THE ARCHDIOCESE OF LOS ANGELES LAY EMPLOYEES PENSION PLAN

(As Amended July 1, 2009)

A Plan Digest With Important Information About Your Retirement Benefits

This booklet is a digest of The Archdiocese of Los Angeles Lay Employees Pension Plan. The plan has been established and operates exclusively for the benefit of you and your fellow workers.

In this booklet, the word "Archdiocese" means The Roman Catholic Archdiocese of Los Angeles. The term "Archdiocese" also includes the affiliated employers which have adopted the plan. They are listed on the last page. Whenever the term "employee" is used, it means persons who are employed by The Roman Catholic Archbishop of Los Angeles, a Corporation Sole, or an affiliated employer which is listed on the last page. "Plan Administrator" means The Roman Catholic Archbishop of Los Angeles, a Corporation Sole.

The official name of the plan is "The Archdiocese of Los Angeles Lay Employees Pension Plan". For purposes of brevity and variety, it is frequently referred to in this digest and elsewhere as "the pension plan", or simply "the plan".

If there is any conflict between this digest and the official plan document, the plan document will prevail. If you have any prior written material, dated earlier than July 1, 2009, describing all or part of the plan, it is obsolete. Please refer to this booklet for a summary of principal plan provisions or contact Pension Services (see the last page of this booklet for contact information).

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HIGHLIGHTS

When you retire, your sources of retirement income will include this plan, social security and your personal retirement savings.

- The plan is technically called a *cash balance pension plan*. This kind of plan determines the amount of your pension benefit by reference to a hypothetical *pension account* for you. Your account is credited with a certain percentage of your annual earnings* each year --- called *employer credits* --- and it is assumed to earn interest at a fixed rate, called *interest credits*. Your benefit at retirement corresponds to your pension account balance at that time.
- You can retire early at any time after age 55, with 5 or more years of service.
- You are vested in your pension account balance after 5 years of service.
- Your benefits under this plan are completely separate from and in addition to any benefits to which you may become entitled under the Social Security Act.
- At retirement your pension account will be paid to you in a lump sum or as a monthly annuity; it is your choice.

***Annual earnings includes all wages paid to you during a calendar year for personal services rendered before any payroll deduction for taxes, health and welfare benefits, tax sheltered annuities, flexible benefit plans, or any other purpose.**

The plan can be very important to you in the future. So regardless of how far away retirement may seem to be now, we suggest that you and your spouse read this booklet carefully. If you have any questions — now or in the future — contact Pension Services.

Advantageous Tax Treatment

Because the plan is intended to be a *qualified* "church plan" under the Internal Revenue Code, your benefits are not taxable until you actually receive them.

When you apply for benefits you should inform yourself of the tax laws that apply to qualified plan distributions; neither the Archdiocese nor Pension Services can help you with your individual tax questions.

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WHO IS ELIGIBLE AND NOT ELIGIBLE FOR PARTICIPATION

Eligible

The following classifications of lay employees are eligible for coverage under the plan (unless ineligible or excluded as described below);

- Lay employees located in the Chancery Office and in each parish, and lay employees of the cemetery department and other departments of the Archdiocese.
- Lay employees of the affiliated employers listed on the last page.

Permanent deacons are considered lay employees, if employed by the Archdiocese or any of the affiliated employers.

Ineligible Classifications

The following classifications of employees are ***ineligible*** for coverage under the plan — but all their service will count for eligibility and vesting if their status changes:

- Part-Time Employees (persons who *regularly and customarily* work less than 20 hours per week).
- Temporary employees (persons who *regularly and customarily* work less than five months in a calendar year).
- Employees who are covered under another plan of retirement benefits sponsored by the Archdiocese, or any of the affiliates listed on the last page.

Excluded Classifications

The following classifications are ***excluded*** from being considered for eligibility under the plan — their excluded service will not count if their status changes.

- Priests, nuns, and members of religious communities or orders.
- Leased employees — persons on assignment from personnel agencies.
- Persons whose Archdiocesan wages are not reported to them on Internal Revenue Service Form W-2.
- Independent contractors or persons compensated solely by receipt of commissions who are not considered Employees by the Employer, such as persons working at The Tidings under a commission agreement.

Age and Service Requirements

Assuming you are not ineligible or excluded, in order to be covered under the plan, you must complete one year of service and you must be age 25 or older. There is no maximum age limitation.

