



Archdiocese of Miami New Retirement Program

for Lay Employees effective January 1, 2013

Welcome to the 2013 Retirement Program

The new Retirement Program for Lay Employees represents a significant change in the Archdiocese of Miami's approach to helping you save for retirement. The new Program is based on some important principles:

- **To be sustainable** — The Archdiocese's Retirement Program must be financially sustainable in a changing economy.
- **To share responsibility between you and the Archdiocese** — Both you and the Archdiocese share the responsibility for growing your retirement savings over time.
- **To offer real value** — The Program benefits must offer you value and contribute to your overall retirement savings.
- **To be competitive** — The Program must be competitive with other dioceses and not-for-profit institutions.

Why Change Is Needed

Why are we changing the current Program? The Archdiocese (or ADOM) conducted a careful analysis of the current program. We found that:

- **The current Program is not sustainable** — The costs of the current Program impair ADOM's ability to accomplish its mission.
- **The current Program does not foster shared responsibility or encourage savings** — In particular, the current 403(b) Plan does not strongly encourage you to participate and to make the most of this important savings tool.
- **The current Program is no longer competitive with programs** — Many dioceses and not-for-profit institutions are moving away from the more traditional Pension Plans to other forms of retirement benefits.

As a result, the Retirement Program for Lay Employees has been redesigned to fulfill the ADOM's goal of being a good steward of the donations that fund the Church's operations. The program provides a sustainable way for ADOM to offer a competitive benefit that meets your needs in retirement.

Our Commitment to You

The new Retirement Program offers you real value and real opportunity. We urge you to read this brochure carefully and take the actions you need to continue growing your retirement income.

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Who Participates in the New Retirement Program?

You are eligible to participate in the new Retirement Program beginning January 1, 2013 if you are a common law employee and are not excluded from participating as a home health field staff per diem employee and you are a lay employee of the Pastoral Center or one of the churches, schools, nursing homes or other facilities belonging to the Archdiocese of Miami.

This announcement describes some features of the Archdiocese of Miami's Retirement Program for Lay Employees effective January 1, 2013. Details of all the benefits mentioned will be available in the official plan documents. The information here is subject to those official documents, which will control in the event of any conflict, difference or error. The Archdiocese of Miami reserves the right to change or terminate any of the retirement program benefits in the future.

Overview of the New Retirement Program

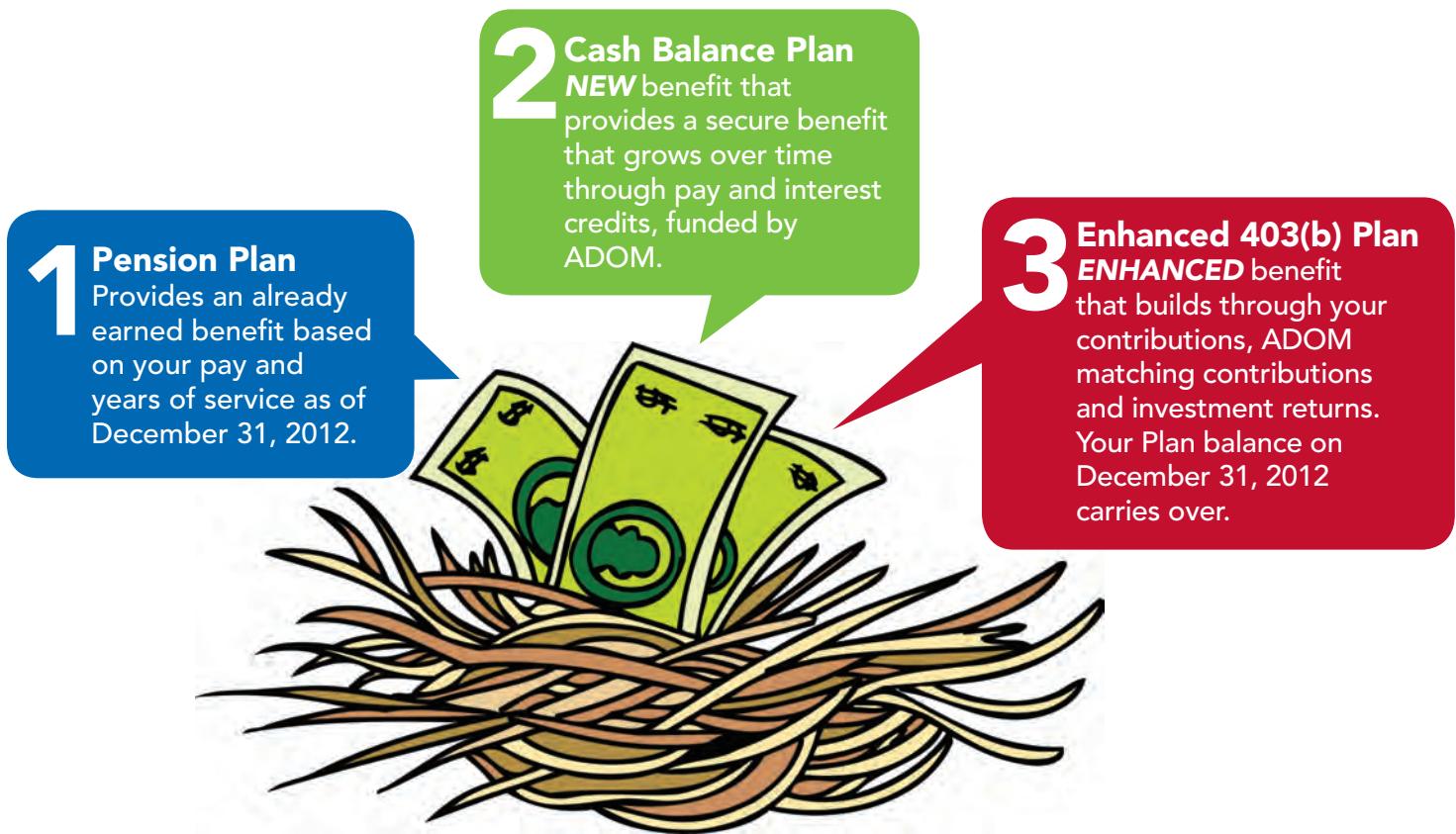
The new Program provides you income for your retirement from three sources:

