DIOCESE OF FORT WAYNE - SOUTH BEND
RETIREMENT PLAN FOR LAY TEACHERS
AND LAY EMPLOYEES

SUMMARY PLAN DESCRIPTION

DECEMBER, 2000

INTRODUCTION

Retirement may seem far off–or it may be just around the corner. But no matter when it comes, you will want a reliable income to keep your retirement years financially secure. And that's where the Diocese of Fort Wayne - South Bend Retirement Plan for Lay Teachers and Lay Employees steps in. It will provide you with a regular monthly income for the rest of your life.

On the following pages you will find valuable information describing the main features of the plan, including

- when you qualify for retirement
- how your benefit is determined
- how your spouse is protected in the event of your death, and
- many other facts that will help you plan ahead.

The plan is a "qualified church plan" within the meaning of a church plan as described by the Employee Retirement Income Security Act of 1974 (ERISA). As a "qualified church plan," this plan is exempt from the rules and requirements of ERISA.

This booklet gives you a brief outline of the plan as amended effective January 1, 2000. Although it describes the important parts of the plan, it is not intended as a substitute for the official plan document. In case of any discrepancy between this booklet and the provisions of the plan as contained in the plan document, the plan document shall govern.

The booklet also describes the provisions of the plan that applied to the plan benefit provided for any participant who entered the plan as a result of the merger of the Catholic Charities of the Diocese of Fort Wayne - South Bend Retirement Plans into this plan.

The Plan Administrator will work with you in using the examples on pages 7 and 8 to help you estimate your retirement income or to help explain other questions you may have about the plan.

Employee-Employer Relationship

The plan does not guarantee your employment with the Sponsor. Your right to retirement benefits is limited to those benefits which you earn while you are a participant in the plan.

CONTENTS

WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN

If you are employed by either the Diocese of Fort Wayne-South Bend, St. Anne Home, or Catholic Charities of the Diocese of Fort Wayne-South Bend as a "*full-time*" lay employee or a "*full-time*" lay teacher, you will be eligible to participate in the plan.

"*Full-time*" is defined as follows:

- for a lay employee -- active employment of at least 30 hours per week during your normal work cycle.
- for a lay teacher at an elementary school -- a contracted person who teaches 30 or more hours per week during the school year.
- for a lay teacher at a high school -- a contracted person who teaches an average of five classroom periods of recitation during the school year and assumes daily supervisory assignments.

If you don't meet any of the criteria set out above, you'll be classified as a "part-time" employee. As a part-time employee, you are not eligible to participate in the plan.

WHEN PARTICIPATION BEGINS

If you were a participant in any of the plans sponsored by Catholic Charities of the Diocese of Fort Wayne-South Bend d/b/a Catholic Social Services, Fort Wayne or Catholic Social Services, South Bend as of December 31, 1993, you automatically became a participant in this plan on January 1, 1994.

All other eligible employees of either the Diocese, St. Anne Home, or Catholic Charities will automatically become participants in the plan on the first day of the month on or following completion of one year of eligibility service, provided the employee is at least

21 years old. Service before January 1, 1977 while employed by St. Anne Home is excluded in determining when the one year eligibility service requirement is met.

You will have completed a year of eligibility service once you complete 12 consecutive months of employment as a "*full-time*" lay employee or a "*full-time*" lay teacher.

If you change from "full-time" to "part-time" employment, you are no longer an eligible employee. Your part-time service will be disregarded when determining your eligibility for plan participation.

WHO PAYS FOR THE PLAN

The Diocese of Fort Wayne-South Bend, St. Anne Home, and Catholic Charities of the Diocese of Fort Wayne-South Bend (the "Sponsor") pays the full cost of providing your retirement benefit.

The Sponsor's cost is determined by an independent actuary who periodically makes a valuation of the plan's assets and liabilities and recommends how much the Sponsor should contribute to keep the plan funded on a sound basis.

The plan contributions are paid directly into a custodial fund with Bank One for the benefit of plan participants, their spouses and beneficiaries. Benefits are paid by Lincoln National Life Insurance Company from a group annuity investment fund contract maintained for this purpose.

HOW SERVICE COUNTS

Your length of employment determines the amount of service you earn under the plan. The plan considers two types of service:

- Vesting Service and
- Benefit Service.