Administration of Eligibility and Changes in Eligibility

For practical administrative reasons, the plan generally uses your status on December 31 of each year to determine whether or not you are eligible for coverage for that calendar year. However, for the calendar year in which your employment terminates, your status on the previous December 31 will be used. If better verifiable data is available to Pension Services, it will be used. Pension Services' decisions in this regard are final.

Questions

If you are in doubt about your eligibility status, contact Pension Services. You will find their address and phone number on the last page of this booklet.

SERVICE

Because many aspects of your plan coverage are based on the length and continuity of your ***service***, it is important for you to know how it is computed.

In general, ***service*** means **all** your Archdiocesan employment. However, if your Archdiocesan employment has been interrupted for any reason, then your aggregate service is determined with reference to the plan's break-in-service and reemployment rules.

To simplify recordkeeping, service is credited in calendar months and years, beginning on the first day of the month in which you are employed. Service ends on the last day of the month in which your employment ends.

Service includes all time that you work, plus time you are absent from work during vacations, holidays, temporary illness, authorized leaves of absence, and up to 12 months of layoff due to lack of work. Service also includes maternity and paternity leaves of absence as defined on page 29.

Periods Excluded from Service

- Any period while you are in an Excluded Classification as described on page 4.

- Any period of layoff lasting more than 12 consecutive months, during which you receive no compensation from the Archdiocese.

- Any absence in excess of 24 months from the beginning of a maternity or paternity leave.

- Any period of *unauthorized* absence.

- Any period following your termination of employment as defined on page 7.

Service While Ineligible

Any period of service while you are classified as *ineligible* for coverage under the plan — such as part-time employment — is counted for eligibility and vesting, but no employer credits will be added to your pension account.

Service While Excluded

Any period while you are classified as *excluded* is not counted for eligibility or vesting, and employer credits will *not* be added to your pension account balance, if any.

Transfers Within the Archdiocese

If you transfer employment from one Archdiocesan location to another, such as from one parish school to another parish school, your service is not terminated but continues and is carried forward --- provided of course that you are still in an eligible class of employees. However, if, after the transfer you are in an ineligible class of employees no employer credits will be added to your pension account, but service will continue to be credited to you in your new location for purposes of vesting and the service eligibility requirement on page 4. Your pension account will continue to receive interest credits.

Change of Eligibility

If your status changes from eligible to ineligible, such as from full-time to part-time, your service is not terminated but continues and is carried forward, unless you change to one of the excluded classifications of employees defined on page 4.

Employer credits to your pension account will be discontinued while you are ineligible. During this time you will be classified as inactive. However, while you are inactive, your pension account will continue to receive interest credits.

You are not eligible for a distribution of your vested pension account balance upon a change in eligibility status, since your employment within the Archdiocese has not been terminated.

Military Service

Up to 5 years of U.S. military service is counted under the plan, provided that you return to work for the Archdiocese after your service ends, within the time your reemployment rights are protected by the federal law.

Termination of Employment

Your coverage under the plan will terminate on the earliest of the following events:

- quit, discharge, or layoff,
- death,
- retirement from Archdiocesan employment,
- disability as defined on page 15,
- failure to return to work after an illness or accident,
- failure to return to work after an authorized leave of absence,
- failure to return to work from a maternity or paternity leave within two years from the beginning of the leave,
- failure to return to work after military service within the time your employment rights are protected by law.

Break-In-Service

If your Archdiocesan employment terminates, you will incur a break-in-service if you are not reemployed within 12 months of your termination of employment date. Your break-in-service will generally be counted from the last day of the month in which your employment terminated.

> (Exception: for a maternity or paternity leave, a break-in-service is counted from the second anniversary of the beginning of the leave.)

Reemployment

If you are later reemployed, you are credited with service as follows:

- ***Reemployment within twelve months.*** No break-in-service; the interval between your termination date and reemployment date counts as service.

- ***Reemployment after twelve months.*** You have incurred a break-in-service; the interval between your termination date and reemployment date does not count as service.

WHEN PLAN COVERAGE STARTS

Your coverage under the plan is automatic. It begins on the *later* of the applicable coverage dates from the following table, provided you are not otherwise ineligible for coverage at that time:

COVERAGE DATE TABLE
The first day of the month following completion of one year of service
OR, IF LATER
The first day of the month in which you attain age 25, provided there has been completion of one year of service.