- **Pension Plan** — The Pension Plan provides you a benefit based on your pay and years of service earned through the end of 2012.
- **Enhanced 403(b) Plan** — Both you and the Archdiocese can contribute to the 403(b) Plan. Your balance at the end of 2012 carries over to the enhanced Plan. Then beginning in 2013, ADOM will match 50% of your contributions up to 6% of eligible pay.
- **New Cash Balance Plan** — Finally, the new Cash Balance Plan is a way for you to accumulate pay and interest credits throughout the rest of your career beginning January 1, 2013.

Together, these three plans are all important components when saving for retirement. But don't forget, you may also have retirement income from Social Security, your personal savings and retirement programs from other employers.

Growing Your Retirement Income Nest Egg

The new Retirement Program offers you three ways to build your retirement nest egg:



DON'T FORGET THESE RESOURCES:

Social Security • Personal Savings • Other Retirement Plans

A Closer Look at the New Cash Balance Plan

Let's take a look at how the Cash Balance Plan — your newest retirement benefit — works.

Under the Cash Balance Plan, an account is set up in your name. Each Plan year (July 1 through June 30) the ADOM awards a Pay Credit to your account. To receive a Pay Credit for a Plan year, you must complete the required number of service hours in the Plan year — 1,000 hours if you were hired before January 1, 2010 or 1,500 hours if you were hired on or after January 1, 2010.

In addition to Pay Credits, your account also receives an Interest Credit each year based on your account balance. The interest rate is equal to the yield on 7-year U.S. Treasury bonds.

Your Annual Pay Credits and Interest Credits are added together to make up your total Cash Balance.

Annual Pay Credits*

Each year you will receive a pay credit, based on your total years of ADOM service:

- 2.0% of pay for 1 – 10 years,
- 2.5% of pay for 11 – 20 years, and
- 3.0% of pay for 21+ years.

Interest Credits*

Your Plan balance will earn interest. The interest rate is based on the yield on 7-year US Treasury bonds. Interest is paid based on the accumulated balance before the new Pay or Transition Credit is added.

Did You Know?

As you stay with ADOM and your years of service increase so do your pay credits — up to a maximum of 3%.

And if you qualify for Transition Pay Credits, those will increase too, up to an additional maximum of 3%. If you're eligible for transition credits, you could receive a total pay credit each year of up to 6%.

Annual Pay Credits



Interest Credits



Total Cash Balance

* Assumes you meet the minimum service hour requirement for the Plan year (July 1 – June 30).

