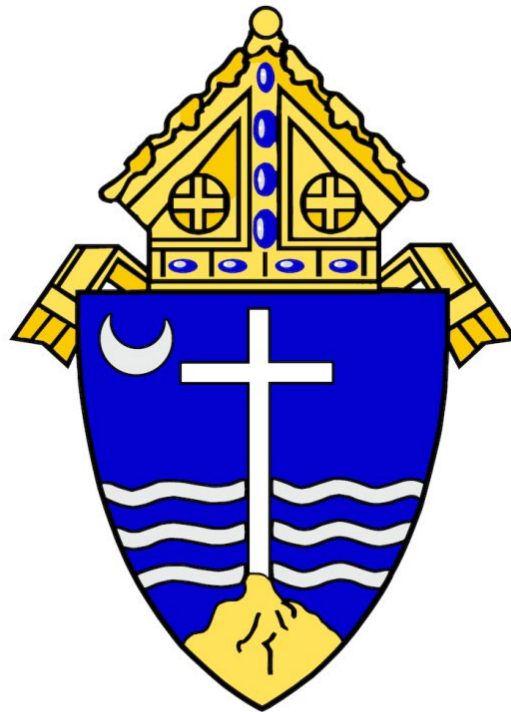


The Catholic Diocese of Rockford



Lay Employee Pension Plan **Summary Plan Document**

Revised April 15, 2024

Introduction

The Catholic Diocese of Rockford Lay Pension Plan was created effective October 1, 1974. It covers regular full time lay employees of the Catholic Diocese of Rockford. The Plan is funded entirely by employer contributions. Employees do not contribute to the Plan.

The Plan was created with the intention that it continue indefinitely. However, the Catholic Diocese of Rockford has the right to terminate, modify, alter or amend it; or to merge or consolidate it with any other plan.

The Plan was created to assist covered employees in financial preparation for retirement. The combination of the Plan's benefits and Social Security (funded by matching employee and employer contributions under the Federal Insurance Contribution Act (FICA) will provide a base for planning a comfortable retirement. The 403(b) Retirement Plan, provided under a program separate from this Plan can be an excellent means to supplement the Plan's benefits and should be considered by those interested in tax-advantaged retirement savings.

This is a summary plan description of The Catholic Diocese of Rockford Lay Pension Plan. It is not the official Plan document and cannot be relied upon for definitive answers to all questions. A copy of the official document is available for inspection by any employee or his/her representative during regular business hours at the Diocesan Lay Pension Office of the Diocese located at 555 Colman Center Drive, Rockford, Illinois.

In any conflict between this summary and the official Plan document, the official Plan document will control.

Eligibility

An employee becomes eligible to be a participant in the Plan when he/she completes 12 months of continuous service provided he/she is age 25 or older.

Participation commences automatically unless the employee elects not to become a participant. An election to decline participation must be submitted to the Plan Administrator in writing at least 30 days prior to the date participation otherwise would commence. An employee who declines participation may revoke this decision and become a participant on a subsequent January 1.

Revocation must be in writing and delivered to the Plan Administrator at least 30 days prior to the January 1 on which it is to take effect.

An employee who is a participant may elect to discontinue participation for any Plan year. An election to discontinue participation must be submitted to the Plan Administrator in writing at least 30 days prior to January 1.

Contributions

Employer contributions made to the Plan on a participant's behalf are as follows:

- a) less than 10 years of full-time employment 3% of gross salary
- b) 10 to 15 years of full-time employment 5% of gross salary
- c) more than 15 years of full-time employment 6% of gross salary

However, no contributions are made for a participant who is on a leave of absence or who has elected not to participate.

Employees do not contribute to the Plan.

Benefit Accumulation

Contributions to the Plan are held in a trust fund that is invested under the supervision of the Trustees. The trust fund is invested as individual accounts. Contributions are credited to the participant's account, and, daily, earnings are credited to his/her account.

Vesting

If a participant ceases to be an employee for reasons other than death or retirement at a normal, early, or postponed retirement date, and if he/she has fewer than 7 full years of continuous service when his/her employment terminates, he/she will forfeit a portion of his/her account. The portion of his/her account that he/she does not forfeit is referred to as the vested portion of his/her account. The portion vested depends on the number of his/her full-time years of continuous service as shown on the following table.

A participant's account is fully (100%) vested if his/her employment terminates because of death or because of retirement at normal, early, or postponed retirement age.

Full Years of Continuous Service	Portion Vested	Portion Forfeited
Less than 3	none	100%
3	20%	80%
4	40%	60%
5	60%	40%
6	80%	20%
7	100%	none

Forfeitures

Forfeited pension benefits may be used as administrative fees and/or remain in the Pension Plan portfolio to be reallocated to the pension accounts of the other employees.