Coverage Ends

Your coverage under the plan ends when you retire, die, become disabled, or terminate employment. If you continue to work past your normal retirement date, your plan coverage will continue until your actual retirement.

Inactive Participation

If your status is changed from eligible to either *ineligible or excluded*, but you are still employed by the Archdiocese, you will be classified as inactive on the plan's records. You will not receive employer credits to your pension account while you are inactive. However, while you are inactive, interest credits will be added to your pension account. If you return to an eligible status, you will begin to earn more employer credits.

Remember, service for other purposes, such as vesting, will continue to be counted while you are classified as *ineligible*, but not when you are classified as *excluded.*

Administrative Provision Regarding Status Changes

Your eligibility status under the plan is reviewed once each year, as of December 31, after each Archdiocesan location has reported census data changes for the year to Pension Services. For example, if you change from full-time to part-time employment during 2009, Pension Services will probably not learn of your change until 2010, when it reviews your location's census data reported as of December 31, 2009. Unless your location reports the exact date of your status change, your earnings for the part of the year in which you were in an ineligible classification, and any other information needed to calculate your Employer Credit, Pension Services will assume that your December 31, 2009 status was in effect for all of 2009.

PENSION ACCOUNT

Pension Account Balance

A pension account will be created on the plan's records for you when you become covered under the plan, although the plan's assets are actually pooled in a trust fund and not segregated individually. Your pension account balance on any date consists of two types of credits: Employer Credits and Interest Credits.

If you were employed by the Archdiocese before 1994, your pension account may also include a prior plan credit.

Your pension account balance is also called your *accrued benefit* under the plan.

Employer Credits

An amount equal to 3% of your *annual earnings* will be credited to your pension account for each year or partial year of service while you are in an eligible status. This amount is called an ***employer credit.***

Note: For periods prior to July 1, 2009, 6.25% of your *annual earnings* is credited to your pension account for each year or partial year of service while you are in an eligible status.

> ***Annual earnings*** includes all wages paid to you during a calendar year for personal services rendered before any payroll deduction for taxes, health and welfare benefits, tax sheltered annuities, flexible benefit plans, or any other purpose.

Remember, employer credits *will not* be added to your pension account for any time you are in an ineligible or excluded classification, or for any time you do not receive wages from the Archdiocese.

Interest Credits

Interest at the rate of 3% compounded annually will be credited to your pension account balance. This is called an ***interest credit.*** Interest credits continue as long as you have an account balance --- even if you become ineligible for plan coverage or your employment terminates. However, interest credits stop at the end of the month preceding the month in which payment of your pension account is scheduled to begin.

> **Although the Archdiocese intends to continue interest credits at the current rate indefinitely, as Plan Sponsor it has the right to change the rate of interest credits or to discontinue them.**

Note: For periods prior to July 1, 2009, interest is credited at the rate of 6% compounded annually.

Hypothetical Accounts

Although specific assets are not allocated to each participant's particular pension account, and no participant has any claim with regard to specific trust fund assets, the plan maintains a record of each participant's total benefit. There is, of course, no guarantee that the trust fund will always be sufficient to provide plan benefits. In the event that assets of the trust fund are not sufficient to pay all plan benefits, benefits will be distributed in accordance with the priorities set forth in the official plan documents. The Archdiocese has no liability for benefits if the trust fund assets are insufficient.

Annual Statement of Account

If you are accruing benefits under the plan, you will receive a personalized statement after the end of each calendar year showing your status under the plan including the following items:

(a) the beginning balance in your pension account as of the previous January 1,

(b) the amount of interest credits added to your beginning balance,

(c) the amount of employer credits, if any, allocated to your pension account for the calendar year, and

(d) the new balance in your pension account as of December 31.

Individual statements will be provided once a year — after the plan's census data is collected and processed. This project takes several months, owing to the need to manually collect census data from each Archdiocesan location separately. Your patience is appreciated.

Changes in Status

If your status changes from eligible to either *ineligible or excluded*, and your employment has not terminated, no further employer credits will be added to your pension account, although interest credits will continue to be added.

If the exact date of your status change is known to Pension Services, that date will be used for purposes of stopping or starting employer credits. But if the exact date is not known, Pension Services will use your status on each December 31 as the benchmark for the prior 12 months for purposes of allocation of employer credits.

For the calendar year in which your employment terminates, Pension Services will use your status on the preceding December 31st as the benchmark.

