

# *Christian Brothers Employee Retirement Plan*

## Summary Plan Description July 1, 2009 6.5% Plan



CHRISTIAN  
BROTHERS  
SERVICES

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## Highlights of Your Retirement Income Benefits

Dear Participant:

Your Employer has elected to participate in the Christian Brothers Employee Retirement Plan. The Plan was instituted on July 1, 1964 as a defined benefit pension plan for Catholic organizations. Over the years the Plan has been improved and updated by your Pension Board.

The purpose of your Retirement Plan is to provide you with a dependable income that begins at retirement and continues for the rest of your life. This Retirement Plan is a defined benefit plan. This means your benefit is calculated by a set of formulas.

Regardless of your age, the time for thinking about retirement is today. By planning now, you can make your retirement more enjoyable and a secure time of life for you and your family. The benefits provided by this Plan, in addition to Social Security and personal savings, will form the foundation for your retirement income.

Using these formulas, you can estimate your retirement benefit earned to date, and estimate it to future dates when your salary and years of service under the Plan have increased. We hope you can better plan for your retirement with these estimates. A worksheet to estimate your benefit is provided on the last page of this booklet.

Highlights of the Retirement Plan include:

- Retirement income for you and, if married, continuing benefits to your surviving spouse upon your death
- Retirement as early as age 55
- The right to retirement benefits if you leave the Plan after you are vested, regardless of your age at separation
- Optional payment methods to best suit the needs of you and your beneficiary
- If you previously made contributions to the Plan, a return of at least your contributions plus interest is available upon termination of employment, either in the form of a retirement benefit or in cash. Prior to July 1, 1997, some employees made contributions to the Plan. Beginning July 1, 1997 employees no longer are permitted to make contributions to the Plan.

This booklet takes the place of any prior booklets or other material pertaining to the Retirement Plan which you may have previously received.

Sincerely,  
Your Pension Board

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## Most Frequently Asked Questions About The Retirement Plan

**1. Q: What is the Christian Brothers Employee Retirement Plan (CBERP) and what type of groups can participate?**

**A:** The CBERP is a defined benefit church plan. Only employers who are listed, have applied for listing or are owned by an entity listed in The Official Kenedy Catholic Directory can participate. (See "Participation" Section)

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**2. Q: Who is eligible to participate?**

**A:** A non-academic employee who works at least 20 hours per week or an academic employee who teaches at least half of a normal schedule of classes. All eligible employees must participate in the Plan. (See "Participation" Section)

.....

**3. Q: How is my Retirement Benefit calculated?**

**A:** The benefits are calculated according to set formulas. If your employer provided a benefit for your years of service before your employer entered the Plan, the benefit is based on a formula of past service compensation multiplied by years of past service credit. The formula for all service after your employer entered the Plan is based on future service compensation. There are a number of examples in the booklet. (See "Retirement Dates" Section)

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**4. Q: What does vesting mean and when do I become vested?**

**A:** Vesting means you have the right to a benefit. If you had made any contributions to the Plan, you are always 100% vested in those contributions. In order to be vested for a retirement benefit, you must work with a participating employer for 4 years and 9 months. (See "Bases of Benefits" Section)

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**5. Q: When can I retire?**

**A:** If you are vested, normal retirement is at age 65; however, you can retire with a reduced benefit as early as age 55. (See "Retirement Dates" Section)

**Most Frequently Asked Questions About The Retirement Plan (CONTINUED)**

**6. Q: What is the Golden Rule of 90?**

**A:** The Golden Rule of 90 is a Plan subsidized early retirement benefit. If you qualify, you will be able to retire any time after age 55 and before your normal retirement date without a benefit reduction for early retirement commencement. (See "Retirement Dates" Section)

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**7. Q: What will happen if I become permanently disabled?**

**A:** If you meet the disability requirements under Social Security, you will continue to accrue future service benefits until age 65, as long as you continue to meet these requirements, without any contributions from your employer. (See "Bases of Benefits" Section)

You also have the option to start receiving your benefit regardless of age, provided you are vested.

