The Diocese of Boise

Lay Pension Plan

A Plan Digest With Important
Information About Your Retirement Benefits

This booklet is a digest of The Diocese of Boise Lay Pension Plan.

In this booklet, the word "diocese" means The Roman Catholic Diocese of Boise, a Single Director Idaho Corporation, and all departments and subdivisions of the diocese or any subsidiary or affiliate of the diocese which adopts this plan, subject in all cases to approval of the Bishop and the Internal Revenue Service. The "Plan Administrator" means the Bishop, or his delegate.

The official name of the plan is "The Diocese of Boise Lay 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." A copy of the official plan document is on file in the diocesan Finance Office that is located in the Pastoral Center, where it may be inspected by appointment. If there is any conflict between this summary and the official plan document, the plan document will prevail.

The plan has been established and operates exclusively for the benefit of you, your fellow workers, and your families and beneficiaries.

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HIGHLIGHTS

When you retire, you will need a regular income in place of the pay you earn on your job. Your sources of retirement income will include this plan and social security.

- The plan is technically called a "cash balance pension plan." In this kind of plan, your pension benefit amount will be computed using the value of a pension account (or "cash balance") determined during your years of plan participation by reference to a stated rate of employer contributions — called *employer credits* — and interest at a stated rate, called *interest credits*. However, the "cash balance" is only a method for computing your pension benefit amount; the plan is funded actuarially, and actual asset accounts are not maintained.
- You can retire early at any time after age 55, with 10 or more years of service.
- You begin to vest in your pension after 5 years of service and are fully vested after 10 years of service.
- The plan has a total and permanent disability feature.
- Your benefits under this plan are completely separate from and in addition to your benefits from social security.
- You will receive a benefit statement annually, showing your status on each December 31st.
- At retirement your pension account will be paid to you in a lump sum or as an annuity; it is your choice.

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

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 applicable to qualified plan distributions; the diocese cannot help you with tax questions.

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WHO IS ELIGIBLE AND NOT ELIGIBLE FOR PARTICIPATION

Eligible

The following classifications of employees are eligible for coverage under the plan (unless ineligible as described below) —

- Lay employees in the diocesan parishes and schools.
- Diocesan Finance Office lay employees.
- Lay employees of all other diocesan departments.

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 Personnel Without Benefits (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 diocese, or any of its subsidiaries or affiliates.

Excluded Persons

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

- Priests, other clergy, nuns, and members of religious orders and communities.
- Leased employees — persons on temporary assignment from employment agencies or independent contractors.
- Persons compensated solely by commission.
- Persons whose diocesan income is reported to the Internal Revenue Service on Form 1099 instead of Form W-2.

Administration of Eligibility Determinations

For practical administrative reasons, the plan generally uses your status on December 31 of each year to determine your eligibility status for that calendar year. However, for the year in which your employment terminates, your status on the previous December 31 will be used. If better verifiable data is readily available to the person doing plan recordkeeping, it will be used. The recordkeeper's decisions in this regard are final.

Questions

If you are in doubt about your eligibility status, contact the diocesan Finance Office.

SERVICE

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

In general, "service" means **all** your diocesan employment after the plan's effective date (July 1, 1992) in an eligible classification. All continuous, uninterrupted service you had with the diocese on July 1, 1992 is also counted. If your diocesan employment is 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, total and permanent disability, authorized leaves of absence, absence due to injury on the job, 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 27. Service that is not included is:

- Any period of temporary layoff lasting more than 12 consecutive months, during which you receive no compensation from a diocesan employer.
- Any absence in excess of 12 consecutive months by reason of maternity or paternity, other than authorized leaves of absence.
- Any period of diocesan employment prior to July 1, 1992 that had been interrupted by a period of unemployment. Only your continuous uninterrupted date employment before the July 1, 1992 effective date will count as "service."

- Any period of *unauthorized* leave of absence in excess of 12 consecutive months, as determined under established policy and procedures.
- Any period of voluntary military service in excess of 12 consecutive months, unless the United States is at war.
- Any period following your termination of employment.