If actual verifiable dates can be obtained, then those dates will be used instead of December 31. Pension Services' determination as to status will be final.

RETIREMENT

Normal Retirement

A *normal* pension is one which is paid to you upon retirement at age 65, or upon completion of five years of service if you were hired after your 60th birthday. This date is called your *normal retirement date*.

Postponed Retirement

A *postponed* pension is one which is paid to you beginning after your normal retirement date. If you work past your normal retirement date, employer credits and interest credits will continue to be added to your pension account, provided that you remain in an eligible classification. If you do not remain in an eligible class, your pension account will continue to receive interest credits only.

Early Retirement

An *early* pension is one which is paid to you immediately upon retiring from Archdiocesan employment between age 55 and age 65. You must have at least 5 years of service to be eligible to elect early retirement.

IMPORTANT NOTE: You may not begin to collect a pension under the plan while you are still employed by the Archdiocese — even if you are employed in an ineligible class, such as a part-time employee.

DISABILITY

If you become disabled while employed by the Archdiocese, the full amount of your pension account balance, if any, is payable to you, even if you have not met the 5-year vesting requirement.

Disability Defined

To be eligible for a disability benefit, you must provide evidence that you are receiving social security disability benefits.

Payment of Disability Benefit

Your pension account balance will be paid to you in a single sum as soon as possible after your disability has been verified (by confirmation that you are receiving social security disability benefits), provided proper application has been made. Disability benefits are always paid as a lump sum; your pension account balance may not be converted to an annuity.

PRE-RETIREMENT SURVIVOR BENEFITS

The plan provides a pre-retirement survivor benefit if your death occurs while you have a pension account balance on the plan's books, either as an active employee, or as a terminated employee with a vested pension benefit.

Eligibility

To be eligible for a pre-retirement survivor benefit, you must have (1) an undistributed pension account balance if your death occurs while you are employed by the Archdiocese, or (2) a vested deferred benefit if your Archdiocesan employment has terminated, and (3) payment of benefits to you in any form (lump sum or annuity) must not have started.

Amount of Survivor Benefits

- ***Death While Employed by the Archdiocese:*** If your death occurs while you are employed by the Archdiocese (even if you have not met the 5-year vesting requirement), your spouse, or if you have no spouse, your beneficiary will be paid an amount equal to your pension account balance *in a single sum.*

- ***Death of a Former Employee****:* If your death occurs after your Archdiocesan employment terminates but before payment of benefits to you has started, your spouse, or if you have no spouse, your beneficiary will be paid an amount equal to your vested pension account balance *in a single sum.*

Payment of Survivor Benefits is made only in a single lump sum, provided the proper application has been filed with Pension Services. Annuity benefits are not available.

VESTED BENEFIT

If your Archdiocesan employment terminates for a reason other than retirement, disability, or death, then whether or not you will receive your pension account balance depends upon how many years of service you had completed on your termination of employment date. A year of service is twelve months of service, calculated under the rules on pages 5 through 8.

The percentage of your pension account balance to which you have a nonforfeitable right if you leave Archdiocesan employment is your *vested pension benefit.*

If you terminate employment before you can officially retire under the plan, you will be vested in your pension account balance according to the following vesting schedule:

VESTING SCHEDULE	
Complete Years of Service	Vested Percent
Less than 5 years	0%
5 or more years	100%

Vested Deferred Pension

Since your vested pension benefit cannot be paid until you reach your early retirement date or normal retirement date under the plan, it is referred to in the plan as a *vested deferred benefit*. When you are eligible to retire under the plan, you may choose either an annuity or a lump sum, unless the small payment provision on page 20 applies.

DISTRIBUTIONS FROM THE PLAN

Normal Forms of Payment Upon Retirement

Two types of annuity benefits are available at retirement — one for single employees, the other for married employees. The annuity benefit appropriate for your marital status will automatically take effect unless you elect the lump sum cash option. The amount of your monthly annuity benefit will depend on the size of your vested pension account balance and on the plan's annuity conversion factors, which take into account your age and marital status at retirement.

> **Annuities are not available for employees with vested pension account balances of $5,000 or less.**

Single Employee Normal Form Annuity. If you are not married at retirement, your normal form of payment will be a *Life Annuity With Full Cash Refund*. Under this form of annuity, the plan will pay you a monthly retirement income for life. If you die before you have been paid an amount equal to your vested pension account balance --- calculated at the time your annuity benefits start --- the remainder will be paid (*refunded)* to your beneficiary.