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**8. Q: Can I provide for my spouse after my death in retirement?**

**A:** Yes, with a Joint & Survivor Annuity option. (See "Forms of Benefits" Section)

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**9. Q: Are my benefits affected by my Social Security retirement benefit?**

**A:** No, this Plan does not integrate with Social Security; therefore, your benefit is not reduced by Social Security. (See "Forms of Benefits/Modifications of Benefits" Section)

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**10. Q: Can I continue working after I start receiving my retirement benefit?**

**A:** Yes, provided that you do not work 20 or more hours per week for a participating employer. If you work 20 hours or more per week for a participating employer, you will be an active participant, and therefore your benefits would be suspended. Benefits are not affected if you work for a non-participating employer. (See "Forms of Benefits/Re-Employment Before & After Retirement" Section)

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**11. Q: What if I terminate employment before I retire?**

**A:** Your options vary depending upon whether or not you are vested and the value of your benefit. (See "Termination of Employment" Section)

**Most Frequently Asked Questions About The Retirement Plan (CONTINUED)**

**12. Q: What if I terminate employment and then get rehired at a later date?**

**A:** If you were previously vested and re-employed by a participating employer, and did not receive a distribution, or you received a benefit that you repaid with interest within one year of rehire, all prior service credits will be restored. If not, you will be considered a new employee. (See “Forms of Benefits/Reemployment Before & After Retirement” Section)

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**13. Q: What will my beneficiary receive if I die in active service?**

**A:** It depends on your marital status. If you are married, your spouse will receive your contributions, if any, plus interest. Also, if certain eligibility requirements are met, your spouse will be eligible for a survivor benefit for his or her life. If you are not married, your beneficiary will receive your contributions (if any) with interest. Also, if certain eligibility requirements are met, your beneficiary may be eligible for a lump sum death benefit. (See “Death Benefits” Section)

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**14. Q: How is the Plan financed?**

**A:** By employer contributions and by the investment return on the Plan’s assets. (See “Financing The Plan” Section)

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**15. Q: What happens to my employer's contributions?**

**A:** Your employer's contributions are used to fund the overall benefits of the Plan. Unlike a defined contribution plan, employer contributions are not added to the individual accounts of employees. Benefits are calculated based on formulas instead of the accumulation of a contribution account. (See Financing the Plan/Contributions from Employers” Section)

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**16. Q: What happens to the assets of the Plan?**

**A:** Funds are held in a Trust for the sole benefit of the participants. Investments are made by professional money managers. (See “Financing the Plan/Trust Fund” Section)

**Most Frequently Asked Questions About The Retirement Plan (CONTINUED)**

**17. Q: How is the Plan Administered?**

**A:** The Plan is administered by a seven member Pension Board. This Board is comprised of participants and Religious who are affiliated with participating employers. The Board hires professionals to assist in recordkeeping, actuarial and investment services. (See "Administration of the Plan" Section)

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**18. Q: Will I be provided with a statement showing the value of my benefit?**

**A:** Yes, all participants receive an annual benefit statement showing the benefits accrued under the Plan, vesting status, and projected benefits at retirement. (See Administration of the Plan/Annual Reports" Section)

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**19. Q: How do I apply for benefits?**

**A:** The Retirement Plan needs official Notice from your employer before any action can be taken. (See "Administration of the Plan/Applying for Benefits" Section)

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**20. Q: Can I borrow against my benefits?**

**A:** No. The Plan is designed as a retirement plan, and therefore benefits may not be assigned, sold, transferred, anticipated, garnished or encumbered in any way. (See "Administration of the Plan/When Benefits Are Paid" Section)

## Participation Definitions

### **Participating Employer**

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An organization that is listed or owned by an institution that is listed in the Official Kenedy Catholic Directory and that has elected and been approved to participate in this Plan.

### **Eligible Employee**

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If you are a non-academic employee, you must be scheduled to work at least 20 hours per week on a consistent basis. If you are an academic employee, you must be scheduled to work at least half of a normal full-time teaching load as determined by your employer.

### **Participant**

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Your participation begins on the date you first become an eligible employee unless your employer has elected to have a qualifying period of employment before participation can begin. This period cannot exceed one year.

## Bases of Benefits

### How are my retirement benefits determined?

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There are certain factors that determine your retirement benefit. These factors include:

- Service with your employer under the Plan
  - Continuous Service
  - Creditable Past Service (if applicable)
  - Creditable Future Service
  - Service during periods of disability
- Compensation
  - Past Service (if applicable)
  - Future Service
- Vesting

**Continuous Service** shall generally mean the period of unbroken service with your employer from your date of hire. If you have a break in service, please contact the administrator.

**Creditable Past Service** is years of Continuous Service for which you may have been credited, depending on your Employer's election, for the period immediately preceding your Employer's effective date of participation in the Plan. The Pension Board will calculate your Creditable Past Service according to the Plan provisions.