Additional Transition Pay Credits for Those Closer to Retirement

If you are closer to retirement and are at least age 45 with 15 years of service at the time of transition on January 1, 2013, you will receive additional transition pay credits each Plan year (July 1 – June 30) in which you meet the minimum service hour requirement. The Transition Pay Credits are equal to:

- 2.5% of pay when you have 15 - 20 years of service, and
- 3.0% of pay when you have 21+ years of service.

If you are eligible for Transition Pay Credits, your account balance will grow this way:

Annual Pay Credits



Transition Credits



Interest Credits

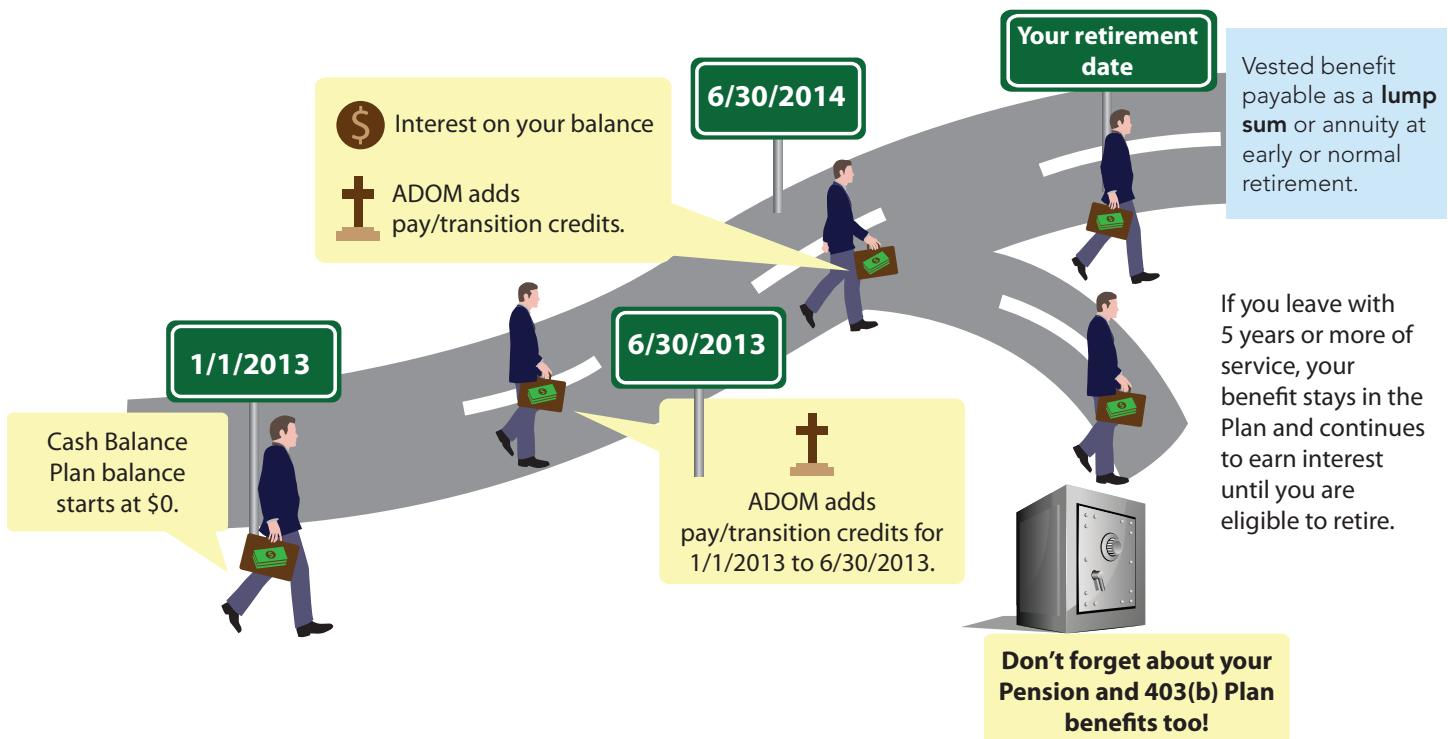


Total Cash Balance

The New Cash Balance Plan in Action

Here's how the new Cash Balance Plan will work over time:

- On January 1, 2013, your new Cash Balance Plan account starts with a balance of \$0.
- On June 30, 2013, if you have met the minimum service hour requirement since July 1, 2012, your Cash Balance Plan account receives a Pay Credit (and Transition Credit, if you qualify) based on your pay between January 1, 2013 (when the Cash Balance Plan takes effect) and June 30, 2013.
- On June 30, 2014 (and each June 30 after that), your account balance receives:
 - an Interest Credit based on your prior year's balance as of June 30, and
 - a Pay Credit (and if eligible, Transition Credit) for the Plan year as long as you meet the minimum service hour requirement in the Plan year.
- If you leave with at least five years or more of vesting service, your Cash Balance remains in your Plan account and continues to grow with Interest Credits until you start receiving your Plan benefit at retirement.