Vesting Service is used to determine <u>when</u> you qualify to receive certain benefits under the plan, including a vested benefit if you should leave before you reach age 65. Vesting Service starts when you are hired as a full-time employee by the Sponsor and ends when you terminate your employment or switch to part-time employment with the Sponsor. You will be credited with one year of Vesting Service for each completed 12 months of employment.

If you were previously an employee of the Catholic Charities organizations that started participating in this plan as of January 1, 1994, your Vesting Service under this plan will include your prior service with the Catholic Charities.

Service completed before your 18th birthday will be disregarded for vesting purposes. Also, Vesting Service credit will not include any service as an employee of St. Anne Home before January 1, 1977 or any service while a part-time employee of the Sponsor.

Benefit Service is used to determine the <u>amount</u> of any plan benefit. For years beginning on and after January 1, 1976, Benefit Service will be determined on the basis of each year of continuous service from the later of January 1, 1976 or your most recent date of employment, calculated to the nearest 1/12th of a year.

Please note: if you were previously a participant in any of the plans sponsored by Catholic Charities of the Diocese of Fort Wayne - South Bend d/b/a Catholic Social

Services, Fort Wayne or Catholic Social Services, South Bend, your Benefit Service under this Plan started as of January 1, 1994.

For years prior to January 1, 1976, Benefit Service will be determined as follows:

- For the period from January 1, 1971 through December 31, 1975, a full year of Benefit Service will be credited for each calendar year during which you worked six months or more. In the event that you worked fewer than six months in any calendar year, you will be credited with 1/6th of a year of Benefit Service for each full month worked during that year.
- For service completed before January 1, 1971 (if any), Benefit Service will be calculated on the basis of your years of continuous full-time service from your most recent date of employment to January 1, 1971, computed to the nearest 1/10th of a year.

Benefit Service to be credited will be subject to the following limits:

- Service completed before your 21st birthday will be disregarded.
- Service completed before January 1, 1977 as an employee of St. Anne Home will be disregarded.
- Service with Catholic Charities of Fort Wayne-South Bend before January 1, 1994 will be disregarded.
- Service while you were classified as a part-time employee will be disregarded.

Special Rules

You will receive Vesting and Benefit Service for certain absences due to qualified military service if you return to active employment with the Sponsor while your reemployment rights are protected by law.

If you leave the full-time service of the Sponsor and are rehired, or if you have a break-in-service, special rules apply. See page 18 for details.

WHEN YOU CAN RETIRE

To help meet individual needs, the plan provides a variety of retirement times. You can qualify for benefits under a number of different situations as highlighted below.

Normal retirement age is the later of your 65th birthday or the fifth anniversary of the date your service began, but in no event later than your 70th birthday. Benefits will begin on the first of the month on or following your normal retirement age (unless you continue to work or elect to defer payment to a later time).

Early retirement is available if you have completed at least 10 years of Vesting Service and are 55 years old, or if you are 65 years old, regardless of your years of Vesting Service.

If you are a Lay Employee who is employed as a School Principal, Assistant Principal, or Teacher, special unreduced early retirement benefits are available if you are at least 62 years old, the combination of your age and years of Vesting Service totals 85 or more, and you terminated employment on or after January 1, 1999.

Postponed retirement is possible if you want to continue to work past normal retirement. Payments begin on the first of the month after you actually retire.

HOW YOUR BENEFIT IS DETERMINED

When you retire, you will receive a benefit equal to 1.25% of your Average Monthly Compensation for each year of Benefit Service, not to exceed a maximum of 44 years.

If you became a participant in the plan before January 1, 1978, you are guaranteed a minimum monthly benefit equal to $4.00 for each year of Benefit Service, up to a maximum of 44 years.

In the event that you were previously a participant in a defined benefit retirement program sponsored by Catholic Charities of the Diocese of Fort Wayne-South Bend, your Accrued Benefit earned under the prior Catholic Charities plan as of December 31, 1993 will be added to your benefit earned after January 1, 1994 from this plan.

Compensation is your total pay from the Sponsor, including bonuses, overtime pay, holiday pay, all other forms of extra pay, and any contributions you make through a salary reduction agreement to a 403(b) annuity plan.

Average Monthly Compensation is determined using your Compensation received in the 120 consecutive completed calendar months of full-time service with the Sponsor that gives you the highest average. Note: if you are an employee of either of the Catholic Charities organizations, your Average Monthly Compensation will be determined using your completed calendar months after January 1, 1994.