**Creditable Future Service** is years of Continuous Service during which you work for your Participating Employer after your Employer's effective date of participation in the Plan.

**Creditable Service** will not include any service with a non-participating employer.

**Continuation of Service During Periods of Disability** If you become continuously and totally disabled on or after July 1, 1987 and before your normal retirement date, you will accrue Creditable Future Service under the Retirement Plan for the entire period of your total disability. Your earnings will be assumed to continue unchanged during your absence.

You also have the option, in lieu of continuing to accrue benefits, of starting your retirement benefit regardless of your age, as long as you are vested.

You will be considered totally disabled if you meet the disability requirements under the terms of the Social Security Act.

**Bases of Benefits** (CONTINUED)

Benefits will continue to accrue until the earliest of the following dates:

- your normal retirement date
- your early retirement date, if you so elect
- the date of your recovery from disability, as defined by Social Security
- the date you return to active employment

**Compensation**

When Creditable Past Service is applicable, your **Past Service Compensation** is determined by your W-2 earnings, plus tax sheltered contributions which reduce your earnings as otherwise determined, for the calendar year prior to your employer's effective date of participation in the Plan. If such year is an abnormal year (e.g. leave of absence) your annual rate of Past Service Compensation may be adjusted by the Pension Board to reflect a full year's compensation.

For Creditable Future Service, your **Future Service Compensation** is your actual W-2 earnings during each Plan year you are covered under the Plan plus tax sheltered contributions which reduce your earnings as otherwise determined.

**Vesting**

You are vested in the Plan benefits after completing 4 years and 9 months of Continuous Service. All employees who became participants on or after January 1, 1991, must satisfy the vesting requirement in order to be eligible for retirement benefits. Employees who became participants before January 1, 1991, can also qualify for retirement benefits by attaining their early or normal retirement age.

## Retirement Dates

### Normal Retirement

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You are eligible to receive a Normal Retirement benefit if you are vested and retire on or after your 65th birthday. Your benefit will then begin on the first day of the month following your retirement.

Your benefit is based on a formula which takes into account your years of Creditable Service and your compensation during each Plan year you were covered under the Plan.

The Normal Retirement benefit is the sum of:

- Past Service:** 2.31% of your Past Service Compensation, multiplied by your years of Creditable Past Service (if applicable).
- plus*
- Future Service:** 2.64% of the total of your Future Service Compensation during each of your years of Creditable Future Service.

**Note:** Your Past Service Benefit may be limited to 5 or 10 years as a result of an election made by your Employer effective on the initial date of Plan Participation.

#### Example:

Suppose Sally Smith retires at age 65 on June 30, 1999, with 5 years of past service and 15 years of future service. Years of future service were calculated from 7/1/84, the date her employer began participating under the Plan. For the purpose of this example, assume Sally's Past Service Compensation was \$18,000 and that the total of her Future Service Compensation for her 15 years of Creditable Future Service subsequent to 7/1/84 is \$375,000 (an average of \$25,000 per year). This is how her Normal Retirement Benefit would be calculated:

#### Past Service:

$$2.31\% \times \$18,000 \times 5 \text{ yrs.} = \$ 2,079$$

#### Future Service:

$$2.64\% \times \$25,000 \times 15 \text{ yrs.} = \$ 9,900$$

$$\text{Sally's total annual retirement benefit} = \$11,979$$

**Retirement Dates** (CONTINUED)

**Example:**

Suppose John Jones retires at age 65 and assume that he has no Past Service benefit or service.

For the purpose of this example, assume John's total Future Service Compensation over his 20 years of Continuous Service to be \$320,000 (an average of \$16,000 per year), all of which is considered Future Service since he began work after his employer began participating in the Plan.

**Future Service:**

$$2.64\% \times \$16,000 \times 20 \text{ yrs.} = \$8,448$$

$$\text{John's total annual retirement benefit} = \$8,448$$

**Early Retirement**

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You will be eligible for an Early Retirement Benefit from the Plan if you are vested and are at least age 55. Your benefit to begin at age 65 will be calculated by the same formula used to determine the normal retirement benefit. However, your years of creditable service and total Future Service Compensation will be determined as of your early retirement date.

You may elect to begin receiving your monthly retirement benefit as of the first of any month between your early retirement and normal retirement dates.

