The Roman Catholic Archdiocese of Newark Pension Plan

Frequently Asked Questions

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General Information About The Plan

The Roman Catholic Archdiocese of Newark Pension Plan is designed to provide retirement income as a supplement to the benefits payable from Social Security and participants' personal investments. The participating parishes, schools and other employers of the Archdiocese pay the full cost of the Plan. Contributions from employees are neither required nor permitted.

The Plan was originally effective on October 1, 1962. It was restated as of July 1, 1984, on July 1, 1994 and again on September 1, 2007.

This Plan is a "church plan" as defined in the Employee Retirement Income Security Act of 1974 (P.L. 93-406) or ERISA, and it is therefore exempt from the requirements of that Act. Accordingly, it is not the intent of this Plan to meet the requirements of that Act.

While the Archdiocese may adopt guidelines similar to the standards under ERISA and the Department of Labor regulations to guide portions of the administration of the Plan, these adopted guidelines shall not be deemed to be an election to subject the Plan to coverage under ERISA.

The Roman Catholic Archdiocese of Newark is the plan sponsor. Plan assets are held in a trust fund. The Plan Trustees oversee the plan with the help of an advisory Pension Board. Day to day administration of the Plan is the responsibility of the Pension Fund Administrator.

The Trustees assume responsibility for the prudent management and investment of all pension funds and the distribution of the funds through the Pension Board in keeping with the terms and conditions of the Plan and pay all benefits to which Participants or beneficiaries are properly entitled.

The Pension Fund Administrator, under the direction of the Board, monitors and directs all matters concerning eligibility for participation, determination of benefits, and all other questions that may arise during the operation of the Plan and acts as agent to receive service of legal process. The Pension Fund Administrator will administer the Plan consistently in accordance with the Plan document.

The address to contact any of the above is:

Roman Catholic Archdiocese of Newark
Pension Office
171 Clifton Avenue
PO Box 9500
Newark, NJ 07104-0500

Tel: 973-497-4093
Fax: 973-497-4189

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1. **Am I Eligible For The Plan?**

   If you are a full-time lay employee, you become a participant in the Plan on the first day of the month that coincides with or immediately follows the date you complete three (3) Years of Service. If your date of hire is on or before December 31, 2009, you must be regularly working 25 hours per week or more. If your date of hire is on or after January 1, 2010, the weekly required hours are 35. You do not need to enroll to become a Participant. You are automatically covered when you meet the eligibility requirements. There is an exception if you are covered by another pension plan to which your employer makes contributions – you cannot be covered under this plan at the same time.

2. **How Are Years Of Service Earned?**

   You will receive a Year of Service for each twelve-month period you work during the Plan Year. School employees not employed on a twelve-month basis will receive a Year of Service for each period employed from September of any year through June of the succeeding year.

3. **How Are Benefits Funded?**

   Your employer annually contributes an actuarially determined amount that is sufficient to provide your future benefit. These funds are deposited in the Trust Fund and invested by the Trustees on the advice of the Pension Board. At retirement, your benefit will be paid directly from the Trust Fund. You are not required or permitted to contribute to the Plan.

4. **What Is My Normal Retirement Date?**

   Your normal retirement date is the first day of the month coincident with or next following your 65th birthday.

5. **What Is The Plan's Pension Formula?**

   Your benefit at retirement is calculated using your Final Average Earnings and Years of Service. The formula, based on a percentage of your earnings multiplied by your total full Years of Service, is:

   > 1.25% of your Final Average Earnings multiplied by your total full Years of Service from your date of hire to your date of termination or retirement.
   >
   > Final Average Earnings mean the average earnings in your last five calendar years (January through December), excluding bonuses, commissions and overtime. For school employees, your final five contract years' earnings are used.
   >
   > The following example illustrates how the retirement formula works

Date of Birth:	January 1, 1943
Date of Hire:	January 1, 1983
Date of Retirement:	January 1, 2008
Age of Retirement:	Age 65
Final Average Earnings:	
(For the years 2003 through 2007)	$30,000
Full Years of Service:	25 Years of Service

Benefit Calculation

.0125 x $30,000 x 25 years = $9,375 (annual benefit)

$9,375 ÷ 12 = $781.25 (monthly benefit)

6. What If I Retire After My Normal Retirement Date?

If you continue working after age 65, your postponed retirement date will be the first day of the month after your employment ends. You will continue to receive credit for your service and earning after age 65.

