CATHOLIC DIOCESE OF
KANSAS CITY-ST. JOSEPH
LAY PENSION PLAN TRUST

SUMMARY PLAN DESCRIPTION

April, 2021

PLANNING FOR RETIREMENT

Although retirement might seem a long way off, now is the time to begin preparing carefully for the future. Whether you will have a satisfying and enjoyable retirement will depend in part on your financial situation when the time comes. The Catholic Diocese of Kansas City-St. Joseph Lay Pension Plan Trust (the "Plan") is designed to help you in your preparation for this important period of your life. Combined with Social Security benefits and your own savings and investments, the Plan is intended to help you meet living expenses during retirement.

WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

The Plan covers full-time permanent employees who are employees of parishes within the Diocese, and those institutions or entities in the Diocese who are participating employers in the Plan. All of these employers are collectively referred to in the Summary as "employer." This Plan covers only lay employees, and does not include any ordained priests or any member of a religious order or any employee covered by a union contract. Full-time permanent employees are those who work 25 hours per week or more.

An employee becomes first eligible to participate in the Plan as of the first day of the month coinciding with or next following such employee's date of hire by an employer.

WHAT IS MEANT BY SERVICE?

Service means your continuous, full-time employment with your employer. Because many aspects of your participation in the Plan are based upon the length and continuity of your Service, it is important for you to know how it is computed. Service means the total of an employee's completed whole months of Service from your date of hire to your date of severance from Service, which means the date on which an employee quits, retires, dies or is discharged. Transferring from one participating employer to another participating employer within the Diocese does not change your date of hire as long as you have no break in service.

You will incur a "break in service" if you fail to complete 36 months of full-time service measured from the end of the month in which occurs your severance from Service to the anniversary of the end of the month 36 months later. Your Service is not interrupted because of absence during any period of temporary disability not exceeding 90 days, earned vacation or authorized leave of absence. If you have an authorized absence, you will continue to accrue Service, with no break in Service, if you return to the same employer immediately following such an authorized leave of absence and work for at least 6 months thereafter. A leave of absence may not be granted for more than one year and must be granted prospectively, not retroactively. There is no break in service in the case of qualifying military duty.

If you have a severance from Service from your employer, and are later re-employed either by the same employer or by another participating employer within the Diocese, you will again become a participant in the Plan on the first day of the month coinciding with or next following the date on which you perform an hour of service for your employer.

Prior Service with Archbishop O'Hara High School: If you transferred employment from Archbishop O'Hara High School to St. Michael the Archangel High School and was a participant in the Archbishop O'Hara High School Christian Brothers Retirement Plan, special rules applying in determining your Service as follows:

- Years of Service used to determine the amount of your pension benefit <u>will not</u> include any periods of Service with Archbishop O'Hara High School.
- Months of Service used to determine if you have a vested pension benefit will include prior periods of Service with Archbishop O'Hara High School.

HOW DOES THE PLAN WORK?

Each year the employer contributes an amount of money to the Plan based on your compensation. The amount of your compensation and months of Service are recorded on your individual record for that year. When you have completed 60 whole months of Service, you will have earned a vested pension benefit for which you can apply when you reach retirement age. If you leave employment after completing 60 whole months of Service and return to work for an employer within the Diocese at a later time, you will receive credit for both periods of employment. If you have a severance from Service before completing 60 whole months of Service and have a break in Service, your pension credits will be forfeited as of the last day of the Plan Year in which you have a break in service.

You will also become vested in your pension benefit on or after the earlier of the date on which you reach your normal retirement age or the date on which you meet the requirements for an early retirement date. Under the Plan, the normal retirement age is the later of your attainment of age 65 or the anniversary of your completion of 60 whole months of continuous Service. The early retirement date means the first day of the month before an employee's normal retirement date which the employee selects for the commencement of the pension benefit. This must be a date on which the employee both ceases to be an Employee, has attained age 55 and has a vested benefit under the Plan. (Prior to July 1, 2013, the early retirement date was the date on which the employee ceased to be an Employee and had attained age 62 and had a vested benefit under the Plan.)