If you begin receiving benefits before age 65, your benefit will be reduced, since you are expected to receive payments over a longer period of time. The reduction factors are listed in **Appendix "A"**.

**Retirement Dates** (CONTINUED)

**Example:**

Suppose Kevin O'Malley retires on the first of the month following his 58<sup>th</sup> birthday. Let's assume he has 20 years of Creditable Future Service and his total Future Service Compensation over the 20-year period is \$400,000 (an average of \$20,000 per year). His early retirement benefit will be determined as follows:

**Future Service:**

$$2.64\% \times \$20,000 \times 20 \text{ yrs.} = \$10,560$$

Times the early retirement factor, Appendix "A" = x .600 (Age 58)

$$\text{Kevin's annual early retirement benefit} = \$ 6,336$$

**Important Options Under Early Retirement**

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You may want to delay commencement of your Early Retirement benefit to age 65, your normal retirement date. In such event, you will receive your normal retirement benefit as calculated at your early retirement date but without reduction since you will begin to receive the benefit at age 65.

**Example:**

In Kevin's example under Early Retirement, Kevin would receive the full \$10,560 if he elects to receive benefits beginning at age 65.

If you decide to begin receiving your Early Retirement benefit before age 62, you may select an option that will give you greater benefits until your Social Security benefits are available at age 62, and a lesser benefit thereafter.

**Retirement Dates** (CONTINUED)

**Late Retirement**

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If you remain in your employer's service beyond your normal retirement date at age 65, you will continue to accrue Creditable Service benefits to the date of your actual retirement. In the case of Late Retirement, benefits will be calculated and begin as of your Late Retirement date.

**Golden Rule of 90**

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If you are an active participant in the Plan on or after July 1, 1997, you are eligible to qualify for the Golden Rule of 90. In order to qualify, your age (in years and completed months) plus your continuous service (in years and completed months) must add up to at least 90 years. You also must be at least age 55. If you qualify, you will be eligible to receive an immediate Early Retirement Benefit without reduction for early commencement. Ask your employer or the Pension Board for further details on this option.

## Forms of Benefits

### Normal Form of Payment Methods

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Unless you elect in writing to receive your retirement benefit by another method, it will be paid according to your marital status at the time your payments begin, as follows:

#### Single Employee

You will receive a monthly retirement benefit for life. This is called the Life Only form.

#### Married Employee

You will receive a monthly retirement benefit that has been reduced in order to provide a continuing benefit for your spouse after your death in retirement. The benefit that your spouse receives will be 50% of your reduced monthly benefit. This method is known as a **Joint and 50% to Survivor Annuity** with your spouse as Joint Annuitant. Reduction factors for joint and survivor annuities are applied to the Life Only form as explained in **Appendix "B"**.

#### Example:

Suppose Sherry Smith is going to retire at age 65. She is married to John, age 67. Assume Sherry's normal retirement benefit (on a Life Only form) is \$7,200 per year.

The normal form of Joint and 50% to Survivor Annuity produces a reduced retirement benefit of \$6,768 for Sherry ( $\$7,200 \times .94$ ). The factor of .94 is obtained from **Appendix "B"**, as John is within 5 years in age of Sherry.

Upon Sherry's death in retirement, if John survives her, he would receive a benefit of \$3,384 for the rest of his life under the 50% option. (50% of Sherry's retirement benefit of \$6,768).

## Forms of Benefits (CONTINUED)

### Optional Form of Payment Methods

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#### Single Employees

##### Election of 50% to 100% to Survivor Annuity Options

You can elect to have either 50% or 100% of your reduced benefit continue to your surviving joint pensioner after your death instead of the normal Life Only form. An election of this option reduces your normal Life Only benefit. See **Appendix "B"** for the reduction factor to be applied under the optional form of annuity you may choose. This election must be made prior to your actual retirement date.

##### 10 Year Certain & Life Option

Guarantees a benefit payable for 120 months to you or your beneficiary(s). Benefits continue for your life, but no benefit is payable to the beneficiary(s) after you have received 120 payments. An election of this option reduces your normal Life Only benefit. See **Appendix "B"** for the reduction factor to be applied under the optional form of annuity you may choose. This election must be made prior to your actual retirement date.

##### Restrictions and Conditions

Government restrictions on the allowable age difference between you and your joint pensioner may limit your election of an optional form.

If you have elected one of the optional forms of annuity, you may revoke such election at any time prior to your actual retirement date.