Requests and approvals for all **leaves of absence,** whether maternity, paternity or otherwise, must be reported to the Moderator of the Curia in accord with lay employee personnel policy.

Service While Ineligible

Any period of service while you are classified as *ineligible* to participate in the plan 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 any purpose under the plan, neither employer credits, eligibility or vesting.

Transfers Within the Diocese

If you transfer from one location within the diocese to another location within the diocese, your status under the plan does not change; your service is not terminated, it continues uninterrupted and you will continue to participate fully in the plan, provided of course that you are still in an eligible class after your location change.

WHEN PLAN PARTICIPATION STARTS

Your coverage under the plan is automatic. It begins on the first day of the month next following the month in which you complete **one year of service,** provided you are in an eligible classification.

> If you had completed one year of service on the plan effective date of July 1, 1992, your coverage started on that date.

If you are in an **ineligible** class of employees, you are not covered, regardless of the number of years of your diocesan service. If you are ineligible now but later become eligible, you will automatically become covered on the first day of the month following the month in which your status changes, provided you then have at least one year of service.

If you are in an **excluded** class of employees, you are not covered, and your diocesan service does not count for any reason under the plan. If your excluded status changes sometime in the future, and you become eligible, you will be considered a new employee for pension plan purposes.

Participation Ends

Participation ends when you retire at or after age 65, die, or terminate employment. If you continue to work past age 65, your plan participation will continue until your actual retirement. If you are totally and permanently disabled your plan participation will continue for the duration of your disability but not past age 65.

Participation Suspension

Participation is suspended if you go from an eligible classification to an ineligible or excluded classification. Service for vesting and eligibility will continue to be counted while you are classified as ineligible, but not when you are classified as excluded.

Inactive Participation

If your status is changed from eligible to either ineligible or excluded, but you are still employed by the diocese in one capacity or another, you will be classified as inactive on the plan's records. Employer credits to your pension account will be discontinued. If you return to an eligible status, you will begin to earn more employer credits. However, during the interval, while you were inactive, interest credits will be added to your pension account.

TERMINATION OF EMPLOYMENT

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

- quit, discharge, or layoff,
- death,
- retirement,
- failure to return to work after an illness or accident,
- failure to return to work after military service within the time your employment rights are protected by law,
- failure to return to work after an authorized leave of absence,
- failure to return to work within 60 days after social security disability benefits cease. Your date of termination will be the end of the month in which social security disability benefits ceased.
- failure to return to work from a maternity or paternity leave within one year. Your date of termination in this case will be the first anniversary of the beginning of the leave.

Break-In-Service

You cease to be a participant when your employment terminates for any reason described above. You will incur a break-in-service if you are not reemployed within 12 months of your termination date. Your break-in-service will 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 counts as service.
- ***Reemployment after twelve months.*** You have a break-in-service; the interval between your termination date and reemployment date **does not count** as service.

PENSION ACCOUNT

Pension Account Balance

A pension account will be created on the plan's records for you, although the plan's assets are actually pooled in a trust fund and not segregated by individual. Your pension account balance on any date consists of three things,

(1) Employer Credits,
(2) Interest Credits, and
(3) Prior Service Credits.

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

Employer Credits

An amount equal to six percent (6%) of your *annual earnings* will be credited to your pension account, for each year or partial year of service *after January 1, 1992.*

> ***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. Payment in lieu of vacations, holidays, sick leave or severance pay is not included.

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 a diocesan employer, unless you are totally and permanently disabled.

Interest Credits

An amount equal to 5% of your pension account balance will be credited to your pension account while it is on the books of the plan, but not after the end of the month preceding the month in which payment of your pension account is scheduled to begin.

Prior Service Credits

If you were covered under the plan on the plan effective date of July 1, 1992, then your pension account will also be credited with an amount that reflects your service before 1992. This special, one-time "prior service credit" equals 3% of your annual earnings for the year ending December 31, 1992, multiplied by all your years and months of continuous service with the diocese prior to January 1, 1992.

