



## **DIOCESE OF ALLENTOWN**

### **LAY EMPLOYEES PENSION PLAN HANDBOOK**

**Revised July 1, 2025**

## **TABLE OF CONTENTS**

A Defined Benefit Plan	1
Highlights of the Plan	2
Eligibility and Participation	3
Compensation	4
Termination of Benefits	5
Rehired Employees	6
Normal Retirement Date	7
Early Retirement Date	9
Disability Benefits	10
Form of Benefit Options	11
Death Benefits	12
Calculating Your Monthly Benefit	13
Calculation of Taxable Portion of Benefit	15
Contact Information	17
Appendix – Historical Plan Changes	18



**His Excellency**

***The Most Reverend Alfred A. Schlert, D.D., J.C.L***

**Bishop of Allentown**

## A DEFINED BENEFIT PLAN

The Diocese of Allentown Lay Employees Retirement Plan (the “Plan”) is designed to provide you a definite monthly payment at retirement for as long as you live, as well as certain benefits to your beneficiary upon your death. The amount of your monthly payment is based on your compensation and your years of credited service.

The Plan is a defined benefit plan, which means that it calculates benefits based on a formula that takes into account your compensation and your credited service with a diocesan employer. The benefits under the Plan are funded by both employee and diocesan contributions on an actuarially determined basis.

It is *mandatory that all eligible employees participate in the Plan as a condition of diocesan employment* (see the eligibility requirements on page 3). All eligible employees are required to contribute 3% of their compensation (as defined by the Plan, see page 4) on an after-tax basis.

**IMPORTANT:** The purpose of this Handbook is to help you understand the pension and other benefits offered to you under the Plan. The Plan and the Trust Agreement legally govern the terms and operations of the Plan and create any rights for you or your beneficiary. If there are any differences between this Handbook and the Plan or Trust Agreement, the Plan and the Trust Agreement will control. Further details about the Plan and Trust Agreement are on file at the Diocese.

## **HIGHLIGHTS OF THE PLAN**

### **Plan Participation**

Employees who meet the eligibility requirements are required to participate in the Plan as a condition of diocesan employment.

### **Pension for Life**

The Plan is designed to provide a pension to you for as long as you live after retirement.

### **Benefits Are in Addition to Social Security**

The benefits provided under this Plan are independent of and in addition to any Social Security benefits for which you may be eligible.

### **A Joint Obligation**

Your pension will be provided by a Trust to which both you and your employer will make contributions while you are an eligible employee. However, the amount of your pension is based solely on your compensation and years of credited service.

### **Increases with Compensation and Service**

The amount of your pension will be determined by your compensation and your credited service and will increase with each year that you are an eligible employee participating in the Plan.

### **Normal Retirement Date**

You are generally eligible to retire and receive a retirement benefit on or after the later of the age at which you are eligible for unreduced Social Security benefits or your 8<sup>th</sup> anniversary of participating in the Plan.

However, you are eligible to retire and receive a retirement benefit on or after the later of your 65<sup>th</sup> birthday or your 8<sup>th</sup> anniversary of participating in the Plan if (1) you are an active participant and attained age 60 with at least 15 years of credited service as of July 1, 2025 (September 1, 2025 if you are a teacher) or (2) you terminated employment with a fully vested benefit under the Plan prior to July 1, 2025, and you had attained age 60 with at least 20 years of credited service as of the date you terminated employment.

As explained on pages 9 and 10, you may also be eligible to retire and receive a retirement benefit at an earlier age.

## **ELIGIBILITY AND PARTICIPATION**

### **Eligibility for Employees who Became Participants in the Plan Prior to July 1, 2025**

Lay employees working more than 20 hours a week and 6 months during each calendar year, or lay teachers having 247.5 or more hours of assigned duties for one full school semester each calendar year are required to participate in the Plan.

### **Eligibility for Employees who Become Participants in the Plan On or After July 1, 2025**

Lay employees or lay teachers regularly scheduled to work at least 30 hours per week for a period of 6 months or more in any calendar year (or such other period of customary employment if less than 12 months) are required to participate in the Plan.

### **Date of Participation**

For an eligible employee hired before July 1, 2025, participation in the Plan begins on the January 1 nearest the date on which the employee completes two years of credited service, if an eligible employee on such date.