Married Employee Normal Form Annuity. If you are married, the normal form of payment is a *Life Annuity With a Fifty Percent Surviving Spouse Benefit With Full Cash Refund*.

This means that you receive regular monthly payments during your lifetime. If you predecease your spouse, 50% of the pension you were being paid will be paid to your spouse for life.

If both you and your spouse die before an amount equal to your vested pension account balance --- calculated at the time your annuity benefits start --- has been paid, the remainder will be paid (*refunded*) to your beneficiary.

If your spouse predeceases you, *after* payments to you have started, your benefit will continue to be paid to you; it will not be increased or decreased on account of your spouse's death. Also, if you remarry, your new spouse cannot be added in place of your deceased spouse, nor can your remaining annuity payments be converted to a lump sum.

If your spouse dies *before* your benefit payments begin, then this form of payment will not take effect and you will be entitled to the single employee normal form annuity benefit described above.

Eligible Spouse

To be eligible for a surviving spouse's pension, your spouse must be continuously married to you from the date payment of your pension benefit starts until the date of your death. If you marry, or remarry, after payment of your pension benefit has started, your new spouse will not qualify for the surviving spouse's pension.

Optional Form of Payment

Lump Sum Payment. Instead of the normal form of annuity payment described above for your marital status, you may elect — within 90 days before payment is to be made — to receive your pension account balance in a lump sum.

Under this form of benefit payment, you elect to receive your pension account balance in a single lump sum, payable upon retirement from Archdiocesan employment. (Your lump sum may be paid to you or paid in a "direct rollover" to your IRA or another employer-sponsored plan. See page 22 for further information on direct rollovers.) Upon payment of your pension account balance, no further benefits are payable to you, your spouse, or any other beneficiary.

Possible Future Changes in Benefit Form

The Archdiocese has the right at any time to change the forms of benefit payable under the plan, including the right to eliminate forms of benefit payment, but not after payment of benefits have commenced. When you apply for benefits, Pension Services will inform you of the benefit forms available at that time.

Small Payments

If your *vested* pension account balance equals $5,000 or less when it becomes payable, it will be paid in a lump sum. Annuities are not available for employees with vested pension account balances of $5,000 or less.

Electing a Method of Payment

You must choose a method of payment — annuity or lump sum — within the 90 day period preceding the date benefits are scheduled to begin.

It is very important to note that, if you are married, your spouse must consent to your election in writing in the presence of a Notary Public.

Deferred Payment

If you terminate your Archdiocesan employment after you are vested in your accrued pension benefit but before you can officially retire under the plan, distribution of your vested accrued pension benefit will be deferred until you can officially retire and you make application for benefits. Because payment is postponed, your benefit is called a ***vested deferred benefit,*** in which case your vested pension account will remain on the plan's books. Payment cannot be deferred beyond age 65 --- unless you have been reemployed by the Archdiocese.

If you are entitled to a vested deferred benefit, you should apply to Pension Services for a certification of your vested deferred benefit based on a final review of your work history. You will be asked to complete a data verification and application form.

The Archdiocese also has the right to change the form of benefit payable under the plan --- for example, the lump sum benefit could be discontinued.

At retirement age, you must submit an application form and elect a method of payment in writing, before payment can begin.

Date of Payment

When you reach your early or normal retirement date, payment of your benefit will begin as soon as possible after you have filed an accurate and complete application form.

Application forms may be obtained from Pension Services.

When you apply for retirement benefits, you will be provided with a description of all forms of payment applicable to your marital status, and the relevant financial effect of each form of payment, so that you and your spouse can then make an informed election.

In-Service Withdrawals

In-service withdrawals are not permitted, and if made, could cause the plan to lose its tax-favored status. For example, if you stop working full-time for the Archdiocese but continue as a part-time employee, your vested benefit cannot be paid, because your Archdiocesan employment has not ended.

APPLYING FOR BENEFITS

You must apply for your benefits on forms supplied by Pension Services. You will be asked to verify all the data upon which your pension will be calculated, including your age, your marital status, and your pay history. If you are eligible to receive benefits immediately, you will also be asked to elect a form of payment and make income tax withholding decisions.

Tax Withholding on Annuities

If you elect annuity payments, you are required by federal law (and the laws of some states, including California) to also make an election as to whether or not you want income taxes withheld from your monthly annuity. If you fail to make an election, income taxes will automatically be withheld.