Three Things to Know About the New Cash Balance Plan

1. Your Cash Balance Plan balance will go up each year.*
2. As your salary increases, so do your pay and, if applicable, transition credits.
3. As you stay with ADOM, your pay and, if applicable, transition credit percentage will go up.

* Assumes you meet the minimum service hour requirement in the previous Plan year (July 1 – June 30).

Additional Details on the New Cash Balance Plan

Plan Detail	
Vesting	<ul style="list-style-type: none">When you are vested, you have full rights to your account.The Plan requires 5 years of vesting service* to be 100% vested in the Plan benefit. (Prior service counts.)Vesting service already accrued counts toward the 5-year threshold and continues to accrue after January 1, 2013. <p>*A year of vesting service requires 1,000 hours in a Plan Year (or 1,500 hours if hired on or after January 1, 2010).</p>
Earning Credits	<ul style="list-style-type: none">You receive Pay Credits (and Transition Credits if you qualify) if you meet the minimum service hour requirement for the Plan year (July 1 – June 30).<ul style="list-style-type: none">- 2013: If you complete the minimum service hour requirement between July 1, 2012 and June 30, 2013, you receive Pay Credits (and Transition Credits if you qualify) based on your pay for January 1, 2013 – June 30, 2013.You earn Interest Credits on your Cash Balance at the end of the Plan Year before new Pay (and Transition) Credits are awarded.
Payment Options	<ul style="list-style-type: none">Vested benefit is payable at normal retirement age or as early as age 55, if you have at least 10 years of service at separation.Vested benefit is payable as a lump sum or annuity at early or normal retirement.

Receiving Your Benefit

You can start collecting your Cash Balance Benefit at your Social Security Normal Retirement Age, if you have at least five years of service, or at age 55, if you have at least 10 years of service at separation.

You have the same monthly annuity options for taking payments from your Cash Balance Plan that you have under the Pension Plan. In addition, you can elect to take your Cash Balance Plan benefit as a lump sum that you can transfer into an Individual Retirement Account.

How the Cash Balance Plan Grows Over Time

Now let's consider how the Cash Balance Plan can grow over time by looking at three sample employees — Maria, Peter and Paul. The following shows their ages, years of service and salaries as of 2013:

Maria

AGE: 30
YEARS OF SERVICE: 5
SALARY: \$30,000



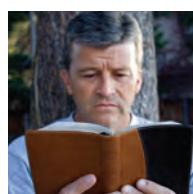
Peter

AGE: 45
YEARS OF SERVICE: 11
SALARY: \$35,000



Paul

AGE: 55
YEARS OF SERVICE: 18
SALARY: \$40,000



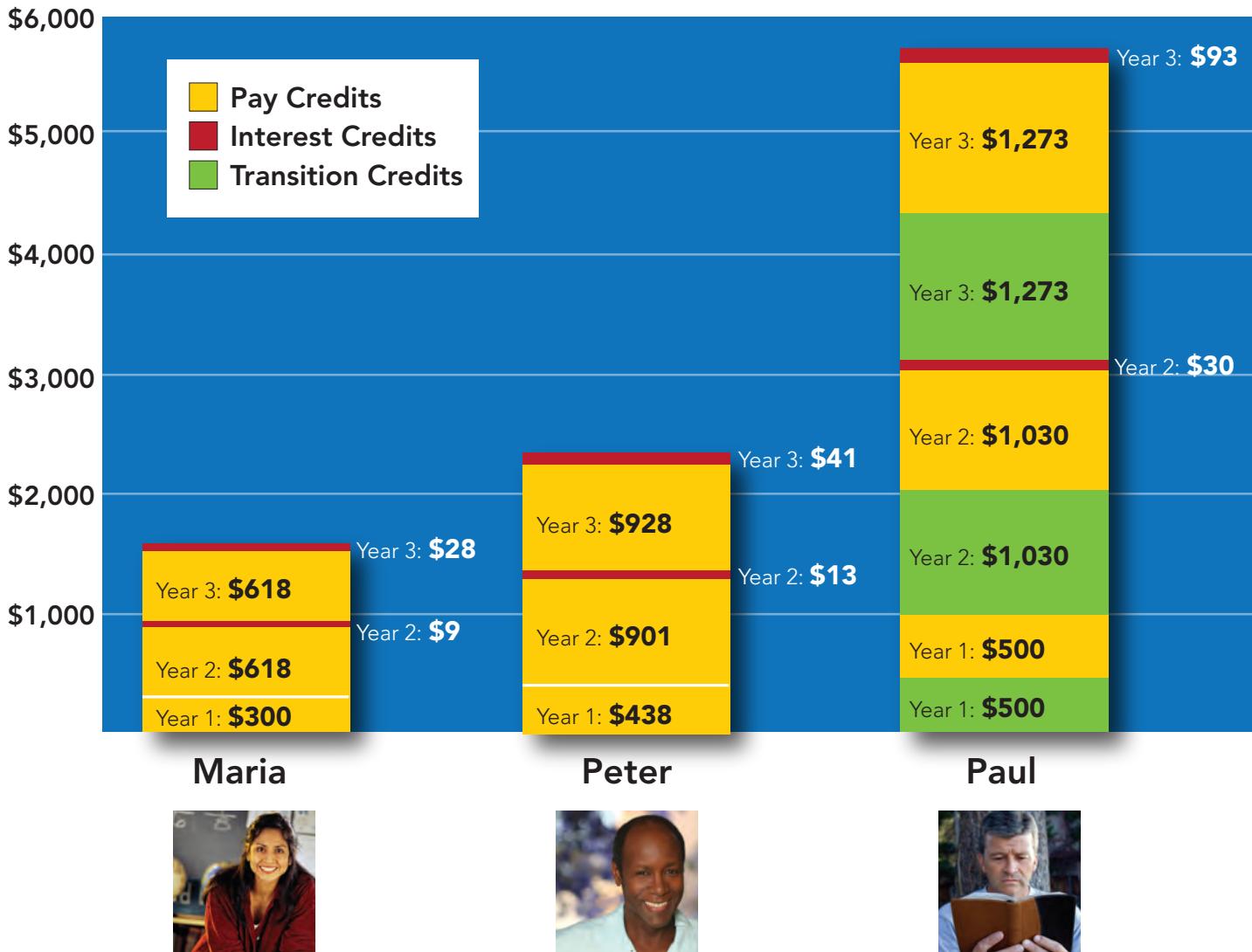
Assumptions

We assume that each employee:

- Receives a 3% annual salary increase,
- Receives Interest Credits based on a 3% annual interest rate, and
- Meets the minimum service hour requirement each Plan year.

Turn the page to see how their Cash Balance Plan accounts grow over three years. >

The Cash Balance Plan After Three Years



How the Cash Balance Plan grows over three years:

- **In Year 1,** Maria and Peter earn Pay Credits and Paul earns both Pay and Transition Credits. Keep in mind that the credits they receive on June 30, 2013 are based on their earnings from January 1, 2013 through June 30, 2013.
- **In Year 2,** all three employees earn Interest Credits based on their Cash Balance at the end of Year 1. They then earn Pay Credits (and Transition Credits for Paul) for Year 2.
- **After three years,** Maria has a total Cash Balance of \$1,573 and Peter's total Cash Balance is \$2,321. Paul's Transition Credits bring his total Cash Balance to \$5,729.

A Closer Look at the Enhanced 403(b) Plan

The new Retirement Program continues the 403(b) Plan, but adds a significant enhancement — effective January 1, 2013, the Archdiocese will match 50% of your contribution to the Plan, up to 6% of your eligible pay.

This means that for every dollar you contribute (up to 6% of your eligible pay), the Archdiocese will contribute 50 cents.