Annual Statement of Account

Annually you will receive a personalized statement showing:

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

(b) the adjustment to your pension account to reflect interest credits,

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

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

Individual statements will be provided once a year — after the plan's census data is verified. This project takes several months, owing to the need to manually collect census data from each parish and school individually. Your patience is appreciated while this work is in process. The Diocese of Boise is working towards the centralization of all payroll processing. When this is accomplished the data collection is expected to be much more efficient and less time consuming.

RETIREMENT

Your pension account balance becomes available for distribution upon your retirement from employment in the diocese.

Normal Retirement at Age 65

A normal pension is one which is paid to you at age 65. The full amount of your pension account balance is payable when you retire at age 65 and leave the employment of the diocese.

Postponed Retirement

A postponed pension is one which is paid to you if you leave the employment of the diocese anytime after age 65. The full amount of your pension account is payable if you retire after age 65. If you work past age 65, employer credits and interest credits will continue to be added to your pension account, provided 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 if you retire and leave diocesan employment between age 55 and age 65. You must have at least 10 years of service to be eligible to elect early retirement. The full amount of your pension account earned to date is payable if you retire early.

DISABILITY

If you become totally and permanently disabled while you are accruing benefits under the plan, employer credits and interest credits will continue to be added to your pension account, and you will continue to be credited with service until your normal retirement date, just as if your diocesan employment had not been interrupted by your disability. Employer credits will be computed as though your annual earnings during your disability remained the same as for the year in which your disability occurred, or the preceding year if greater.

Disability Defined

To be eligible for disability pension credits, you must provide evidence of continuous receipt of social security disability benefits. If your social security disability benefits are discontinued before age 65, you are considered recovered from disability and you must return to work at the diocese within 60 days thereafter to avoid termination of your service credits under the plan.

Payment of Disability Pension

A disability pension begins at age 65, just like a normal pension. Disability pension benefits are not payable before age 65, while you are collecting social security disability benefits, and cannot be postponed beyond age 65.

VESTING

If your employment terminates for a reason other than retirement, total and permanent disability, or death, then whether you receive all, a portion, or none of your pension account balance depends upon how many years of service you had completed on your termination date.

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

If you terminate employment before you can officially retire under the plan, you will be entitled to receive a percentage of your pension account balance according to the following vesting schedule:

VESTING SCHEDULE

Completed Years of Service	*Vested Percent*
Less than 5 years	0%
5 but less than 6 years	50%
6 but less than 7 years	60%
7 but less than 8 years	70%
8 but less than 9 years	80%
9 but less than 10 years	90%
10 or more years service	100%

You will be 100% vested at age 65, if you are then employed by the diocese, regardless of your length of service.

Payment of your vested pension benefit can be in an immediate lump sum (but not before July 1, 1994), or postponed until later, when you reach retirement age, at which time you may choose either an annuity or lump sum.

FORMS OF BENEFIT PAYMENT

Benefits are normally payable in the form of an annuity commencing at age 65, providing for monthly payments of the amount obtained by converting your pension account balance to a monthly retirement benefit. However, a lump sum option is also available, and pension account balances under $5,000 are paid automatically in a lump sum.

Normal Forms of Payment Upon Retirement

Annuity Form. Two types of annuity benefits are available, one for single employees, the other for married employees. One of these will automatically take effect unless you choose to elect the lump sum cash option. Your annuity benefits will be determined by converting your pension account balance to a monthly annuity. The amount of your monthly annuity benefit will depend on the size of your pension account balance and on the conversion rates, stated in the plan document, for your age and marital status at retirement.

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 pension account balance, as of the annuity starting date, the remainder will be paid (*refunded*) to your beneficiary.

Married Employee Normal Form. If you *are* married, the normal form of payment is a *Life Annuity with a 50% 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 pension account balance as of the annuity starting date has been paid, the remainder will be paid (*refunded*) to your beneficiary.

If your spouse predeceases you, then you will be entitled only to the amount of benefit provided to you under the annuity; that is, your annuity benefit cannot be increased or a new spouse added in place of your deceased spouse, or your remaining annuity payments converted to a lump sum.