If you have less than 120 consecutive completed calendar months, all of your completed calendar months will be used to figure your Average Monthly Compensation. However, your Compensation received for a partial month in which you retire or terminate employment may be considered if it increases your Average Monthly Compensation.

If Compensation earned before January 1, 1971 needs to be included when determining your Average Monthly Compensation, then the monthly rate of pay as of January 1, 1971 will be used for months before that date.

HOW MUCH YOU RECEIVE

At Normal Retirement

Your benefit is figured under the plan formula on pages 5 and 6. To give you an idea of how normal retirement benefits are determined, here are two examples.

Example A:

Suppose that Employee A was hired in 1975 and is retiring at age 65 in 2001 with 26 years of Benefit Service. Assuming Average Monthly Compensation of $1,800, Employee A's benefit at retirement would be:

1.25% x Average Monthly Compensation ($1,800) =	$ 22.50
times years of Benefit Service	x 26
Total Monthly Benefit:	$585.00

Since Employee A was a participant in the plan as of January 1, 1978, a minimum pension of $4.00 x 26 years ($104.00) is to be provided. This amount is less than Employee A's monthly benefit described above, so the minimum does not apply in this situation.

If Employee A is single when payments begin, the full $585.00 benefit will be paid for as long as Employee A lives unless one of the payment options described on page 14 is elected.

If Employee A is married, the benefit amount will be adjusted to provide a lifetime benefit for Employee A's spouse after Employee A's death, unless another payment option is selected. (See pages 13 and 14.)

Example B:

Employee B was a participant in the Defined Benefit Pension Plan of Catholic Services of Fort Wayne prior to January 1, 1994. For purposes of this example, assume that Employee B's Accrued Benefit as of December 31, 1993 is $100.00. Employee B continues employment until normal retirement at age 65 in 2014. Assuming Average Monthly Compensation of $1,800, Employee B's benefit at retirement would be:

1.25% x Average Monthly Compensation ($1,800) =	$ 22.50
times years of Benefit Service after 01/01/94	x 20
Monthly benefit from this plan:	$450.00
Plus Accrued Benefit as of 12/31/93:	100.00
Total Monthly Benefit:	$550.00

If Employee B is single when payments begin, the full $550.00 benefit will be paid for as long as Employee B lives unless one of the payment options described on page 14 is elected.

If Employee B is married, the benefit amount will be adjusted to provide a lifetime benefit for Employee B's spouse after Employee B's death, unless another payment option is selected. (See pages 13 and 14.)

At Early Retirement

If you retire before normal retirement age, you are entitled to your vested Accrued Benefit deferred to your normal retirement date or payable immediately in a reduced amount.

Your Accrued Benefit is the portion of your normal retirement benefit that you have earned at any point in time based on your Average Monthly Compensation and years of Benefit Service completed as of the date you terminate employment or become a part-time employee. Your vested Accrued Benefit will be determined by multiplying your Accrued Benefit by the appropriate vesting percentage.

You decide when you want your retirement benefits to begin.

- You can postpone payments until a later date up to the time you reach normal retirement age, or
- you can receive payments immediately.

If you elect to receive early retirement benefit payments before your 65th birthday, your vested Accrued Benefit will be reduced to reflect the longer period you'll be receiving checks. However, if you are a Lay Employee who is employed as a School Principal, Assistant Principal, or Teacher, your vested Accrued Benefit will not be reduced to reflect your early retirement if you are at least age 62 and meet the Rule of 85 described on page 10.

The amount of the reduction will be 1/180th for each of the first 60 months and by 1/360th for each of the next 60 months by which your early retirement payment commencement date precedes your Normal Retirement Date.

The approximate percentage applied to your Accrued Benefit if you elect to receive early retirement benefits is determined using this schedule assuming your normal retirement age is 65:

Age When Early Retirement Benefits Begin	Approximate Percentage of Vested Accrued Benefit Payable
55	50 %
56	53 1/3%
57	56 2/3%
58	60 %
59	63 1/3%
60	66 2/3%
61	73 1/3%
62	80 %
63	86 2/3%
64	93 1/3%
65	100 %

Example C:

Employee C, with normal retirement age 65, retires at age 60 with 20 years of Benefit Service and a monthly Accrued Benefit of $450.00. If Employee C chooses to defer payment to age 65, the $450.00 monthly Accrued Benefit is payable. If Employee C elects to begin payments immediately, the monthly benefit amount will be $300.00.

$$66\ 2/3\% \times \$450.00 = \underline{\underline{\$300.00}}$$

If your normal retirement date is after your 65th birthday (see page 5), and you terminate after age 65 but before your normal retirement date, you automatically become 100% vested. You may elect to receive early retirement benefit payments. In this situation, your Accrued Benefit will not be reduced to reflect an early payment commencement date.