#### **Example:**

Suppose Bill Glass, who is single, names his younger brother, Jim, as his joint pensioner under the 50% to Survivor Option. Assume that Jim is 11 years younger. If Bill's Life Only retirement benefit is \$10,000 per year, his retirement benefit is reduced to \$9,000 under the 50% to Survivor Option, as described under **Appendix "B"**. If Bill dies in retirement and Jim survives him, Jim would receive \$4,500 per year (50% of Bill's reduced retirement benefit).

**Forms of Benefits** (CONTINUED)

**Death Effects on Survivor Annuity Options for Single Employees**

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You or your joint pensioner's death will affect Joint and Survivor Annuities as follows:

- If you die before your normal retirement date, or if you have elected early retirement, before your early retirement date, any election of the 50% or 100% optional form or 10 Year Certain & Life Option will be cancelled.
- If your joint pensioner dies before you begin to receive any retirement benefits, any joint and survivor annuity is cancelled, and your benefits will be the normal Life Only form.
- If your joint pensioner dies after you begin to receive a retirement benefit under the 50% or 100% optional annuity form, the amount of your benefit will continue unchanged. There will be no survivor benefit following your death. Under the 10 Year Certain & Life Option, you must name a new beneficiary if 120 payments have not been received.

**Married Employees**

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**Waiver of Normal Form for Married Employees**

The normal form of Joint and 50% to Survivor Annuity may be waived in favor of either the Life Only form or the 50% or 100% Survivor Annuity form with a person other than your spouse as joint pensioner or the 10 Year Certain & Life. However, the waiver must be made prior to the date benefits begin and in accordance with the rules and regulations prescribed by the Pension Board. The waiver must be signed by both you and your spouse, and your spouse's signature must be witnessed by either a notary public or a Plan representative.

If not waived, the normal form of Joint and 50% to Survivor Annuity will be provided upon:

- Your normal or late retirement date provided you have not made an election of an optional form  
or
- Your early retirement date  
or
- Your date of death if you elected a delayed early retirement date.

**Forms of Benefits** (CONTINUED)

**Election of 50% or 100% to Survivor Annuity Options**

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You have the option to elect (1) to have either 50% or 100% of your reduced benefit continued to your joint pensioner, who need not be your spouse, such as your brother or sister, (2) to have 100% of your reduced benefit continued to your surviving spouse, or (3) 10 Year Certain & Life. An election of these options reduces your Life Only benefit. See **Appendix "B"** for the reduction factor to be applied under these optional annuity forms.

Any election must be made prior to your actual retirement date. Government restrictions on allowable age differences for non-spouse joint pensioners may limit your election of an optional form. Such restrictions do not apply if the joint pensioner is your spouse.

If you name someone other than your spouse as your joint pensioner, or choose the 10 Year Certain & Life, you must then have the written consent of your spouse, properly witnessed, as described above.

**Example:**

In the example of page 12, if Sherry had elected the Joint and 100% to Survivor Annuity option and again named her husband, John, as joint pensioner, her benefit would reduce to \$6,336 ( $\$7,200 \times .88$ ), using the reduction in **Appendix "B"**. Under this option John would receive \$6,336 for the remainder of his lifetime after Sherry's death in retirement.

**Forms of Benefits** (CONTINUED)

**Death Effects on Survivor Annuity Options for Married Employees**

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The death of yourself, your spouse or your joint pensioner will affect Joint and Survivor Annuities as follows:

- If you die before your normal retirement date, or if you have elected early retirement, before your early retirement date, any election of the 100% optional form or the designation of a joint pensioner not your spouse will be cancelled, and applicable benefits will be paid to your eligible spouse under the normal Joint and 50% to Survivor Annuity form.
- If your joint pensioner dies before you receive any retirement benefits, any joint and survivor annuity will be cancelled, and your benefit will be paid as described above in the normal form according to your marital status.
- If your spouse dies after you begin to receive a retirement benefit under the normal or optional annuity form, the amount of your benefit will continue unchanged. If you have elected the 10 Year Certain & Life Option, you must name a new beneficiary if 120 payments have not been received.

**Modification of Benefits**

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Certain situations may affect benefits. Retirement benefits under this Plan are paid in addition to other benefits such as Social Security. In some cases benefits may be modified as follows:

- If you begin to receive a retirement benefit under this Plan and subsequently return to work and earn compensation from a participating employer, your retirement benefit will stop for such periods of work. (Benefits received as a surviving spouse or joint annuitant are not affected by this situation).
- The IRS has established certain maximum limits on retirement benefits. If your retirement benefit amount exceeds these limits, you will be notified by the Pension Board.