If your spouse dies before benefit payments begin, then this form will not take effect and you will be entitled to the single employee 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 spouse will not qualify for the surviving spouse's pension.

Optional Form of Payment

Lump Sum Cash. 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 immediately upon termination of employment or retirement from diocesan employment. Upon payment of your pension account balance to you, no further benefits are payable to you, your spouse, or other beneficiary.

Small Payments

If your vested pension account balance is $5,000 or less at termination of employment, it will be paid in a lump sum.

No lump sum will be paid until the earlier of death or July 1, 1994.

Electing the Option

Married or single, within 90 days before your benefit payments start, you may cancel the normal form of annuity payment to which you are automatically entitled and elect instead to receive your pension in a lump sum. You may reverse your decision, but not after you have been paid your lump sum.

It is very important to note that, if you are married, you cannot elect the lump sum option unless your spouse consents to the election in writing in the presence of a Notary Public, or in the presence of a plan representative.

Deferred Payment

Instead of receiving your benefit immediately upon termination of employment, you may choose to defer payment until a later date, in which case your pension account will remain on the plan's books. Payment cannot be deferred beyond your normal retirement date (age 65) unless you are then employed by the diocese.

If you defer payment, you will continue to receive an annual Statement of Account, as of each December 31, showing the

addition of the 5% per annum interest credit to your pension account balance. You should understand that your pension account will not be allocated any employer credits (because you are not employed by the diocese), nor will your vested status in your pension account balance increase because you postponed payment of benefits.

Date of Payment

The plan provides that generally, payment of benefits must start no later than 60 days after the end of the plan year (July 1–June 30) in which you reach age 65 or, if later, terminate employment. Of course, you must file an accurate and complete application on a timely basis, otherwise, a delay may occur. Unless you are working for the diocese, you must begin receiving benefits by April 1 of the year after you reach age 70½.

Application forms may be obtained from the diocesan Finance Office that is located in the Pastoral Center. See page 22 for more details on applying for benefits.

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.

Benefits are payable only after your employment ends because of retirement, death, or termination of employment. For example, if at age 65 you stop working full-time for the diocese but continue as a part-time employee, your benefit cannot be paid, because your diocesan employment has not ended.

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 deferred pension.

Your pension account balance becomes 100% vested at your death, if you are then employed by the diocese, regardless of your length of service.

The **amount of benefit** to which your spouse or other beneficiary is entitled is your pension account balance determined on the last day of the month in which your death occurs. If you are married your spouse is your primary beneficiary and another beneficiary cannot be substituted.

Payment of survivor benefits is made in a single lump sum, provided the proper application has been filed with the diocesan Finance Office.

APPLYING FOR BENEFITS

You must apply for your benefits on forms supplied by the diocesan Finance Office. You will be asked to verify all the data upon which your pension will be calculated, including your age and marital status. You will also be asked to elect a form of payment.

If you elect annuity payments, you are required by federal law (and the laws of some states) to 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.

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 20% federal tax withholding.**

If you are married, *your spouse must co-sign your application* as described under "Spouse Consent Requirements" below, otherwise your application will be denied. Confirmation of your exact marital status must be established to the satisfaction of the Plan Administrator before any payment will be made to you.

Application and data verification forms, income tax withholding forms, or any other forms needed to collect your benefits, or name a beneficiary are available from the diocesan Finance Office that is located in the Pastoral Center.

Return the completed forms to the diocesan Finance Office at least 90 days before you want your pension payments to begin. It is also your responsibility to furnish any additional information the Plan Administrator may require, and to make sure the diocesan Finance Office and plan trustee have your correct address so your pension checks 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.

Incomplete or improperly completed applications will be returned, and you will be given any explanation or assistance necessary to perfect your application.

If you are not eligible for a benefit, the Plan Administrator will tell you why in writing, refer you to the applicable provisions of the official plan document or other relevant records or papers, and inform you when and where you may see them. You will also be told how you can appeal the decision.