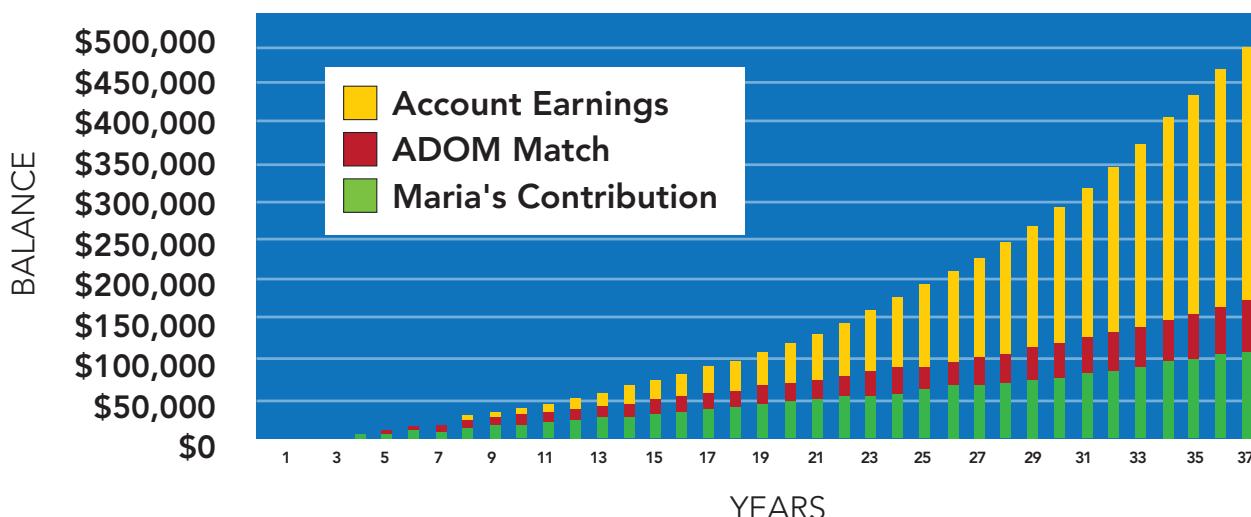
This table shows what will change and what stays the same in the 403(b) Plan starting January 1, 2013:

If you currently contribute 3% or more of your eligible pay...	If you currently contribute less than 3% of your eligible pay...	If you don't currently contribute...
<ul style="list-style-type: none">• Your 403(b) balance carries over.• Your contribution rate continues.• ADOM starts matching 50% of your contribution, up to 6% of your eligible pay.	<ul style="list-style-type: none">• Your 403(b) balance carries over.• Your contribution rate automatically increases to 3% (you may change your contribution rate at any time after January 1).• ADOM starts matching 50% of your contribution, up to 6% of your eligible pay.	<ul style="list-style-type: none">• You automatically start contributing 3% of your eligible pay (you may change your contribution rate at any time after January 1).• ADOM matches 50% of your contribution, up to 6% of your eligible pay.

How Your Enhanced 403(b) Plan Balance Can Grow

Let's see how one of our sample employees, Maria, will benefit from the enhanced 403(b) Plan.

After 37 years, Maria's balance is \$508,577



Assumptions

- In 2013 Maria is age 30 and her salary is \$30,000.
- She contributes 6% of her salary each year for 37 years (when she reaches her Social Security Normal Retirement Age of 67).
- ADOM matches 50% of her contribution each year.
- She receives a 3% annual salary increase.
- She receives a 6% average annual investment return.

Automatic Enrollment

To encourage each and every employee to save for their retirement, effective January 1, 2013, anyone who is not currently contributing at least 3% in the 403(b) Plan will be automatically enrolled at a 3% contribution rate.

Keep in mind that:

- If you are already contributing more than 3% to the 403(b) Plan, your contribution rate will not be changed,
- You can change your contribution rate at any time after January 1, and
- If needed, you can start and stop your participation at any time.

Vesting

You will vest in matching contributions (meaning the benefit is yours to keep) after completing five years of service. Your service through December 31, 2012 counts towards meeting this requirement. For the 403(b) Plan, a year of vesting service equals 1,000 hours. You are always 100% vested in your own 403(b) contributions.

Three Things to Know About the Enhanced 403(b) Plan

1. To receive the full value of the ADOM match, you need to contribute at least 6% of your eligible pay. Contributing less is like leaving money on the table.
2. The sooner you start contributing, the more your nest egg can grow. As Maria's example shows, even a modest starting contribution can grow to a significant balance over time.
3. You will receive more information later this year about how to take full advantage of the enhanced 403(b) Plan.

Pension Plan Update

The following table provides updates on what happens to the Pension Plan under the new Retirement Program.

Feature	Update
Benefit Accrual in Current Pension Plan	Accruals stop, effective December 31, 2012. Important: Vested benefits earned under the current Plan through December 31, 2012 are yours to keep and will be paid upon retirement.
Normal Retirement	Your normal retirement age continues to be your Social Security Normal Retirement Age.
Early Retirement Options	Your early retirement options remain unchanged. You are eligible to take early retirement and start receiving your Pension Plan benefits at age 55 with 10 years of service.
Vesting	The five-year vesting requirement remains unchanged. (A year of vesting service equals 1,000 hours if hired before January 1, 2010 or 1,500 hours if hired on or after January 1, 2010.) Your vesting service continues on the accrued benefit — all service prior to December 31, 2012 counts toward your Pension Plan vesting.
Benefit Payment Options	Your payment options remain unchanged. Your vested benefits are payable as annuities and are available at retirement.