Direct Rollover of Lump Sum to IRA

If you elect a lump sum benefit instead of an annuity, you will be provided forms, as required by federal law, to elect a ***direct rollover*** of all or part of your lump sum distribution to an Individual Retirement Arrangement (IRA) or another employer's pension plan. Amounts paid by ***direct rollover*** will not be subject to income tax withholding. However, any amount paid directly to you will be subject to mandatory federal tax withholding.

Spouse Consent Requirements

If you are married, you may not apply for benefits, elect the lump sum option, or elect a direct rollover of any part of your pension account balance, unless your spouse consents to it. Your spouse must:

(a) consent in writing on forms provided by Pension Services, and

(b) your spouse's signature must be witnessed by a Notary Public.

You must establish your marital status to the satisfaction of Pension Services before any payment will be made to you.

Submitting Your Application

Data verification forms, application forms, income tax withholding forms, and any other forms needed to collect your benefits or name a beneficiary are available from Pension Services.

Return the completed forms to Pension Services at least 90 days before you want your pension payments to begin. It is also your responsibility to furnish any additional information that may be required and to make sure Pension Services and the plan trustee have your correct address so your pension check(s) will reach you.

Ordinarily, your benefit application will be processed within 45 days, but special situations may take longer. Therefore, if you fail to send in your application at least 90 days before you want your pension to begin, it may be delayed.

If your application is incomplete or improperly completed it will be returned to you, and you will be given an explanation or assistance necessary to perfect your application.

If you are not eligible for a benefit, Pension Services will tell you why in writing. You will also be told how you can appeal the decision.

Exceptions to Application Requirement And Spouse Consent

If your vested pension account balance equals $5,000 or less, your benefit is payable only in a lump sum and it may be processed without a full application or spouse consent. However, you must still comply with the direct rollover procedure required by federal law, which will be explained to you in writing at the relevant time.

OTHER THINGS YOU SHOULD KNOW

Participant Records

Participant records are maintained by Pension Services on a calendar year basis. The accuracy of your data in the pension plan master file is largely based on your Archdiocesan employer's response to Pension Services' annual data questionnaire. Each Archdiocesan parish, school or other location is asked to update its plan records annually as of December 31st, and submit current data to Pension Services for incorporation in the plan's permanent data base.

Plan Administrator

The official Plan Administrator is the Archbishop. Day-to-day operations of the plan are conducted by Pension Services.

All questions and requests for information about the plan's administration and/or operations should be addressed to Pension Services. The address is on the last page of this booklet.

Covered Employees

Not everyone is eligible under the plan. Whenever the term "participant" is used in this digest, it means only those employees who meet the plan's age and service requirement for coverage, and who are not classified as ineligible or excluded. Where the context is appropriate, "participant" also includes other persons who have an undistributed pension account balance on the books of the plan.

Whenever the term "employee" is used, it means lay persons who are employed by The Roman Catholic Archdiocese of Los Angeles, a Corporation Sole, or an affiliated employer who is listed on the last page.

The plan described in this booklet applies only to employees who retire or terminate Archdiocesan employment on or after July 1, 2009.

Employee Contributions

Employees are not permitted to make contributions to this plan. You may be eligible to establish and make contributions to an Individual Retirement Account (IRA) and/or to a tax sheltered plan described in Internal Revenue Code Section 403(b). You should seek advice elsewhere (from the Internal Revenue Service, your accountant or your tax advisor) concerning your eligibility for either an IRA or an Internal Revenue Code Section 403(b) tax sheltered plan.

Reemployment After Receiving Payment(s)

If you return to work for the Archdiocese in an eligible classification after you have received your plan benefits in a lump sum, a new pension account will be created on the plan's books for you, and new employer credits and interest credits will be added.

If you return to work for the Archdiocese in an eligible classification while you are collecting monthly annuity benefits, payment of those benefits will stop. Your new pension account will receive new employer credits and interest credits while you work in an eligible class. When you later retire or cease to be in an eligible class, your pension will start again. It will be based on the vested pension account balance you would have had if you had not received any benefits, adjusted by subtracting the benefits you received and the interest credits they would have earned if they had remained in your pension account. You will have another opportunity to elect either a lump sum or an annuity when your pension recommences. There is no guarantee that your pension benefit will be larger as a consequence of your reemployment.