WHEN MAY I APPLY FOR MY PENSION?

Assuming that you have a vested benefit, you may apply for a pension to become payable at your normal retirement date. An employee's normal retirement date means the first day of the month on or after the date the participant reaches the participant's normal retirement age if the participant has ceased to be an employee on such date.

If you have a vested pension benefit, you can apply for a pension on your early retirement date which is the date on which you both cease to be an employee and have attained age 55 (prior to July 1, 2013, age 62).

It is your responsibility to make formal application to the Plan Administrator prior to the time you wish your pension benefits to commence.

HOW IS MY PENSION DETERMINED?

If your severance from Service occurs on or after July 1, 2013, your pension payable at your normal retirement age of 65 is 1.35 percent of your average monthly compensation for each year of Service, up to a maximum of 40 years of Service. If your severance from Service occurred prior to July 1, 2013, your pension amount payable at your normal retirement age is equal to 1.25 percent of your average monthly compensation for each year of Service, up to a maximum of 40 years of Service.

If you continue to work after age 65, your vested pension benefit will be based on your Service and compensation to the date of your actual retirement, but Service credited for your pension may not exceed 40 years.

If you apply for a pension to begin at your early retirement date, the pension that you would have received at your normal retirement age will be reduced in order to take into account the longer period of time you can expect to receive pension benefits. If your early retirement date occurs on or after July 1, 2013 (i.e., between ages 55 and 65), your normal retirement pension is reduced by 1/180th (.00555) for each month that you receive payments between ages 62 and 65, and is further reduced using actuarial factors between ages 55 and 62. If your early retirement date occurred prior to July 1, 2013 (i.e., between ages 62 and 65), your normal retirement pension is reduced by 1/180th (.00555) for each month prior to age 65.

The phrase “average monthly compensation” means the result obtained by dividing by 60 the compensation of an employee during the sixty consecutive months of Service within the 180 months prior to the employee’s normal or early retirement date which produce the highest average.

The term “compensation” means an employee’s base pay, excluding overtime, bonuses (except as noted below) and contributions made by your employer to any other employee benefit plan that it maintains. However, your compensation for this purpose is not reduced by any salary reduction amount elected by you under either a cafeteria plan or the tax-sheltered annuity plan of the Diocese. If an employee is reflected on the employer’s records as a cemetery family services counselor, the employee’s “compensation” includes commissions and bonuses that the employee received while serving as a cemetery family services counselor.

HOW WILL MY PENSION BE PAID?

After the amount of your monthly pension benefit is determined, you may be able to select one of several optional forms of payment which are the actuarial equivalent of each other (depending upon the value of your pension benefit). If the actuarial equivalent of your entire vested pension benefit is less than $1,000, your benefit will be paid in a single lump sum as soon as practicable following your separation from employment. If the actuarial equivalent of your entire vested pension benefit is $1,000 or more, the payment provisions described below apply.

The normal form of payment under the Plan for a single employee is a life annuity benefit paid by the Plan. This means that you will be paid the full amount of your pension benefit monthly from the date your retirement begins until the first day of the month in which you die.

The normal form of payment for a married employee is a qualified joint and survivor annuity benefit paid by the Plan under which you will receive a reduced monthly benefit during your lifetime and, after your death, your surviving spouse will receive one-half of that reduced amount until the spouse's death. In lieu of the qualified joint and survivor annuity, you can designate a continuing pension for your spouse of 66-2/3 or 100 percent. Your monthly benefit will be reduced depending on the age of your surviving spouse, and the percentage of continuing pension payments to your surviving spouse that you designate.

Single or married employees may also choose from among one of the following optional forms of benefit paid by the Plan:

- Life annuity with period certain: You may choose to receive a reduced monthly benefit for a period of 5, 10 or 15 years, and thereafter for your lifetime. If your death occurs before the end of the period certain, the pension benefit would be continued to your designated beneficiary. Alternatively, the beneficiary can elect to receive the present value of the remaining unpaid benefit in a lump sum.