The Big Picture

Let's take a look at the new Retirement Program in action by focusing on the three sample employees we met earlier — Maria, Peter and Paul. The following shows their ages, years of service and salaries as of 2013:

Maria

AGE: 30
YEARS OF SERVICE: 5
SALARY: \$30,000



Peter

AGE: 45
YEARS OF SERVICE: 11
SALARY: \$35,000



Paul

AGE: 55
YEARS OF SERVICE: 18
SALARY: \$40,000



Assumptions

We assume that each employee:

- Receives a 3% annual salary increase,
- Completes 1,500 hours of service annually,
- Retires from the ADOM at age 67,
- Earns a 3% annual interest rate in the Cash Balance Plan and a 6% annual investment return in the 403(b) Plan,
- Contributes 6% of his or her eligible pay to the 403(b) Plan each year (taking full advantage of the ADOM 50% match),
- At retirement elects the single-life annuity payment option for the Pension Plan benefit, and
- Receives the Cash Balance Plan benefit as either a lump sum or the balance or one of the annuity options available under the current Pension Plan.

MARIA

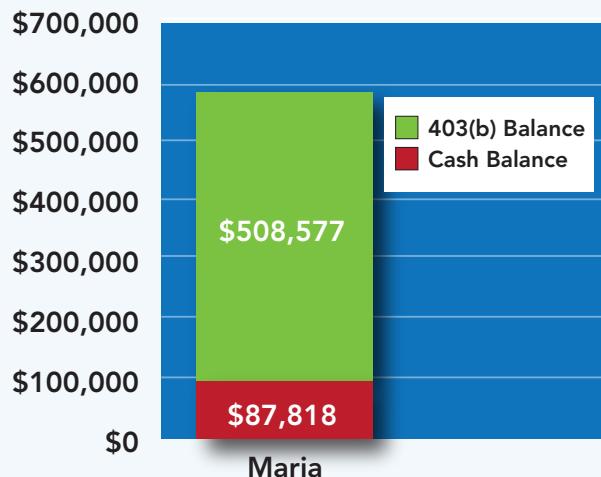


AGE: 30
YEARS OF SERVICE: 5
SALARY: \$30,000

Current earned monthly Pension Plan benefit as of 12/31/2012:
\$200 per month



Projected Total 403(b) and Cash Balance Plan Balances at Age 67



When Maria retires at age 67, she adds her Pension Plan benefit to income from a combined Cash Balance Plan and 403(b) Plan Balance of **\$596,395**.

PETER

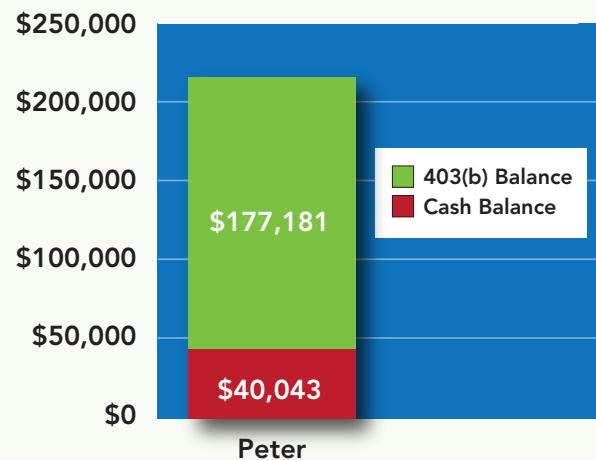


AGE: 45
YEARS OF SERVICE: 11
SALARY: \$35,000

Current earned monthly Pension Plan benefit as of 12/31/2012:
\$500 per month

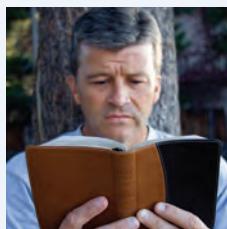


Projected Total 403(b) and Cash Balance Plan Balances at Age 67



When Peter retires at age 67, he adds his Pension Plan benefit to income from a combined Cash Balance Plan and 403(b) Plan Balance of **\$217,224**.