For an eligible employee hired on or after July 1, 2025, participation in the Plan begins on the January 1 on or after the one-year anniversary of the employee's first day of employment, if an eligible employee on such date.

### **Employee and Diocesan Contributions**

Eligible employees will contribute 3% of their compensation to the Trust Fund for the Plan beginning on their date of participation. Your diocesan employer contributes a percentage<sup>1</sup> of each employee's compensation in order to help fund the Plan. Contributions are required until the earliest of the date that the employee is no longer eligible to participate in the Plan, terminates diocesan employment, or retires.

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<sup>1</sup> 3.25% starting July 2014, 3.50% starting July 2015, 3.75% starting July 2016, 4.00% starting July 2017, 4.25% starting July 2018, 4.50% starting July 2019, 4.75% starting July 2020, 5.25% starting July 1, 2021, 5.75% starting July 1, 2022, 7.5% starting July 1, 2023, 10% starting July 1, 2024, and 11% starting July 1, 2025.

# COMPENSATION

## **Definition of Compensation**

Compensation is your base wage or salary, including any salary reduction contributions that you make to the Diocesan 401(k) Plan, but excluding any non-recurring payments (such as bonus, overtime, premium pay, lump sum payments of unused sick or vacation days, or similar payments) and the cost of your fringe benefits paid by your employer.

Employees compensated on a basis of less than 12 months a year will be credited with monthly compensation equal to their actual annual base compensation divided by 12.

## **Rules for Determining Compensation when Calculating Benefits**

For purposes of calculating benefits under the Plan:

- Compensation for service prior to participation in the Plan (past credited service) is the compensation on the date of entry into the Plan.
- Prior to January 1, 2011, compensation for service while participating in the Plan (future credited service) was averaged over the 60 consecutive months of credited service during the 120 month period immediately preceding the date of benefit calculation during which compensation was highest.
- Beginning January 1, 2011, compensation for service while participating in the Plan (future credited service) is the monthly average of the employee's compensation for each year of credited service preceding the date of benefit calculation.

## TERMINATION BENEFITS

Your rights when you terminate employment with your employer, or lose eligibility under the Plan due to a reduction in hours, depend on whether you are vested or non-vested on such date.

### **Non-Vested**

If you terminate employment before either attaining your normal retirement date or completing 10 years of credited service (non-vested), your employee contributions with interest shall be refunded to you in a lump sum.

Effective July 1, 2025, if you remain employed with your employer but lose eligibility under the Plan due to a reduction in hours (see the eligibility provisions on page 3) and are non-vested, you may elect to receive a refund of your employee contributions with interest in a lump sum on or after the date you attain age 59 ½.

Upon receipt of this refund, your entire interest in the Plan shall terminate for all purposes.

### **Vested**

If you terminate employment or lose eligibility under the Plan due to a reduction in hours on or after completing 10 or more years of credited service (vested), you will be entitled to a retirement benefit payable at your normal retirement date or early retirement date. ***Vested employees are not eligible for a refund of employee contributions and interest.***

**NOTE: Please keep in mind that 6 months or more of employment as an eligible employee in a year generally equals a year of credited service under the Plan.**



## REHIRED EMPLOYEES

### **Participant in the Plan**

If you are a participant in the Plan and (1) terminate employment and are subsequently rehired or (2) lose eligibility under the Plan but subsequently become an eligible employee again (see the eligibility provisions on page 3), regardless of whether you are vested or non-vested, ***you will automatically be reinstated as a participant in the Plan and you will again be required to contribute 3% of your compensation to the Plan. Your credited service for service prior to participation in the Plan (past credited service) will be restored.***

- If you were vested when you terminated employment or ceased to be an eligible employee, you will be credited with all your credited service for your prior participation.
- If you were non-vested when you terminated employment, then you will be credited with all your past credited service for your prior participation. Your future credited service for your prior participation will also be restored if you repay the Plan the full amount of your refund plus interest within one year of your reemployment.
- If you were non-vested when you ceased to be an eligible employee due to a reduction in hours and you did not elect to take a refund of your employee contributions, you will be credited with all your credited service for your prior participation. If you elected to take a refund of your employee contributions, then you will be credited with all your past credited service for your prior participation. Your future credited service for your prior participation will also be restored if you repay the Plan the full amount of your refund plus interest within one year of becoming an eligible employee again.