- Survivor annuity payable to other than your spouse: You may choose to receive a reduced monthly benefit during your lifetime and, after your death, a continuation to your designated beneficiary of 50 percent, 66-2/3 or 100 percent of the amount of your pension. The reduction in your benefit is based on the age and life expectancy of your designated beneficiary, and the percentage of continuing benefits that you designate.

If you die with a vested benefit before you apply for your vested pension, your spouse will receive a qualified joint and survivor annuity equal to 50 percent of the amount of the annuity which would have been payable to you, to begin as of the first day of the month next following the deceased participant's normal retirement date (i.e., age 65). A spouse may request the commencement of the qualified joint and survivor annuity at any time after the deceased participant would have reached such participant's early retirement date, but the amount will be reduced for each month that the spouse's benefit commencement date precedes the participant's normal retirement date. If the participant would have reached his or her early retirement date on or after July 1, 2013 (i.e., between ages 55 and 65), that reduction is determined by using 1/180th for each month between ages 62 and 65 and actuarial factors between ages 55 and 62. If the participant would have reached his or her early retirement date prior to July 1, 2013 (i.e., between ages 62 and 65), that reduction is determined by using 1/180th for each month prior to age 65.

If a participant dies on or after the participant's normal retirement date and before retirement, the participant's surviving spouse will receive a 50 percent qualified joint and survivor annuity commencing as of the first day of the month coincident with or next following the date of the participant's death.

HOW IS THE PLAN FUNDED?

Your Pension Plan is funded solely through employer contributions and the income the contributions earn through investment. You, as an employee, are not required to pay anything and cannot contribute anything.

The contributions are calculated by an independent actuary and are expected to be enough to provide preset and future benefits, although there is, of course, no guarantee that funds will always be sufficient to provide the benefits.

These contributions are held in a Trust Fund, and the assets of the fund are invested by the Plan Trustee in accordance with the Trust Agreement and directions from the Plan Administrator. The assets may be invested in stocks, bonds, and other investments to increase their value through appreciation (the rise in market value) and income, consisting of dividends and interest.

Any appreciation, income, or other earnings arising from the Plan's investments are then added to the Trust fund, from which the benefits are paid.

None of the Plan's assets can be used for any purpose other than to provide retirement benefits for eligible participants and their beneficiaries and to pay administrative expenses. However, any forfeitures under the Plan caused by employees who terminate employment before vesting can be used to reduce future contributions form the Employer, or, when appropriate, to increase retiree benefits.

SOME ADDITIONAL THINGS YOU SHOULD KNOW

Plan Name

The official name of the Plan is "Catholic Diocese of Kansas City-St. Joseph Lay Pension Plan Trust". For the purpose of brevity, it is frequently referred to in this Summary and elsewhere as the "the Pension Plan" or simply "the Plan".

Plan Year

For purposes of maintaining the Plan's records, the Plan Year is the fiscal year, July 1 through June 30.

Type of Plan

The Plan is "defined benefit" plan, which means that the benefit payable is determined solely by the formula defined in the Trust Document.

Who is the Plan Trustee?

The Plan Trustee is the Catholic Diocese of Kansas City-St. Joseph, a Missouri pro forma decree corporation.

Who is the Plan Administrator?

The official Plan Administrator is the Administrative Committee of the Pension Plan.

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

Administrative Committee
Diocesan Lay Pension Plan
Catholic Diocese of Kansas City-St. Joseph
P.O. Box 419037
Kansas City, Missouri 64141-6037

Employment Rights Not Implied

Participation in the Plan does not give you the right to be retained in the employ of the Diocese, nor does it interfere in any way with the right of the Diocese 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.

Assignment or Attachment Prohibited

To the extent permitted by law, no benefits payable under the Plan shall be subject to assignment, attachment, transfer, or other legal encumbrance or process.