Spouse Consent Requirements

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

(a) consent in writing on forms provided by or acceptable to the Plan Administrator, and

(b) your spouse's signature must be witnessed by a representative of the Plan Administrator or a Notary Public.

Exceptions to Application Requirement

Benefits may be paid without an application or spouse consent only if your pension account balance is $5,000 or less.

OTHER THINGS YOU SHOULD KNOW

Plan Name

The official name of the plan is "The Diocese of Boise Lay Pension Plan." For purposes of brevity and variety, it is frequently referred to in this booklet and elsewhere as 'the pension plan', or simply 'the plan'.

Plan Year

The plan year is the diocesan fiscal year, July 1st to June 30th. However, for annual statement purposes, participant records are maintained on a calendar year basis. The accuracy of your data in the pension plan file data base is largely based on your diocesan employer's response to the annual data questionnaire. Each diocesan parish, school or other location is asked to update its plan records annually as of December 31st, and submit current data to the diocesan Finance Office for incorporation in the plan's permanent data base. Because data collection is performed manually by each location, updating files can be time consuming. The Diocese of Boise is working towards the centralization of all payroll processing. When this is accomplished the data collection is expected to be much more efficient and less time consuming.

Type of Plan

This plan is a defined benefit pension plan of the cash balance type. This means that plan benefits are based on a formula set forth in the plan, independent of market conditions or investment experience. Although this plan's benefit formula involves employer credits and interest credits, no separately funded participant accounts are maintained. Instead, the diocese contributes to the plan's trust fund the amount an actuary determines to be necessary

to provide promised benefits. The plan also stipulates the annuity factors, used to convert your pension account to an annuity.

Plan Administrator

The official Plan Administrator is the Bishop. Day-to-day operations of the plan have been delegated to the diocesan Finance Office that is located in the Pastoral Center.

All questions and requests for information about the plan's administration and/or operations should be addressed to the diocesan Finance Office. 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 persons who meet the plan's one year service requirement for participation, and who are not classified as ineligible or excluded.

Whenever the term "employee" is used, it means persons who are employed by The Roman Catholic Diocese of Boise, a Single Director Idaho Corporation, or any subsidiary or affiliate has adopted the plan.

The plan described in this booklet applies only to employees who retire, become disabled, die or terminate diocesan employment after July 1, 1992.

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 an Internal Revenue Service Code Section 403(b) or 403(b)(7) Plan. You should seek advice elsewhere, from the Internal Revenue Service, your accountant or your tax advisor concerning your eligibility for either an IRA or Internal Revenue Service Code Section 403(b) or 403(b)(7) Plan.

Maternity or Paternity Leave

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.

A leave of absence, **on account of maternity or paternity,** will not interrupt service credits, provided you return to diocesan employment before your leave expires. If you do not return to the diocese before your leave expires, your employment will be considered terminated one year from the date your leave started, and your break in service will begin on the second anniversary of the beginning of the leave.

Reemployment After Pension Payments Start

If you return to work for the diocese in an eligible classification, after you have been paid a lump sum, or while you are collecting monthly annuity benefits, a pension account will be recreated on the plan's records for you, and new employer credits and interest credits will be added for the period of your reemployment.

If you are being paid an annuity, your benefit payments will stop.

When you later retire, your pension will be based on the current value of your pension account, after reduction for the value of any prior payments you received, whether lump sum or annuity. Also, you will be given another opportunity to elect either a lump sum or an annuity when you later leave diocesan employment.

Benefits While on Leave of Absence or in Suspense

Employer credits will not be added to your pension account while you are on an unpaid leave of absence of any kind or if your participation in the plan is suspended because you are in an ineligible or excluded classification. However, interest credits will continue to be added to your pension account. You cannot withdraw your pension account while you are employed by the diocese whether or not you are eligible to participate in the plan.

Loans or Withdrawals

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.

Designation of Beneficiary

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

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

If you are married it is advisable for you to designate a secondary beneficiary to receive the benefit due upon your death, just in case your spouse 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 any 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 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 have been deemed to have died last, and any benefit due will be paid in accordance with that assumption.