Rule of 85—Applies only to Lay School Principals, Assistant Principals, and Teachers

As a Lay Employee who is employed as a Lay School Principal, Assistant Principal, or a Teacher, you may qualify for unreduced early retirement benefits—equal to your full vested Accrued Benefit if you terminate your employment on or after January 1, 1999 and you meet the Rule of 85 when your service with the Dioceses terminates. In order to satisfy the Rule of 85, you must be at least 62 years old when you leave and the sum of your age and years of Vesting Service must equal 85 or more.

For instance, you would meet the Rule of 85 if you are age 62 with 23 years of Vesting Service. You would also meet the Rule of 85 if you were age 64 with 21 years of Vesting Service.

Example D: Employee D, a Lay Teacher with a normal retirement age of 65, retires at age 62 with 25 years of Vesting Service, and an Accrued Benefit of $550.00. Since the sum of Employee D's age and years of Vesting Service is more than 85, the full $550.00 Accrued Benefit is payable immediately.

At Postponed Retirement

If you continue working past your normal retirement date, you'll earn additional benefits based on your Average Monthly Compensation earned until you actually retire, your years of Benefit Service completed will be counted until the earlier of the date you actually retire or the date you have completed 44 years of Benefit Service.

IF YOU LEAVE BEFORE YOU RETIRE

If you are an employee of the Diocese, St. Anne Home, or if you are hired by Catholic Charities after January 1, 1994, and you leave before you're eligible for retirement, you'll be entitled to your "vested" Accrued Benefit. Your "vested" Accrued Benefit is determined by multiplying your Accrued Benefit by the Vested Percentage in the following table:

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

If you were a participant in either of the Catholic Charities plans as of December 31, 1993, the above schedule will not apply. Instead, you will be 100% vested in your total Accrued Benefit. Also, if you elect early retirement on or after you attain age 65, you will be 100% vested in your Accrued Benefit.

If you leave before becoming 100% vested, then you will forfeit (lose) the non-vested portion of your benefits earned under the plan.

When Vested Benefits are Paid

You will receive your vested benefit on the first day of the month after you reach normal retirement age. If you elect early retirement, your vested benefit <u>may</u> be reduced (see page 9).

<u>Example E</u>:

Employee E who is 45 years old with 15 years of Vesting Service when he terminated, has a monthly Accrued Benefit of $350.00. Employee E may defer payment to age 65 and receive a monthly benefit of $350.00, or choose to begin monthly payments at age 55 and receive a monthly benefit of $175.00.

$$\$350.00 \times 50.00\% = \underline{\underline{\$175.00}}$$

IF YOU BECOME DISABLED

Determination of Disability

If you become "totally and permanently" disabled after completing 10 or more years of Vesting Service, you will be eligible for a disability benefit from the plan. The disability benefit will be equal to your Accrued Benefit earned as of the date you terminated employment as a result of the disability.

To be considered "totally and permanently" disabled, you must have suffered a medically determinable physical or mental impairment which renders you unable to engage in any substantial gainful activity for which you are reasonably suited by reason of your training, education or experience, and such condition must be expected to last continuously for at least 12 months or result in death. The Plan Administrator may require you to be examined by a physician (or physicians) of its choice.

Recovery Before Normal Retirement Date

If you recover from your disability, any monthly payments will stop.

Upon returning to work as an eligible employee, you may earn additional benefits until your later retirement or termination of employment.

In the situation where you have recovered from the disability, but you do not return to work with the Sponsor, you will be entitled to receive your vested Accrued Benefit (unreduced for payments already made) on your Normal Retirement Date or as a reduced benefit if payments start prior to your normal retirement date.

At Normal Retirement Date

At normal retirement, you will be entitled to receive a retirement benefit equal to your Accrued Benefit earned as of the date you became disabled.

At Death

If you die while receiving monthly disability payments, your beneficiary may be entitled to a benefit from the plan. (See pages 16 and 17 for more details.)