7. May I Retire Before Age 65?

You may decide to retire as early as the first day of any month after age 55 if you have at least 5 Years of Service with the Archdiocese. Your benefit will be calculated under the same pension formula used for your normal retirement benefit (see Question 5) based on your Final Average Earnings and Years of Service through your early retirement date or date of termination.

If you elect to receive your benefits before age 65, your pension is reduced by an early retirement factor recognizing the fact that benefits will be paid over a longer period of time.

Example – If the Participant in the Example in Question 5 retired at age 62 instead of 65, and had 22 instead of 25 Years of Service, the early retirement benefit would be computed as follows:

.0125 x $30,000 x 22 years = $8,250 (annual benefit)

$8,250 x .80 (early retirement factor at age 62) = $6,600 (early retirement reduction)

$6,600 ÷ 12 = $550.00 (monthly benefit)

8. How And When Will Benefits Be Payable Upon My Retirement?

The pension plan has a standard form of payment and optional forms of payment. If you do not choose an option, you will automatically receive the standard form of payment - a life annuity. Under this form, you will receive your full benefit each month for your lifetime. When you die, payments will stop; no benefit payments will be continued to anyone else. The life annuity provides the highest monthly income because payments stop after your death.

Optional Payment Methods

You may choose an optional form of payment of your pension benefit by filing a written notice with the Pension Fund Administrator no later than 30 days before your retirement. The amount of any optional payment method will be less than the life annuity and will be reduced by the actuarial conversion factors described in the plan document. The Plan offers the following optional payment methods:

(a) Contingent Annuity Options – Under these options, a reduced monthly income is payable to you for as long as you live after you retire. Upon your death, either 50% or 100% (as you choose) of the benefit you were receiving will continue to your beneficiary (if he or she survives you) until the beneficiary dies. Once your retirement payments begin, you cannot change your Contingent Annuitant.

(b) Life and 5-Year or Life and 10-Year Certain Options – These options provide payment for your lifetime with the guarantee that payments will continue for at least 5 or 10 years (as you selected) from your Date of Retirement. If you die before the end of the certain period, the remaining monthly payments (to complete the 5 or 10 years) will be paid to your named beneficiary. You can elect primary and contingent beneficiaries under this option.

Except as described below, there is no option to receive your pension in a lump sum payment.

9. Are There Benefits Upon Termination Of Employment?

If you stop working for a participating employer in the Archdiocese before you retire, you must be vested in order to receive any retirement benefits. “Vesting” means that you earned an accrued benefit and are entitled to receive your pension. You become 100% vested in your accrued benefit after completing 5 Full Years of Service. There is no partial vesting prior to that date.

Your vested benefits will be paid in one of two ways:

Lump Sum Payment – If upon termination of your employment from the Archdiocese, the present value of your accrued pension benefit under the Plan is $5,000 or less, you will receive a lump sum payment. This lump sum payment will be in full satisfaction of your rights under the Plan. You can either roll this over into an Individual Retirement Account (IRA), postponing income tax on it or take the distribution in cash, which will be taxable as ordinary income in the year that you receive it and may also be subject to an early distribution penalty.

Vested Monthly Benefit Payments - You may choose to begin receiving your accrued benefit at your normal retirement date or a reduced benefit at your early retirement date.

You may have payments begin as early as the first of the month after age 55. If you start to receive your pension before your normal retirement date, your benefits will be reduced to allow for the fact that benefits will be paid over a longer period of time (see Question 7). You will still have the choice of normal or optional payment methods.

