

Catholic Diocese of Rockford

403(b) Retirement Plan

Effective April 15, 2024

INTRODUCTION

The Catholic Diocese of Rockford adopted a “single provider” format for the 403(b) Retirement Plan effective June 1, 2008. The Plan was created to encourage priests, deacons, and lay employees to save a portion of their current earnings to build a personal retirement fund to supplement Social Security benefits and any applicable pension benefits.

ELIGIBILITY

All priests, deacons and lay employees who receive compensation for their services to diocesan organizations, whether part-time or full-time, may participate in the Plan through voluntary salary deferrals. Eligibility commences with the date of hire. Employer matching contributions also become eligible immediately following the date of hire.

EMPLOYEE CONTRIBUTIONS

- Contributions are automatically deducted from employee paychecks.
- Contributions are pre-tax (unless a participant elects a Roth Plan). Contributions are deducted before paying Federal and Illinois income taxes. Pre-tax investments grow tax-deferred and are taxed only upon withdrawal from the Plan.
- Contributions are post-tax if an employee elects a Roth Plan. Earnings on post-tax Roth contributions will not be taxed if certain conditions are met when a participant withdraws funds from the Plan.
- Employees may contribute up to 100% of their compensation as allowed under the IRS Code.

EMPLOYER CONTRIBUTIONS

Diocesan employers match employee contributions each payroll period equal to 15% of the first 6% of compensation that an employee contributes to the plan.

Example: An employee earns \$30,000 annually and elects to defer 10% of his or her compensation to the 403(b) Retirement Plan. Since the employer matches to a maximum of the first 6% of compensation, the match is computed as follows:

$$\begin{aligned} & \$30,000 \text{ earnings} \times 6\% \text{ maximum} \\ & \times 15\% \text{ match} = \$270. \end{aligned}$$

REMITTANCE OF CONTRIBUTIONS

Employee and Employer contributions are remitted to Security Benefit Life by the diocesan payroll office by the end of the month following the month of contribution.

VESTING

Employee and employer contributions to the 403(b) Retirement Plan are 100% vested at all times. This means the value of all contributions made by the employee and the match from the employer, together with accumulated earnings, are payable to the employee upon retirement or termination of employment regardless of the years of service.

INVESTMENT OPTIONS

- Employees may choose to invest from among all of the funds offered by Security Benefit Life including 15 different “target portfolios” designed to fit different investment strategies.
- Employees may change their investment mix at any time.

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WITHDRAWALS AND LOANS

Participants in the 403(b) Retirement Plan have the following options for withdrawals or loans:

- Hardship withdrawals. When certain emergencies occur, such as extended illnesses or catastrophic casualty losses, participants may withdraw funds from their Retirement Plan accounts.
- “In-service” withdrawals. These are withdrawals made by participants while actively employed within the diocese, and who have attained the age of 59 ½ years or older.
- Loans. Participants may borrow from their Retirement Plan accounts subject to interest charges and a repayment plan. In addition to interest charges, participants who borrow from their Retirement Plan accounts pay a one-time loan origination fee of \$50 and a quarterly administration fee of \$12.50 for each outstanding loan.

FEES

- Participants pay an ongoing administration fee of 0.35% of assets held in each participant’s Retirement Plan account. This fee is withdrawn directly from each participant’s Retirement Plan account.
- There are no termination or asset transfer charges imposed when a participant withdraws or rolls over assets in a Retirement Plan account.

ROLLOVERS TO THE RETIREMENT PLAN

Participants may roll over account balances from another eligible retirement plan, including Individual Retirement Accounts (IRAs), into the 403(b) Retirement Plan.

NORMAL DISTRIBUTIONS

Participants may request a distribution of their Retirement Plan account balances upon

retirement, termination of employment, or permanent disability. Distributions to participants may be taxable. Participants may postpone current income tax liability by rolling over Retirement Plan account balances to another tax-qualified retirement plan or Individual Retirement Account (IRA). The IRS also has minimum distribution requirements depending upon the age of the participant. On all these issues, please consult your tax advisor before making decisions.

ACCOUNT INFORMATION

Participants receive quarterly statements mailed directly to their home address. They may access information or make changes to their Retirement Plan accounts at: www.securityretirement.com.

Questions about enrolling, and provisions of the plan should be directed to:

Matt Young
LPL Financial
2807 Charles Street
Rockford, IL 61108
Phone: (815) 394-1520
Toll Free: (877) 621-2784
Fax: (815) 394-3909
e-mail: matt.young@lpl.com

All transfer and withdrawal forms can be mailed, e-mailed or faxed to Matt Young or Security Benefit directly. Forms demanding medallion signatures are required to be mailed.

Mail to:
Security Benefit Retirement Plan Services
P.O. Box 219141
Kansas City, MO 64121-9141

Phone: (800) 747-3942
Fax: (816) 701-7626

For Expedited or Overnight delivery:
Security Benefit Retirement Plan Services
430 W 7th Street STE 219141
Kansas City, MO 64105-1407