### **Non-Participant in the Plan**

If you were not a participant in the Plan on the date you terminated employment or ceased to be an eligible employee, then you will be treated as a new eligible employee upon reemployment or becoming an eligible employee again.

## **NORMAL RETIREMENT DATE**

### **Commencement of Normal Retirement Benefit**

If you have reached your normal retirement date, your normal retirement benefits generally begin on the *first day of the month* following the date you retire or, if you are no longer an eligible employee (see the eligibility provisions on page 3), the date you elect to commence your normal retirement benefits.

### **Definition of Normal Retirement Date**

Your normal retirement date is generally the later of the age at which you are eligible for unreduced Social Security benefits or your 8<sup>th</sup> anniversary of your date of participation in the Plan. However, your normal retirement date is the later of your 65<sup>th</sup> birthday or your 8<sup>th</sup> anniversary of your date of participation in the Plan if (1) you are an active participant and attained age 60 with at least 15 years of credited service as of July 1, 2025 (September 1, 2025 if you are a teacher) or (2) you terminated employment with a fully vested benefit under the Plan prior to July 1, 2025, and you had attained age 60 with at least 20 years of credited service as of the date you terminated employment.

### **Options upon Reaching Normal Retirement Date**

You are not required to retire on your normal retirement date. You will continue to make employee contributions and earn credited service after your normal retirement date until you retire or cease to be an eligible employee (see the eligibility provisions on page 3).

You have three options once you reach your normal retirement date:

1. You can retire from your employer and begin to receive your normal retirement benefit.
2. If you are employed but are not an eligible employee, you can begin to receive your normal retirement benefit. If you are an eligible employee, with the approval of your employer, you can reduce your hours so that you are no longer an eligible employee (see the eligibility provisions on page 3) and begin to receive your

normal retirement benefit. *Please note, if you are currently enrolled in health care benefits, working less than full-time may make you ineligible for any medical, dental, and other health and welfare benefits offered only to full-time employees.*

3. You can continue employment as an eligible employee and delay the start of your normal retirement benefit until you retire or reduce your hours such that you are no longer an eligible employee (see the eligibility provisions on page 3). Your compensation and years of credited service after your normal retirement date will be used in the calculation of your normal retirement benefit when you retire or cease to be an eligible employee.

**NOTE: Participants who elect to commence their retirement benefits are not permitted to continue diocesan employment as an eligible employee.**

## EARLY RETIREMENT DATE

### **Definition of Early Retirement Date**

You may retire early once you reach your early retirement date, which is generally the date that:

1. You have attained the age that is 5 years prior to the minimum age that satisfies your normal retirement date and have completed 15 years of credited service; **OR**
2. You have attained the age that is 10 years prior to the minimum age that satisfies your normal retirement date and have completed 20 years of credited service.

### **Options upon Reaching Early Retirement Date**

If you retire at your early retirement date, you have two options:

1. **Early Deferred Benefit** – You can defer commencement of your early retirement benefits until your normal retirement date, and you will receive your normal retirement benefit based on your compensation and credited service through your early retirement date.
2. **Early Immediate Benefit** – You can elect to commence your early retirement benefit immediately, which will be equal to your normal retirement benefit reduced on an actuarial basis based on the time between your early retirement date and your normal retirement date.

### **Commencement of Early Retirement Benefit**

Your early retirement benefit will generally begin on the first day of the month following the date you retire on or after your early retirement date and elect to commence your retirement benefits.

**NOTE: Participants who elect to commence their retirement benefits are not permitted to continue diocesan employment as an eligible employee.**

## DISABILITY BENEFITS

### **Definition of Disability and Commencement of Disability Retirement Benefit**

If (1) you qualify for and receive permanent disability insurance payments under federal Social Security and (2) effective July 1, 2025, are a **vested** participant in the Plan, you are eligible to retire and receive a disability retirement benefit commencing on the ***first day of the month*** following the date you retire.