10. Can I Lose Years Of Service?

If you leave the Archdiocese and return within the twelve-month period after you left, you will receive full credit for the period of service prior to your leaving.

If you leave the Archdiocese and return but not within the twelve months specified above, you will have incurred a break-in-service. You will not get credit for the Years of Service you completed before your break-in-service until you are again an employee for at least 1 year.

If you resume full-time employment within the Archdiocese after you have retired, all pension payments will cease and your benefit will continue to accrue. Any benefit paid to you while you were working full-time must be repaid to the plan.

11. Are Benefits Payable If I Die Before I Retire?

Effective January 1, 2008, the plan provides a death benefit to the eligible surviving spouse of an employee who 1) dies while employed by a participating employer; and 2) who is at least age 55 at the time of death; and 3) who has at least 10 years of service.

In addition, employees who are employed after their Normal Retirement Date may chose an optional form of annuity and name a beneficiary. Please contact the Pension Office for the necessary forms.

Other than in those situations above, the Plan does not provide a pre-retirement death benefit.

12. May The Plan Be Amended Or Terminated?

Although the Archdiocese intends to continue the Plan indefinitely, it reserves the right to amend or discontinue the Plan at any time.

If this occurs, you will be fully vested in your accrued benefit. But the amount of your benefit will be paid only from the available plan assets. Generally, the available assets will be used to pay benefits in this order:

- To continue to provide pension benefits for retired Participants;

- To provide pension benefits for all those still in service who have chosen to postpone their retirement;
- To provide pension benefits for those eligible for early retirement;
- To provide pension benefits for all those Participants who are vested; then
- To provide pension benefits for all those Participants.

Any funds held for the Plan may be returned to the Archdiocese after all benefits identified above have been provided for in full for all eligible Participants.

13. How Do I Start Receiving Benefits?

If you are planning to retire, you should contact the Pension Office in writing no later than 30 days before your expected retirement date, for example by June 1 for a July 1 retirement. We would suggest contacting our office earlier particularly if you will be retiring at the end of the fiscal/school year.

Your request should state your planned retirement date, your date of birth and your relationship to and date of birth of any anticipated beneficiary.

We will provide you with a written calculation of your benefit. You should review it to confirm the accuracy of the annual earnings used in the five year average. You should also verify that we have been credited you with all your years of full-time service with participating Archdiocesan employers. If you feel that there are any errors in your calculation, please advise the Pension Office as soon as possible.

We will also give you a Retirement Election Form. By completing and returning this form to the Pension Office, you formally request retirement, the start date of your pension and the form of annuity. When returning this form, please provide a copy of your birth certificate, baptismal certificate or some other formal proof of your date of birth. If you are choosing a continent annuity, we will also need evidence of your beneficiary’s date of birth.

If you don’t complete and return the forms or provide the requested information to the Administrator within a reasonable period of time, your benefit payments will be delayed. The Pension Office depends on employment and payroll records maintained by the participating employers to confirm employment. Difficulties receiving this information from them can also cause delays in finalizing your benefits.

14. Are There Any Legal Limitations On My Benefits?

No benefit under this Plan may be assigned or pledged to any other person or entity, nor may any benefit be subject to your debts or other legal obligations except as provided by law.

Benefits under the Plan are subject to maximum limitations imposed by the Internal Revenue Code and Regulations. The Federal Government may adjust these limitations annually.

Important Notice

This description is intended only to provide highlights of the Plan and answers to some questions you are likely to ask. Although every effort has been made to describe the essential provisions of the Plan as accurately as possible, it is impossible to briefly summarize all of the plan provisions in a document of this nature.

The requirements for participation, the calculation of benefits payable, and any and all other terms and conditions of the Plan will be determined strictly in accordance with the Plan Document, the Trust Agreement, and all regulations of the Pension Board.

To receive a copy of the plan document, please send a written request to the Pension Fund Administrator at the address above.