Benefits While on Leave of Absence or in Suspense

You cannot withdraw your vested pension account or begin receiving benefits while you are employed by the Archdiocese, even if your participation in the plan is suspended because you are in an ineligible or excluded classification. The same rule applies during an authorized leave of absence, even if it is without pay.

Loans or Withdrawals/Distributions Before Retirement

The plan is intended to help build financial security for your retirement and long term needs. Therefore, no loans or withdrawals from your pension account are permitted. And, your vested pension account will not be distributed to you until after your Archdiocesan employment has terminated and you are eligible to retire under the plan.

Designation of Beneficiary

At any time you are married, **your spouse is automatically your primary beneficiary.** Neither you nor your spouse may elect otherwise.

If you are single, you may designate anyone, or your estate, as your primary beneficiary and you may change your designation any time, using the forms provided by Pension Services.

Whether you are married or single it is advisable for you to designate a secondary beneficiary to receive any benefit due upon your death, just in case your spouse or other primary beneficiary does not survive you.

If you fail to designate a beneficiary, or if your spouse or beneficiary is not living at the time survivor benefits are to be paid, then the benefit due, if any, will be paid as follows:

(1) In equal shares to the surviving children (natural or adopted) for whom you had a legal and parental responsibility;

(2) If there are no such children, to your parents in equal shares or, if only one parent survives, to that parent;

(3) If there are no such children or parents, in equal shares to your surviving siblings;

(4) If none of the above survive, in equal shares to your surviving grandparents;

(5) If none of the above survive, in equal shares to your surviving aunts and/or uncles who are children of your grandparents; or

(6) If none of the above survive, to your estate.

Should your spouse or other primary beneficiary fail to survive you by at least 30 days — or if you and your spouse or other beneficiary die in a common accident or disaster — you will be deemed to have died last, and any benefit due will be paid in accordance with that assumption.

Beneficiary forms, with instructions, are available from Pension Services.

Abandoned or Unclaimed Benefits

It is your responsibility to see that Pension Services has your correct address. If the plan is unable to pay a benefit to you because your identity or whereabouts is unknown, the Plan Administrator will delay payment of your benefit until you are identified or located, or until your death is legally established.

Pension Services will mail notification of the intended delay of your benefit payment to your last known address at least 30 days before payment is suspended. If no response is received within 30 days, the suspension will become effective.

Legal Incapacitation

If you, your spouse, or any of your beneficiaries are entitled to receive benefits under the plan and become legally incapacitated — or if your designated beneficiary is a minor — benefits will be paid to the person or institution that, in the opinion of the Plan Administrator, is providing for the care and maintenance of the individual in question. Any such payment constitutes a full and complete discharge of the plan's obligation to pay a benefit.

Misstatement and Data Errors

If your age, marital status, date of hire, date of termination, or any other relevant fact related to your coverage under the plan, or an application for payment of benefits, is misstated or erroneous due to incorrect data, the Plan Administrator has the right to make an adjustment in your benefits based on the correct information.

Any error in pension account balances due to a misstatement or data error will be corrected. Any overpayment of benefits due to misstatement will be deducted from future payments when possible. The Plan Administrator may also institute legal action to recover any overpaid amount or wrongfully paid amount. Interest may be charged on any amount that is overpaid or wrongly paid due to misstatement.

While you are covered by the plan, you will be provided annually with a personalized Statement of Account which will set forth all your relevant data on file plus your status under the plan. It is your responsibility to read it carefully and advise Pension Services of any misstatements or errors.

Assignment or Attachment Prohibited

To the extent permitted by law, benefits payable under the plan are not subject to assignment, transfer, other legal encumbrance, or process. This prohibition includes a domestic relations order, unless the Plan Administrator determines that the order is consistent with the terms of the Plan and applicable law.

Employment Rights Not Implied

Coverage under the plan does not give you the right to be retained in the employ of The Roman Catholic Archdiocese of Los Angeles, or in the employ of any of the affiliated employers listed on the last page, nor does it interfere in any way with the right of the Archdiocese, or any affiliated employer, to discharge or terminate you at any time, without regard to the effect such discharge or termination may have on your rights under the plan.

Employer Policy and Procedures

Where this digest discusses aspects of your employment, such as part-time status or leaves of absence, the discussion relates only to coverage and benefits under the plan. Nothing in this digest affects the terms of your employment or any other Archdiocesan administrative or personnel policy or procedure governing any aspect of your employment.