Beneficiary forms, with instructions, will be provided to you and additional copies are available from the diocesan Finance Office that is located in the Pastoral Center.

Abandoned or Unclaimed Benefits

It is your responsibility to see that the Plan Administrator has your correct address. If the plan is unable to pay a benefit because the identity or whereabouts of the person concerned is unknown, the Plan Administrator will delay payment of the benefit until the person is identified or located, or until his or her death is legally established, or until the benefit escheats to the state.

The Plan Administrator will mail notification of the intended delay of a person's benefit payment to his or her last known address at least 90 days before payment is suspended. If no response is received within 90 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.

You will be provided with a personalized Statement of Account annually 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 the diocesan Finance Office 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. However, the plan may make payment from your pension account under a domestic relations order under certain circumstances.

Employment Rights Not Implied

Coverage under the plan does not give you the right to be retained in the employ of the Roman Catholic Diocese of Boise, or any entity within the jurisdiction of the Bishop, nor does it interfere in any way with the right of the diocese, or any diocesan employer covered by this plan, 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

The descriptions in this digest are for purposes of this plan only. They do not govern any other administrative or personnel policy or procedure with respect to the same subject.

Plan Amendment, Merger and Termination

Although the diocese expects and intends to continue the plan indefinitely, it may be modified, amended, suspended, or terminated at any time. However, no such action can adversely affect your right to the benefits you have earned up to the time a modification or amendment is made.

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 diocese.

Financing the Plan

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

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

These contributions are held in an unallocated trust fund, and the assets of the trust fund are invested in accordance with the "Trust Agreement" and directions from the Plan Administrator, or directions from an independent investment manager appointed by the Plan Administrator, or both of them.

There is, of course, no guarantee that the trust fund will always be sufficient to provide plan benefits. Benefits under this plan are *not* insured by the Pension Benefit Guaranty Corporation, an instrumentality of the U.S. Government. In the event that assets of the trust are insufficient to pay all plan benefits, benefits will be reduced in accordance with the plan. The diocese has no liability for benefits if the trust assets are insufficient.

Trustee of the Plan

The independent Trustee who is responsible for holding and accounting for the assets of the trust fund is Key Trust Company of the West.

Plan Assets Exclusively for Participants

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 not paid directly by the diocese.

Benefit Limits and Top Heavy

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 establishing minimum vesting and benefit formulas if the plan becomes top heavy. In general, the plan would become top heavy if the value of the benefits attributable to certain key employees equals or exceeds 60% of the value of all accrued benefits.

It is very unlikely that the plan will ever become top heavy. If this should occur, however, you will receive complete information on any vesting and benefit formula adjustments that become applicable.

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 diocese share equally. Besides benefits from this plan and social security, you also may have retirement income from other sources, such as personal savings, Individual Retirement Arrangements (IRAs), or Internal Revenue Service Code Section 403(b) or 403(b)(7) Plan, or another employer's plan. Benefits from these sources are not affected by this plan.

Official Plan Documents

This digest contains a summary of The Diocese of Boise Lay 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:

Diocesan Pastoral Center/Finance Office
Roman Catholic Diocese of Boise
303 Federal Way
Boise, Idaho 83705

Phone: (208) 342-1311

TOPICAL INDEX

PLAN DIRECTORY

OFFICIAL PLAN NAME:
The Diocese of Boise Lay Pension Plan

TYPE OF PLAN:
Defined Benefit, Cash Balance Type

PLAN EFFECTIVE DATE:
Provisions described in this digest are effective July 1, 1992.

PLAN YEAR:
July 1 through June 30.

PLAN ADMINISTRATOR'S MAILING ADDRESS:
Diocesan Pastoral Center/Finance Office
Roman Catholic Diocese of Boise
303 Federal Way
Boise, Idaho 83705

EMPLOYER IDENTIFICATION NUMBER:
82-0200748

TRUSTEE AND MAILING ADDRESS:
Key Trust Company of the West
50 South Main Street
Suite 1914
Salt Lake City, Utah 84144