HOW BENEFITS ARE PAID

Automatic Form of Payment

Unless you elect one of the plan's optional payment methods, your benefit is automatically paid like this:

> *If you are single*, you receive a lifetime benefit. When you die, payments stop and no further benefits are paid.
>
> *If you are married*, your monthly benefit is automatically adjusted to provide a lifetime income for your surviving spouse. The benefit payable to your spouse is 50% of the adjusted monthly benefit you were receiving. (The amount of adjustment depends on your age and your spouse's age.)

Payment Options

When you retire, you may select one of the following payment options, if it suits your needs better than your automatic form of payment:

Option 1. You receive a benefit which is payable for your life only. Payments stop when you die. (The life annuity is the automatic payment form for single participants. It is an option for married participants.)

Option 2. You receive a monthly benefit payable during your life with a stated number of payments guaranteed. If you die before receiving the guaranteed monthly payments, your beneficiary will receive the remainder of these payments until the total of all guaranteed payments have been made. The plan allows a 5-year certain and life annuity, a 10-year certain and life annuity, or a 15-year certain and life annuity.

Option 3. You receive an adjusted monthly lifetime benefit and, after you die, your beneficiary receives either 50%, $66^2/_3$% or 100%, as you elect, of your adjusted benefit for life. (The 50% survivor benefit is the automatic payment form for married participants. It is an option for single participants.)

Electing an Option

You may elect, change or cancel any option by filing a form with the Plan Administrator any time during the period before payments begin. You will receive information about the amount of your pension within a reasonable time before you are eligible to retire.

If you want to choose an optional payment form, you must make your choice before the date benefits are due to begin.

Examples of Payment Options

Example F: Let's assume Employee F has a monthly normal retirement benefit is $550.00 and wants to share the pension with a beneficiary. In this case, we'll assume Employee F and F's beneficiary are both age 65. The following chart shows how much each would collect under several of the payment arrangements.

Form of Payment	Employee F's Monthly Benefit	Surviving Beneficiary's Monthly Benefit
50% Joint & Survivor	$ 505.36	$ 252.68
66$^{2}/_{3}$% Joint & Survivor	$ 492.05	$ 328.03
100% Joint & Survivor	$ 467.42	$ 467.42
5-Year Certain & Life	$ 543.12	$ 543.12*
10-Year Certain & Life	$ 524.86	$ 524.86*
15-Year Certain & Life	$ 500.39	$ 500.39*

*applies only if participant dies before receiving the minimum monthly payments. Payment to beneficiary stops when minimum monthly payments are made.

Small Payments

If the present value of your retirement benefit is $5,000 or less, payment will automatically be made in a single sum amount. This single payment is made in lieu of any and all other benefits provided by the plan.

TAX CONSIDERATIONS

For your own protection, you should consult a tax specialist before you receive any Plan money. All Plan money is fully taxable by the federal government as ordinary income when you receive a distribution. In addition, the IRS may impose an additional 10% "early withdrawal" excise tax on payments that are not made in the form of a lifetime-type annuity, but are made prior to your attainment of age 59_.

The additional 10% excise tax will not be imposed if:

_ you roll the distribution into an IRA or another qualified plan within 60 days of receiving payment,

_ the distribution is being made as a result of your death, disability, termination of employment on or after you are eligible for early retirement, or

_ the distribution is required by a qualified domestic relations order (QDRO).

Professional advice may help you avoid unexpected or unnecessary tax liability. Finally, please keep in mind that 20% of a single sum payment will be withheld for payment of federal income taxes unless you elect a direct rollover to an IRA or your new employer's qualified plan.

WHEN YOU DIE

If Your Death Occurs AFTER Benefit Payments Have Begun

If you die after retirement benefit payments have started, the payment option you elected, as described on pages 13 and 14, will determine whether any death benefit will be payable to your beneficiary.

If Your Death Occurs AFTER Becoming Vested, but BEFORE Normal Retirement Age and BEFORE Benefit Payments Begin

If you have been married for at least one year and die after you become vested, your spouse will be entitled to a monthly survivor benefit from the Plan. The amount of the spouse's benefit will be equal to 50% of the Accrued Benefit you had earned to the date of death as adjusted to reflect payments prior to normal retirement, if applicable, and payment in the form of a joint and 50% survivor annuity. Payments begin on the later of (1) the earliest date you could have elected to retire, or (2) the first day of the month following your death.