In-Service Transfer

Effective July 1, 2014, a full or partial in-service transfer is available to an employee who is at least age 62 and is fully vested. In-service transfers are limited to once per quarter and must be a tax deferred rollover to an Eligible Retirement Plan (i.e. IRA).

Distribution of Accounts

Generally, a participant's account becomes distributable on his/her distribution date (i.e., his/her normal retirement date unless an early, disability, or postponed retirement date applies to him/her). However, if a participant dies prior to his/her distribution date, his/her account becomes distributable to his/her beneficiary at the time of his/her death.

Distribution can only be made in a lump sum to a qualified IRA, participant or beneficiary.

The federal law governing the Plan requires the distribution of benefits begin April 1 of the calendar year following the calendar year in which the employee attains age 70½. In the case of a church plan, the required beginning date shall be the later of the date determined under the preceding sentence, or April 1 of the calendar year following the calendar year in which

the employee retires. Accordingly, the Plan provided that distribution of a participant's account begin the later of April 1 following the close of the calendar year in which a retired person reaches age 70½, or April 1 following the close of the calendar year in which a person retires.

An employee, upon termination of employment, is required to complete the *Notice to Administrator of Participant's Leaving Plan* form. This form should be completed by all participants leaving the Plan as a result of termination, retirement, or disability. Upon death, a copy of the Death Certificate should be attached to the form. The completed form should be forwarded to the Diocesan Lay Pension Office.

A portion of a participant's account may be forfeited under certain circumstances (as described under "Vesting" below), in which case only the vested portion of his/her account becomes distributable.

Beneficiary Designation

The participant shall have the right to change the designated beneficiary of the Plan at any time or times by filing a new designation with the Plan Administrator on the form provided, but such designation shall be effective and acted upon only if received by the Plan Administrator prior to the participant's death.

Loans and Fees

A participant may not borrow from the Plan nor may his/her interest in the Plan be pledged as collateral for a loan from another party.

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.

Definitions

These terms are defined as follows for purposes of this summary plan description.

“Beneficiary” – the person or persons designated by a participant to receive his/her benefits under the Plan should he/she die before all of his/her benefits have been paid out. Corporations and trusts, as well as natural persons, may be a Beneficiary. The designation must be made in writing. A form may be obtained from the employer or by contacting the Diocesan Lay Pension Office.

“Continuous Service” – a period of service to an employer without break. Continuous Service is measured from last date of hire. Transfer of employment from one diocesan employer to another does not cause a break in service, provided service to the new employer commences within a reasonable time after service to the prior employer ceases. Generally, if a break in service does not exceed the period of a participant’s full-time employment, this condition is met. Further, a leave of absence granted by an employer is included in Continuous Service if the leave is granted under Plan rules. Generally, Plan rules permit leaves of absence for required service in the Armed Forces, sickness or disability, and similar purposes, provided the leave does not extend for more than 24 consecutive months, or, in the case of required service in the Armed Forces, does not extend for more than 6 months beyond discharge from Armed Forces service.

“Distribution Date” – the date of payment of a participant’s benefits. Generally, a participant’s Distribution Date is his/her normal retirement date; unless an early retirement, disability, or a postponed retirement date applies. Distributions of Participants’ accounts are usually made within 60 days after the close of the quarter and contributions are collected. Employers are required to remit contributions to the Plan by the end of the month following the quarter ending date.

“Earnings” – a participant’s gross compensation reported on his W-2 without regard to deductions for a 403(b) Retirement Plan account.

“Employee” – a regular full-time lay employee of a Diocesan employer. Regular full-time employment is 35 hours or more per week for the normal work year.

“Employer” – those parishes, schools, and agencies of the Catholic Diocese of Rockford.

“In-Service Transfer” – a Qualified Employee can transfer a portion or all of his or her fully vested balance in the pension plan to an Eligible Retirement Plan of the employee’s choosing. A Qualified Employee for this purpose is one who is at least age 62 at the time of transfer and is fully vested with the Diocese of Rockford Lay Employee Pension Plan. A Qualified Employee

may request an in-service transfer no more than once per calendar quarter. The transfer must be a tax-deferred rollover to an Eligible Retirement Plan as defined in the Plan document, §6.7(c).

“Participant” – an employee who has met the eligibility requirements of the Plan and who is accruing benefits under the Plan.

“Plan” – the Catholic Diocese of Rockford Lay Pension Plan.

“Plan Year” – a 12-month period beginning January 1.

“Summary” – this summary plan description of the Plan.

“Trustees” – collectively, the persons authorized to manage the Plan. The Trustees are the Bishop or his delegate, the President of the Priests’ Senate, the Vice President of the Clergy Relief Society, the Representative of Women Religious, and from five to nine representatives appointed by the Bishop.

Questions about eligibility 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