If any attempt is made to lay legal claim to your pension benefits-or if you yourself should become bankrupt, or attempt to assign or pledge your benefits-the Plan Administrator will have the authority to stop paying them and can hold them for payment to you at a later time.

Claims Procedure

The Plan Administrator has pension applications and other forms you will need to apply for benefits, elect a pension option and name a beneficiary or joint annuitant. Assistance is available to help you in filling out the necessary forms.

You should return the completed forms to the Plan Administrator at least 30 days before you want your pension payments to begin. You must also furnish any additional information the Plan Administrator requests, and make sure that the Diocese always has your correct address so your pension checks will reach you.

Ordinarily, your benefit application will be processed within 45 days of receipt but special situations may take longer. For example, if you fail to send in your application at least thirty days before you want your payments to begin, they may be delayed.

Incomplete or improperly completed applications will be returned, and you will be given an explanation or assistance necessary to properly complete the application.

If your application for benefits under the Plan is denied, either whole or in part, the Plan Administrator will advise you in writing, refer you to applicable provisions of the Plan document within 90 days of the date on which you file your claim for benefits with the Plan Administrator. The Plan Administrator will advise you if an extension of time is needed to process the claim, but you will receive a written notice not later than 180 days after the date the claim was received by the Plan Administrator.

Should you disagree with the benefit determination by the Plan Administrator, you or your authorized representative may appeal the determination in writing to the Plan Administrator. The Plan Administrator will examine all facts related to the appeal and make a final determination, usually within 60 days after you submit your appeal in writing to the Plan Administrator, or no later than 120 days if the Plan Administrator notifies you that an extension is necessary.

Misstatements

If your age, marital status, or other relevant fact related to your application for a benefit is misstated, the Plan Administrator will make an adjustment based on the correct information.

Any overpayment of past benefit due to the misstatement will be deducted from future payments when possible. Otherwise, the Plan Administrator might institute legal action to recover the overpaid amount. Interest may be charged on any amount that is overpaid due to misstatement.

In no case, however, will the adjustment reduce your pension below the vested amount to which you are entitled.

Designation of Beneficiary

If you wish to name your spouse or other beneficiary as co-annuitant under a survivor annuity, you will need to provide the name and birth date of your co-annuitant on the pension application. The actuaries will then advise you of the amount payable to you and your co-annuitant under the various available choices, so you can make an informed decision on the Option Election Form.

If you are married both you and your spouse must read and sign the Option Election Form regardless of whether or not you name your spouse as your survivor annuitant.

If the beneficiary you name under the life annuity with Certain Period or the Fixed Period Annuity is deceased at the time of your death, any benefits still due will be payable to your estate, unless you name a secondary beneficiary at the time you sign your Option Election Form.

Legal Incapacitation

If you 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 obligation of the Plan to pay a pension.

Abandoned or Unclaimed Benefits

If the Plan Administrator is unable to pay a benefit because the whereabouts of the payee is unknown, the Plan Administrator may suspend payment of the benefit.

The Administrator will mail notification of the intended suspension to such person at his or her last known address. If no response is received by the Administrator, the suspension will become effective and the benefits will be forfeited after three years.

Plan Amendment, Merger, Consolidation and Termination

Although the Diocese expects and intends to continue the Plan indefinitely, the Diocese reserves the right to modify, amend, suspend or terminate it at any time. However, no such action can adversely affect the benefits you have earned up to the time modification or amendment is made.

If the Plan should ever be merged or consolidated with another plan, you are assured of a benefit after the merger or consolidation at least equal to the benefit you had before.

In the unlikely event the Plan is terminated, any assets held in trust will be used to provide benefits for participants in accordance with the terms of the Plan.

The rights of all affected participants to their accrued retirement income will become non-forfeitable to the extent the benefits are funded on the Plan termination date.

This booklet summarizes your Pension Plan. It must be understood that it is subject in every respect to the provisions of the official and legal Plan documents. Copies of these documents are on file in the Plan Administrator's office.