Example G:

Employee G dies at age 60 with 20 years of Benefit Service and a monthly Accrued Benefit of $450.00. Employee G's surviving spouse, assumed also to be age 60, would be eligible to receive a monthly benefit payable for life beginning immediately of $142.61 ($450.00 × 66.667% × 47.537%) reflecting the reductions for early payment and the 50% joint and survivor annuity form.

If you are not married or you have been married for less than one year, and you die before normal retirement age, no death benefit will be payable from the Plan.

If Your Death Occurs AFTER Normal Retirement Age and BEFORE Benefit Payments Begin

If you are married and you die after reaching normal retirement age but before benefit payments begin, your spouse will be entitled to a monthly survivor benefit from the Plan equal to 50% of the benefit you would have received if you had retired on the day of your death and elected to receive payment in the form of a qualified joint and 50% survivor annuity.

Deferred Payment

If the value of the spouse's benefit is more than $5,000, instead of receiving payments at the earliest possible time, your surviving spouse can elect to defer payments to the first day of any month up to the date you would have reached age 70_.

A non-spouse beneficiary must begin receiving payment no later than December 31 of the calendar year containing the anniversary of your death.

Small Benefit Amounts

If the value of any death benefit payable from the Plan is $5,000 or less, your spouse (or beneficiary) will automatically receive a single sum instead of monthly payments. When the single sum has been paid, no further benefits will be paid by the Plan.

IF YOUR SERVICE IS INTERRUPTED

Breaks In Service And Reemployment

If you leave the Sponsor and are later rehired, or if you have a break in service, special rules apply. A break in service occurs if you fail to complete at least one *hour of service* during any 12-month period (however, a break in service will not occur if you are absent due to active military duty as long as you return while your reemployment rights are protected by law). For plan purposes, you will be credited with an *hour of service* for each hour for which you are paid, or entitled to payment, for the performance of duties for the Sponsor. You will not receive hours of service credit for any period during which you perform no duties, but receive payment in the form of unemployment compensation, worker’s compensation, or disability insurance.

If you were vested when your break in service began, you will not lose your prior Vesting Service no matter how long you are gone. However, if you received a single sum payment of the value of your vested Accrued Benefit when you left, your prior Benefit Service will not be restored.

If you were not vested and your break in service began after December 31, 1986, you will lose your prior Vesting and Benefit Service unless you are rehired before you have had five consecutive one-year breaks in service or before the number of consecutive one-year breaks equals your number of years of Vesting Service completed previously, whichever is greater.

If you were <u>not</u> vested and your break in service began before January 1, 1987, your prior Vesting and Benefit Service will be forfeited. If you are reemployed, you will be treated as a new employee for plan purposes.

If You Return To Work After Retiring

If you retire under the plan and are later reemployed, your status in the plan is determined by your age when you are rehired and the form of benefit you received when you retired.

Before normal retirement age*:* If you return to work after retiring, but before reaching normal retirement age, payments will stop. You become a plan participant again as of your reemployment date. Your service will be restored. Any optional annuity election you made will be void. Your spouse will be covered under the benefit described on page 16.

When you retire again, your benefit will be based on your

- Average Monthly Compensation, and
- Benefit Service before and after your first retirement,

but the amount of your monthly retirement benefit will be reduced to reflect payments received during your first retirement. In no event will your monthly retirement benefit be less than the amount you were receiving previously (assuming payments are made in the same annuity form).

After normal retirement age: If you return to work after retiring and after reaching normal retirement age, payments will continue without change.

WHAT SOCIAL SECURITY ADDS

Your retirement benefits from federal Social Security supplement your plan income. It is important, therefore, for you to know some key facts about Social Security. You can get more information--and apply for benefits when the time comes--at any local Social Security office.

If you were born on or before January 1, 1938, full Social Security benefits begin at age 65. If you were born after that date, full benefits begin between ages 65 and 67, depending on your date of birth. Reduced benefits can begin anytime after age 62.

Your husband or wife will also receive a benefit at the retirement age explained above or reduced benefits at or after age 62. Your spouse's benefit is based on your earnings--unless a higher benefit is payable based on his or her own earnings. The exact amount of any Social Security benefits can only be determined by the Social Security Administration.

To cover the cost of Social Security, each year you and the Sponsor pay taxes on earnings up to the Social Security taxable wage limit.