Maternity or Paternity Leave

Solely for purposes of the plan, maternity or paternity leave means an absence due to pregnancy, or the birth of your child, or the placement of a child with you in connection with the adoption of the child by you, or for the purpose of caring for your newborn or adopted child during the period immediately following the child's birth or placement for adoption. The granting of leaves of absence and the terms and conditions that apply to them are not the responsibility of the plan or Pension Services.

A maternity or paternity leave as defined above, will not interrupt service credits, provided you return to Archdiocesan employment before your leave expires. If you do not return to the Archdiocese before your leave expires, your employment will be considered terminated 24 months from the date your leave started.

Plan Amendment, Merger and Termination

Although the Archdiocese expects and intends to continue the plan indefinitely, it may be modified, amended, suspended, or terminated at any time. For instance, the rate of future employer credits may be changed, and the rate of interest credits may be increased or decreased, or such credits may be discontinued. The Archdiocese also has the right to change the forms of benefit payable under the plan. However, no amendment to the plan can adversely affect your right to the benefits you have earned up to the time such a modification or amendment is made, to the extent those benefits are funded.

If the plan should ever be merged or consolidated with another plan, your benefit immediately after the merger or consolidation will be at least as great as the benefit you would have received if the plan had then terminated.

In the event the plan is terminated, your right to your plan benefit, to the extent then funded, will become 100% vested regardless of your age or service. At that time, the assets of the plan will be prioritized and subdivided, with pensioners having the highest priority. After all plan obligations have been satisfied, any remaining plan assets will be returned to the Archdiocese.

Financing the Plan

The plan is funded solely through employer contributions to a trust fund. You, as an employee, are not required to pay anything and cannot contribute anything.

The Archdiocese makes contributions to the plan's trust fund which are calculated by an independent actuary and are expected to be enough to provide present and future benefits.

These contributions and their investment earnings are held in a trust fund, but specific assets are not allocated to particular participants' pension accounts, and no participant has any claim to priority with regard to specific trust fund assets. There is, of course, no guarantee that the trust fund will always be sufficient to provide plan benefits. In the event that assets of the trust fund are not sufficient to pay all plan benefits, benefits will be distributed in accordance with the priorities set forth in the plan document, with pensioners having the highest priority. The Archdiocese has no liability for benefits if the trust fund assets are insufficient.

Plan Assets Exclusively for Employees and Beneficiaries

Plan assets cannot be used for any other purpose than to provide benefits for you, your spouse, or other beneficiary, and to pay plan expenses, unless the plan terminates and all benefits are paid in full.

Statutory Limitations

The plan contains certain benefit limitations required by federal law. You will be notified if you are affected by these limits.

Federal law also contains special rules if the plan becomes top heavy in favor of key employees. It is very unlikely that the plan will ever become top heavy. If this should occur, however, you will receive complete information on application of legal requirements.

Social Security and Other Plans

Plan benefits are completely separate from and in addition to your social security benefits, the cost of which both you and the Archdiocese share equally. Besides benefits from this plan and social security, you also may have retirement income from other sources, such as personal savings, individual tax sheltered plans described in Internal Revenue Code Section 403(b), an IRA, or another employer's pension plan. Benefits from these sources are not affected by this plan.

Official Plan Documents

This digest is only a summary of The Archdiocese of Los Angeles Lay Employees Pension Plan. All of your rights and benefits are described in the official plan documents, which are controlling.

Questions

All questions and requests for information about the plan's administration and/or operations should be addressed to:

Pension Services
575 Market Street, Suite 2450
San Francisco, CA 94105
Toll-free Number: (866) 907-5472

TOPICAL INDEX

PLAN DIRECTORY

Official Plan Name: The Archdiocese of Los Angeles
Lay Employees Pension Plan

Plan Sponsor: The Roman Catholic Archbishop of Los Angeles,
a Corporation Sole

Affiliated Employers:

- Archdiocese of Los Angeles Education & Welfare Corporation
- St. John's Seminary College
- St. John's Seminary in California
- Our Lady Queen of the Angels Seminary
- The Tidings

Type of Plan: Defined Benefit, Cash Balance Type

Effective Date: Provisions described in this digest are effective
July 1, 2009.

Plan Year: The plan year is a calendar year.

Pension Services' Mailing Address:

Pension Services
575 Market Street, Suite 2450
San Francisco, CA 94105
Toll-free Number: (866) 907-5472