PAUL

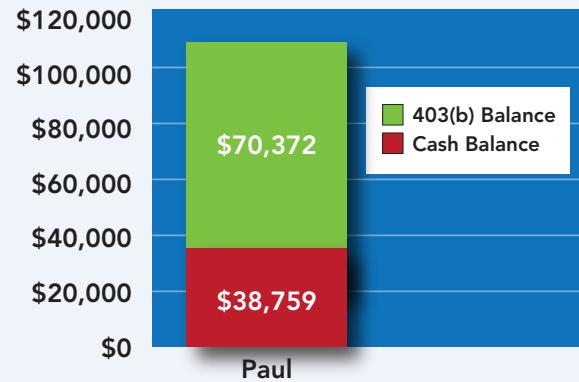


AGE: 55
YEARS OF SERVICE: 18
SALARY: \$40,000

Current earned monthly Pension Plan benefit as of 12/31/2012:
\$950 per month



Projected Total 403(b) and Cash Balance Plan Balances at Age 67



When Paul retires at age 67, he adds his Pension Plan benefit to income from a combined Cash Balance Plan and 403(b) Plan Balance of **\$109,131**.

What You Can Do to Grow Your Retirement Nest Egg

Here are tips on what you can do to grow your retirement nest egg:

- **Maximize your participation in the 403(b) Plan.** Remember that you get the full value of the Archdiocese matching contribution by contributing at least 6% of your eligible pay.
- **Understand the benefits provided by the Pension Plan and the Cash Balance Plan.** The Retirement Program statement that you'll receive in the second quarter of 2013 will include projections of the benefits you'll receive when you're eligible to retire.
- **Lastly, research the financial needs you expect for yourself and your family during your retirement,** and take the steps needed to maximize the benefits from the Retirement Program, Social Security, your personal savings and other retirement programs.

Did You Know?

The amount of retirement income you need depends on your individual circumstances. Financial experts generally recommend that you can anticipate needing to replace at least 80% of your pre-retirement income.

A Partnership for Your Retirement Income

The Archdiocese has designed a Retirement Program that supports your retirement needs and is sustainable without impairing the mission of the Archdiocese, its parishes, schools and entities.

Under the Program, your retirement income will include:

- The Pension Plan benefit you earn as of December 31, 2012,
- Your Cash Balance Plan account balance (your accumulated Pay Credits, Transition Credits if eligible, and Interest Credits), and
- Your enhanced 403(b) Plan balance, which includes the significant new Archdiocese matching contribution.

Don't Leave Money on the Table

Starting January 1, 2013, ADOM contributes 50 cents for each dollar you contribute to the 403(b) Plan up to 6% of your eligible pay.

You can take full advantage of ADOM's match by increasing your contribution to 6%. Contributing less means leaving money on the table.

Learn more about the New Retirement Program

Keeping Track of Your Retirement Benefit

As in previous years, you'll receive a Retirement Program statement in the second quarter. Your statement will show:

- Your earned Pension Plan benefit, and
- Your Cash Balance Plan account balance.

Each quarter, you'll receive a statement showing your 403(b) Plan account balance.

Getting More Information about the 403(b) Plan

You have two ways of learning more about your 403(b) Plan:

- Call toll-free at 1-800-74-FLASH (743-5274) Monday through Friday, 8 a.m. to 8 p.m.
- Log in to the Journey website at: <https://wwwrs.massmutual.com/journey/login.aspx>

With Journey, you can:

- Change your contribution rate, or stop your participation at any time.
- Research or change investment options.
- Roll over funds from previous employers' retirement plans into the 403(b) Plan.
- Take out a loan from your Plan balance.
- Access retirement savings calculators.

Upcoming Meetings and Communication

Here's a look at the communication you'll receive about the new Retirement Program in the coming months:

Date	Event
October 2012	Presentation video available on www.theadom.info in English, Spanish and Haitian Creole; DVD video presentation available at ministry location.
Monday, October 15 7:00 – 8:00 p.m.	All-Employee Meeting: St. Brendan High School — St. John Vianney Cafeteria 2950 SW 87th Avenue, Miami, FL 33165
Tuesday, October 16 6:30 – 7:30 p.m.	All-Employee Meeting: St. Bonaventure Catholic Church Parish Center 1301 SW 136th Avenue, Davie, FL 33325
October/November 2012	Additional information on enhanced 403(b) Plan
2nd Quarter 2013	Personalized Retirement Program statement sent to you at your workplace

Questions?

Email to: PensionQ@theadom.org.

Questions and answers of general interest will be posted at www.theadom.info in the