### **Calculation of Disability Retirement Benefit**

You will receive a disability retirement benefit equal to the greater of:

1. Your accrued benefit reduced by 0.5% for each month by which your disability retirement date precedes your normal retirement date; ***OR***
2. If your disability retirement benefits commence on or after July 1, 2025, 50% of your accrued benefit. If your disability retirement benefits commenced before July 1, 2025, the following percentages of your accrued benefit based on your years of credited service:

<b><u>Years of Credited Service</u></b>	<b><u>Percentage</u></b>
Less than 10 years	50%
10 – 14 years	62.5%
15 – 19 years	75%
20 or more years	100%

A disability retirement benefit of less than \$10.00 per month will be paid in an actuarially equivalent lump sum.

## FORM OF BENEFIT OPTIONS

Your normal form of benefit is a **Single Life Annuity** which is monthly payments until your death (or you are no longer disabled in the case of a disability retirement). However, you may elect to have your retirement benefit paid in any one of the following optional forms provided that you make such election within 90 days from the date the election forms are sent to you by the Diocese:

1. **Ten Years Certain Option** – Monthly payments during your lifetime, but if you die less than 10 years after your retirement date the payments continue to your designated beneficiary for the balance of the 10-year period.
2. **Joint and Survivor Annuity Option** – Reduced monthly payments during your lifetime, but upon your death payments continue to your designated beneficiary (generally your spouse or certain family members) for his or her lifetime at a specified percentage (50%, 66 2/3% or 100%) of the monthly benefit paid to you before your death.

**NOTE: Once a retirement benefit option is elected or deemed elected at retirement, it may not be changed.**

## DEATH BENEFITS

### **Death Before Retirement Benefits Begin**

If you die *before your retirement benefits begin*, your designated beneficiary will receive a lump sum equal to your employee contributions accumulated to the date of your death with interest.

### **Death On or After Retirement Benefits Begin – Normal Form of Benefits**

If you die *on or after your retirement benefits begin and your benefits were being paid under the normal form of benefit*, your designated beneficiary will receive: (1) if your retirement benefits commenced **prior to July 1, 2025**, a lump sum equal to the amount, if any, that your employee contributions accumulated to the date of your death with interest exceeds the total retirement benefits paid to you prior to your death; and (2) a lump sum death benefit in the amount of \$1,000.

### **Death On or After Retirement Benefits Begin – Optional Form of Benefits**

If you die *on or after your retirement benefits begin and your benefits were being paid under an optional form of benefit*, your designated beneficiary will receive: (1) the remainder of the benefit, if any, under the optional form of benefit elected (either the Ten Years Certain Option or the Joint and Survivor Annuity Option); and (2) a lump sum death benefit in the amount of \$1,000.

## CALCULATING YOUR MONTHLY BENEFIT

### **Normal Retirement Benefit**

If you became a participant *prior to January 1, 2011*, your monthly normal retirement benefit is equal to the sum of:

- 1.3% of your monthly compensation on your participation date multiplied by your past credited service; plus
- 1.3% of your average monthly compensation (highest over a 60-consecutive month period out of the preceding 120 months) as of December 31, 2010, multiplied by your future credited service accumulated prior to January 1, 2011; plus
- 0.75% of your average monthly compensation for each year of your future credited service accumulated on and after January 1, 2011; plus
- Effective July 1, 2025, if you are an eligible employee on your retirement date and you do not have a year of future credited service the year that you retire, 0.75% of your average monthly compensation for the year in which you retire.

If you became a participant *on or after January 1, 2011*, your monthly normal retirement benefit is equal to the sum of:

- 0.75% of your monthly compensation on your participation date multiplied by your past credited service; plus
- 0.75% of your average monthly compensation for each year of your future credited service; plus
- Effective July 1, 2025, if you are an eligible employee on your retirement date and you do not have a year of future credited service the year that you retire, 0.75% of your average monthly compensation for the year in which you retire.

### **Minimum Benefit**

If you remain employed until your normal retirement date and you have the following years of credited service, the minimum normal retirement benefit payable to you is as follows:



<u>Years of Credited Service</u>	<u>Minimum Monthly Normal Benefit</u>
At least 10 but less than 15 years	\$90.00
15 or more years	\$100.00

This minimum benefit ***does not apply*** unless you satisfied the above requirements prior to July 1, 2025.