In addition to retirement benefits, Social Security provides

- disability benefits
- survivor benefits
- hospital, surgical and other medical benefits under Medicare.

REMEMBER--Social Security benefits are not automatically payable--they must be applied for. You should also apply for Medicare coverage before you reach age 65, whether or not you continue working in employment covered by Social Security. Any local Social Security office may be contacted for details.

CLAIMING BENEFITS

Filing a Claim

You or your beneficiary may claim plan benefits by filing a written request for such benefits. Forms are available from the Chancery Office.

Decision on Claim

If your claim for benefits is denied in full or in part, you will be notified in writing within 90 days after you file your claim. This time limit may be extended in special cases, but you'll be notified of the reasons for the delay.

The notice of denial will state the reasons for the denial, the plan provisions the denial is based on, a description of any additional information or material required by the Plan Administrator and the procedure you must follow to have the Plan Administrator review your claim.

Review Procedure

If your claim is denied, you or your beneficiary may write for a review of the claim. You must request the review within 60 days after the claim is denied.

As part of the review procedure, you or your beneficiary must be allowed to

- see all plan documents and other papers that affect your claim
- appeal the denial in writing, and
- have someone act as your representative in the review procedure, if you wish.

Within 60 days after you file your request, you will be notified of the final decision.

WHAT ELSE YOU SHOULD KNOW

Administration

The Diocese of Fort Wayne - South Bend is the official Plan Administrator. One or more persons may be appointed to be responsible for administering the plan, interpreting its provisions, arranging for retirements and authorizing all benefit payments. The Plan

Administrator reserves the full power, authority, and discretion to interpret the terms of the Plan and to resolve any disputes regarding Plan administration and benefit eligibility or benefit payments.

Legal Limitations

Government rules limit the total benefits under the Sponsor's pension plan. You would be notified if your benefits ever were affected by any of these rules.

Assignment of Benefits

Your benefits under this plan are solely for you (or your beneficiary). Generally, they cannot be assigned to anyone else. However, the plan will honor Qualified Domestic Relations Orders (QDRO) relating to provisions for child support, alimony payments or marital property rights.

Future of the Plan

While the Sponsor expects to continue the plan indefinitely, it reserves the right to terminate the plan. In that case, you do have certain guarantees. You would be fully vested in the benefits earned up to the date of termination.

Loss of Benefits

You should be aware that you can have a loss, denial, or reduction of expected benefits from the plan as a result of any of the following:

⇒ you fail to qualify as a plan participant (see the "When Participation Begins" section),

⇒ you change employment from "full-time" to "part-time" status,

⇒ you terminate your service before becoming fully vested (see the "If You Leave Before You Retire (Termination of Employment)" section),

⇒ you die before becoming eligible for the spouse's benefit (see the "When You Die" section),

⇒ if you begin receiving early retirement benefits before reaching normal retirement age (see the "How Much You Receive" section),

- ⇒ if the Sponsor would amend the plan to reduce the amount of benefits to be provided,
- ⇒ if the Sponsor would stop making contributions to the plan, or
- ⇒ if the plan would terminate.

PLAN DIRECTORY

Plan Sponsor(s)

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Fort Wayne, IN 46805

Plan Administrator

Diocese of Fort Wayne - South Bend
1103 South Calhoun Street
P.O. Box 390
Fort Wayne, IN 46801
(219) 422-4611

Plan Trustee

Diocese of Fort Wayne - South Bend
1103 South Calhoun Street
P.O. Box 390
Fort Wayne, IN 46801
(219) 422-4611

The plan is funded through a custodial arrangement with Bank One, One Summit Square, Fort Wayne, IN 46802, telephone (219) 427-8333. Benefits will be paid through investment contracts with either Lincoln National Life Insurance Company, 1300 South Clinton Street, Fort Wayne, IN 46802, telephone (219) 455-2000 or Mutual of America Insurance Company, 666 Fifth Avenue, New York, NY 10103, telephone (212) 399-1600.

Original Plan Effective Date

July 1, 1964 for lay employees
September 1, 1965 for lay teachers
July 1, 1958 for lay employees at the South Bend Catholic Charities office
February 1, 1969 for lay employees at the Fort Wayne Catholic Charities office
January 1, 1977 for St. Anne Home employees

Plan Year

The plan's record-keeping year runs from January 1 through December 31.

Plan Type

This plan is considered a defined benefit pension plan.