives will be available to assist you with signing up for salary deferrals at the Seminar dates and times noted on the enclosed. You will also be able to obtain salary deferral forms online (www.catholicbenefits.org/401k) and through your employer in October 2011 if you are not able to attend a Seminar.

- 4. Is the money I put into the RCAB 401(k) going to be sent to the Archdiocese before it is deposited into my 401(k) account?**

No. Your salary deferrals will be placed into a bank account designated by your employer to receive your deferrals each payroll. The new uniform payroll provider, IOI Pay, will aggregate the funds from each location and send them directly to TIAA-CREF on a bi-weekly basis. Your salary deferrals will not be sent to or through the Archdiocese at any point in time. If you have money that is rolled over from another retirement plan that you deposit into your RCAB 401(k) account, these funds will go directly from the retirement plan to TIAA-CREF if other than from the RCAB Pension Plan. If your rollover is from the Pension Plan, the funds will be sent by State Street to TIAA-CREF.

- 5. Will I be able to designate how my money is invested within the 401(k) Plan, whether I have a lump sum I roll into the Plan or just my salary deferrals?**

You will be advised to designate your investment choices for all funds in your 401(k) account later in 2011. These designations can be changed by you after the Plan opens in January by using the TIAA-CREF website or calling a TIAA-CREF consultant. More information will be provided at the Seminars on this process.

6. I have read that there will be a 2% employer “core” contribution for each benefits-eligible employee with at least one year of service for locations participating in the RCAB 401(k) Plan. When will this contribution be made?

On a monthly basis throughout calendar 2012, 1/12 of each eligible employee’s 2% core contribution will be collected from each participating location based on salary levels in effect at the time. After the year closes, the Plan Administrator will review the contribution totals as compared to salary amounts to ensure that correct amounts have been calculated and collected. The Administrator will also review employee payroll records to confirm that each employee worked at least 1,000 hours to qualify for the contribution. The Administrator will begin this process as soon as possible after December 31, 2012, and will make these contributions as soon as administratively feasible, but no later than March 31, 2013.

7. I have invested money into a 403(b) account through the RCAB for several years and am pleased with the results. I have been told that I cannot put any more money into that account after December 31, 2011. Is this true, and if it is, why can’t I continue to use this account to save for retirement? Can my Parish set up its own 403(b) plan or keep the current 403(b) account open?

It is accurate that employees of locations participating in the RCAB 403(b) Plan will not be able to make contributions to 403(b) accounts after December 31, 2011. The decision was made to open a new diocesan-wide retirement savings plan that will be universally accessible, centrally administered, and uniformly funded with employer contributions. This decision was made in order to allow all locations to transition from primary reliance on the RCAB Pension Plan as the source of employer-sponsored retirement to a new retirement plan that is legally compliant and equitable to all participating employees. Allowing certain locations to continue to use separate 403(b) accounts with the numerous recordkeeping vendors currently in use would be incompatible with the retirement plan model described above. Please note that funds invested in a 403(b) account will continue to be invested as you have instructed until you direct otherwise.

8. An earlier set of FAQs stated that the RCAB 403(b) Plan would terminate at some point in the future. When will that date be known, and why can’t termination happen immediately so that employees under age 59½ can move their money out? Also, will there be any financial penalties imposed on me if I have money in the 403(b) Plan when it terminates?

In order to terminate the RCAB 403(b) Plan, we have been advised that prior notice to all current and former employees who have participated in the 403(b) Plan since its inception sometime in the late 1990s will be required. The lack of centralized participant information makes this task a daunting one that will take some time. In addition, prior to announcing a termination date, the RCAB intends to obtain information from all vendors with accounts for current and former employees about any fees or penalties associated with a Plan termination, and how those fees or penalties are generally paid (*i.e.*, are they taken from assets in employee accounts or are they billed to the employer sponsor). Given the lack of a complete list of all vendors in use over the past 15+ years at all locations, this task will take additional time. Information learned from the vendors will be shared with current employees and former employees with 403(b) account balances and a decision made about how any penalties or fees would be handled prior to announcement of a termination date. Additional information on this process will be shared in 2012 as more is known.

These Frequently Asked Questions have been prepared based on the Roman Catholic Archdiocese of Boston Pension Plan and the RCAB 401(k) Retirement Savings Plan as currently in effect and as currently administered. The Plans reserve the right to change or terminate benefits at any time and for any reason.