## CALCULATION OF TAXABLE PORTION OF BENEFIT

Because you have made after-tax employee contributions to the Plan, a portion of your retirement benefit will not be taxable to you at distribution. The taxable and nontaxable portion of your retirement benefit under the Plan is determined using life expectancy tables under Internal Revenue Code Section 72 and the regulations thereunder.

### Example of Calculation

Assume the following facts:

- Employee Name: John Doe
- Retirement Age: 65 years
- Retirement Date: January 1st
- Life Expectancy at Retirement: 210 months
- Employee Contributions: \$20,000
- Monthly Payment: \$800/Month (\$9,600/year)

Calculation of taxable and nontaxable portion of monthly payment:

- Total employee contributions divided by life expectancy = nontaxable portion of monthly payment ( $\$20,000 \div 210 \text{ months} = \$95.24$ )
- Total monthly payment – nontaxable portion of monthly payment = taxable portion of monthly payment ( $\$800 - \$95.24 = \$704.76$  taxable portion)
- Nontaxable portion plus taxable portion = total monthly payment ( $\$95.24 + \$704.76 = \$800$ )

John Doe will receive a Form 1099-R from the Diocese at the end of the year indicating:

- \$9,600 gross distribution ( $\$800 \times 12$ )
- \$8,457.12 taxable income ( $\$704.76 \times 12$ )
- \$1,142.88 nontaxable return of employee contribution ( $\$95.24 \times 12$ )

Considerations:

- If the employee lives to their expected age (210 months or age 82 years, 5 months), they will have received \$168,000 in pension payments. Their employee contributions of \$20,000 would have returned an additional \$148,000 of income.
- If the employee dies before retirement benefits begin, or if the employee's retirement benefits begin in the normal form of benefit prior to July 1, 2025, and the employee dies before receiving the retirement benefits at least equal to their employee contributions plus interest, the balance of their employee contributions is paid tax-free to their beneficiary. Taxes would have to be paid on the interest portion.

The taxes to be paid on the taxable portion of the monthly payments are dependent on the tax bracket of the individual based on their total income.

## CONTACT INFORMATION

We have attempted to answer some of the questions concerning the Plan in this Handbook. Remember that this is only a brief description of the primary features. It is not a complete or technical explanation of the Plan. In the event of a question or discrepancy, the Trust Agreement and Plan govern.

*If you have any questions or want to examine a copy of the Plan and Trust Agreement please contact:*

Human Resources  
Secretariat for Administration Office  
1515 Martin Luther King Jr. Drive, Allentown, PA

**Amy Mullen**

Benefits Manager

610-871-5200 ext. 2201

[amullen@allentowndiocese.org](mailto:amullen@allentowndiocese.org)

*Correspondence should be sent to the following address:*

Human Resources  
P.O. Box F  
Allentown, PA 18105-1538

*Revised for benefit changes effective July 1, 2025*

## **APPENDIX – HISTORICAL PLAN CHANGES**

Since January 1, 1969 when the Diocese of Allentown Lay Employees Retirement Plan was initiated, the following benefit changes have been implemented:

### **Effective January 1, 1977**

- Compensation redefined – room and board limit raised from \$100 per month to \$150 per month for housekeepers.
- Minimum monthly pension increased from \$40 to \$50 for 10 - 14 year employees and from \$50 to \$60 for employees with 15 or more years of service.

### **Effective July 1, 1980**

- Limit on compensation increased from \$12,000 to \$20,000
- Added vested benefit of 100% after ten years of service and provided for the retention of a vested participant's contribution plus interest to be paid in the form of a vested pension at early retirement or normal retirement.

### **Effective July 1, 1981**

- Compensation redefined to provide for teacher compensation to be annualized to a 12 month amount.
- Interest on employee contributions for death benefits increased from 3.0% to 5.0% subsequent to July 1, 1981.
- Interest on return of employee contributions at termination of employment for non-vested participants increased from 3.0% to 5.0% subsequent to July 1, 1981.
- Increased group term life insurance amount from \$10,000 to \$15,000.

### **Effective September 1, 1982**

- Provided for increase to retirees of \$10 additional monthly pension commencing September 1, 1982.

### **Effective July 1, 1985**

- Compensation redefined to remove limit of \$20,000 for application of 3% employee contribution – no limit on compensation.
- For eligibility purposes, clarification of membership changed from anniversary date “coincident with or next following” to anniversary date “nearest”.
- Provided for payment of benefit to all employees who already reached normal retirement date as of July 1, 1985.
- Included a provision for payment of retirement benefits at age 65 whether or not participant actually retires.

### **Effective January 1, 1986**

- Provided for benefit improvement to 1.0% of compensation for each year of credited service prior to participation in the plan.
- Eliminated the ten years of service requirement for receipt of disability benefits.
- Provided for a \$10 per month increase in benefits to all retirees on the retired rolls as of December 31, 1985 to commence February 1, 1986.

### **Effective January 1, 1987**

- Provided for an insured pre-retirement death benefit equal to one times annual salary with a minimum insured death benefit of \$15,000.
- Provided for an uninsured death benefit to all retired members, i.e., all members in pay status currently on the retired rolls and all future retirees. The amount of the death benefit, payable in addition to the return of the balance of participants' contributions, shall be a lump sum payment of \$1,000.

### **Effective July 1, 1988**

- Provided for age 55 as maximum age at hire in order to receive a pension at 65.
- Reduced the plan participation requirement for receipt of pension from 10 years of participation to 5 years of participation and attained age 65.
- Provided for a \$10 per month increase in benefits to all retirees on the retired rolls as of July 1, 1988.

### **Effective July 1, 1989**

- Revised requirements to permit the participation of an employee hired subsequent to their 55th birthday.
- Any participant, who continues to work after normal retirement age, will earn additional pension benefits during period of full time employment until actual retirement.
- Provided for benefit improvement from 1.0% to 1.1% of compensation for every year of credited plan service.
- Increased from a one-year period to a two-year period the time used in the determination of when an absence from active work is a termination of employment.

### **Effective July 1, 1993**

- Provided for \$10 per month increase in benefits to all retirees on the retired rolls as of July 1, 1993.
- Provided that the Plan recognize that benefits may be paid from the Plan in accordance with Qualified Domestic Relations Orders (QDROs).

### **Effective July 1, 1995**

- Increased minimum group death benefit insurance amount from \$15,000 to \$20,000.
- Implemented terminal illness loan provision in \$5,000 increments up to a maximum of 50% of life insurance amount.

### **Effective July 1, 1998**

- Increase for retirees receiving pension according to date of retirement:

<u>Benefit Start Date</u>	<u>Percent Increase</u>
Pre-January 1, 1980	10%
January 1, 1980 - December 31, 1989	5%
January 1, 1990 – December 31, 1997	3%
January 1, 1998 – July 1, 1998	0%

### **Effective July 1, 2000**

- Provided for benefit improvement from 1.1% to 1.3% of compensation for all years of credited plan service.
- Restatement of plan to incorporate all previous changes.

### **Effective April 1, 2001**

- Changed the method of calculating disability retirement from utilizing early retirement factors to years of service:

<u>Years of Service</u>	<u>Percentage of Pension to be Received</u>
Less than 10 years	50.0%
10-14 years	62.5%
15-19 years	75.0%
20 or more years	100.0%

- Increase in minimum benefits for employees who remain in service until their normal retirement age:

<u>Years of Service</u>	<u>Minimum Amount</u>
10 to 14 years	\$90.00
15 or more years	\$100.00

### **Effective July 1, 2004**

- Increase for retirees receiving pension according to date of retirement:

<u>Benefit Start Date</u>	<u>Percent Increase</u>
Pre January 1, 1986	10%
January 1, 1986 – December 31, 1995	5%
January 1, 1996 – December 31, 2003	3%
January 1, 2004 – July 1, 2004	0%



### **Effective July 1, 2009**

- Postponed the payment of pension benefits until a participant actually retires for those employees who reach their Normal Retirement Date of July 1, 2009.

### **Effective January 1, 2011**

- Provided for benefit change from 1.3% to 0.75% of compensation for each year of credited service prior to participation in the plan for employees who enter the plan after December 31, 2010.
- Provided for benefit change from 1.3% to 0.75% of compensation for every year of credited plan service after December 31, 2010.
- Redefined plan year to mean the consecutive 12-month period beginning January 1, 2011 and each January thereafter.
- Redefined compensation for service while participating in the plan to be the monthly average of the employee's compensation for each year of credited service.

### **Effective July 1, 2015**

- Reduced the 5-year waiting period to a two-year waiting period for employees hired after July 1, 2015, for participation and contributions payable.
- Eliminated the minimum age requirement (age 25) for participation for employees hired after July 1, 2015.
- Redefined normal retirement date for employees hired after July 1, 2015.
- Increased the Diocese's contribution from 3.00% of employees gross salary to 3.25% effective July 2014, 3.5% in July 2015, 3.75% in July 2016, 4.00% in July 2017, 4.25% in July 2018, 4.50% in July 2019, 4.75% starting July 2020, 5.25% starting July 1, 2021, 5.75% starting July 1, 2022, 7.5% starting July 1, 2023, and 10% starting July 1, 2024.

### **Effective July 1, 2025**

- Removed room and board for housekeepers and housing for a superintendent of a diocesan or parochial cemetery from the definition of compensation.

- Revised the definition of eligible employee to mean an employee who works at least 30 (instead of 20) hours a week for the period of customary employment. Employees already participating in the Plan as of July 1, 2025, are grandfathered under the eligibility terms in effect immediately prior to July 1, 2025.
- Permitted the Board of Trustees to set the interest rate under the Plan by Board resolution rather than having to amend the Plan.
- Revised the definition of normal retirement date to be the later of the age at which the participant is eligible for unreduced Social Security benefits or the eighth anniversary of his date of participation, with two grandfathered groups: (1) active participants who have attained age 60 with at least 15 years of service as of July 1, 2025 (September 1, 2025 for teachers); and (2) vested participants who terminated prior to July 1, 2025, and who have attained age 60 with at least 20 years of service as of their date of termination.
- Revised the definition of early retirement date to replace the ages 55 and 60 with the age that is either 5 or 10 years, as applicable, prior to the minimum age at which the participant would satisfy their normal retirement date.
- Clarified that a spouse for purposes of the Plan is an opposite sex spouse in accordance with Catholic doctrine.
- Revised the eligibility provisions to reduce the waiting period from two years of credited service to one year of employment for eligible employees hired on or after July 1, 2025.
- Eliminated layoff from the list of exceptions to cessation of active participation.
- Revised the termination of employment provisions to (1) eliminate the exceptions for layoffs and for absences from active work on account of a period of participation in the Peace Corps or approved Lay Apostolate movement and (2) to reduce the exception for leaves of absence from two years to one year.
- Revised the Plan to provide that if a non-vested participant reduces hours with an employer such that the participant is no longer an eligible employee, then upon attaining age 59½, the participant can elect to receive a refund of employee contributions with interest. If such employee again becomes an eligible employee

and a participant in the Plan, the employee can repay the refund to the Plan with interest and credited service will be restored.

- Added the year of retirement to the calculation of normal retirement benefits even if the participant does not have a year of service credited for such year effective July 1, 2025.
- Eliminated the minimum normal retirement benefit for participants who have not met the eligibility requirements for that benefit as of July 1, 2025.
- Changed the minimum disability retirement benefit for benefits that commence on or after July 1, 2025, and added that a participant must be vested to be eligible for a disability retirement benefit.
- Removed group term life insurance under the pre-retirement death benefit provisions, as that benefit will be provided outside of the Plan effective July 1, 2025.
- Eliminated post-retirement death benefits reflecting a return of employee contributions from the Plan for any participant who had not commenced a retirement benefit prior to July 1, 2025.
- Revised the Plan to provide that a benefit will be paid in the normal form unless the participant makes an election to receive benefits in an optional form within 90 days of the date that the Diocese provides the participant with the requisite election forms.
- Revised the Plan to define beneficiary for purposes of joint and survivor annuity options as including certain family members.
- Added small retirement benefit cash-out provisions.
- Revised the funding provisions under the Plan to allow more discretion in the funding of the Trust.
- Revised the Plan to specify the timing by which contributions must be made to the Plan and to add the right to charge interest for late contributions.
- Added rollover rules for lump sum distributions.
- Revised the Plan termination provisions to provide that the Plan will make a return of employee contributions first, and then distribute benefits that are already in pay status.