**Forms of Benefits** (CONTINUED)

**Re-employment before Retirement**

- If you terminate your employment as a non-vested participant, your creditable service will be restored if you return to work within one year of termination. If you return after the one year date, you will be considered a new employee.
- If you previously received a lump sum distribution as a vested participant and return to work later for a participating employer, you may restore your creditable service by repaying any benefits received, plus interest, from the date of termination to the date of reinstatement. Such repayment must be made within one year of your new eligibility date. If you do not repay, you will be considered a new employee.
- If you terminated employment as a vested participant and did not receive a benefit, your creditable service will be restored if you return to work later for a participating employer.

**Re-employment after Retirement**

- If you begin to receive a retirement benefit under this Plan and subsequently return to work 20 or more hours per week, and earn compensation from a participating employer, your retirement benefit will stop for such periods of work. (Benefits received as a surviving spouse or joint annuitant are not affected by this situation).
- The IRS has established certain maximum limits on retirement benefits. If your retirement benefit amount exceeds these limits, you will be notified by the Pension Board.

## Termination of Employment

### Termination of Employment Before You Have Earned a Vested Benefit

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If your employment terminates for any reason, including death or disability, and you have not earned a vested benefit, no benefits will be paid.

If you return to work for a participating employer within one year from your date of termination, your Creditable Service will be restored. If you do not meet the above conditions, you will be considered a new employee.

### Termination of Employment With a Vested-Deferred Benefit

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If, for any reason other than death or continuation of service under Disability, your employment with a participating employer terminates, you will still be able to receive a retirement benefit if you are vested. Vesting is defined on page 7.

You may choose to receive a monthly retirement benefit from the Plan beginning on your normal retirement date. Your benefit will be calculated as if you took normal retirement. In this case, however, your years of Creditable Service and Future Service Compensation will be determined at the time your employment ends.

Alternatively, you may choose to begin receiving your retirement benefit as early as age 55. In this case, benefits will be reduced as described in **Appendix "A"**.

If you previously received a lump sum benefit as a vested participant and return to work later for a participating employer, you may restore your creditable service by repaying any benefits received, plus interest from the date of termination to the date of reinstatement. Such repayment must be made within one year of your re-employment date. If you do not make such repayment, you will be considered a new employee.

If you terminated employment as a vested participant and did not receive a benefit, your creditable service will be restored if you return to work later for a participating employer.

## Death Benefits

### Pre-Retirement Spousal Benefits

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Under certain conditions, your spouse may receive a lifetime income in the event of your death prior to retirement. The major qualifications are:

1. You must have completed the applicable age and service requirements and have earned a retirement benefit at the time of your death. You will have completed such requirements if:
  - You complete at least 4 years and 9 months of Continuous Service with a participating employer.
2. You must have been married to your spouse for the one year period immediately preceding your death (such spouse referred to as your “eligible spouse”).

This spousal benefit is not applicable to you if you terminated employment before July 1, 1976 or if you terminated thereafter after attaining age 55. If the latter situation is applicable to you, however, you are considered to have retired early and the Joint and 50% Survivor Annuity will apply.

The spousal benefit in the event of your pre-retirement death is available under two situations:

#### 1. Pre-Retirement Death While in Active Service

If you should die while vested in active service (or within two years of an approved leave of absence) of a participating employer, your Retirement Plan will provide your spouse with a monthly lifetime income as follows:

- The benefit to your spouse will be 50% of your Normal Retirement benefit, calculated at the time of your death;
- Payments begin on the first of the month coincident with or next following either the date of your death or the date you would have reached age 40, whichever date is later, and continue for the lifetime of your surviving spouse.
- If your spouse is more than 10 years younger than you at the time of your death, the above benefit will be reduced.

**Death Benefits** (CONTINUED)

2. Pre-Retirement Death of Former Participants

If you left active service prior to age 55 having completed the applicable service requirement set forth above, as determined by the Pension Board, your spouse may be eligible for a benefit as follows:

If you die after age 55, your spouse will receive 50% of the benefit which you would have received if you had started to receive payments of the date of your death in the form of a Joint and 50% to Survivor Annuity;

or

If you die prior to age 55, your spouse will receive 50% of the benefit which you would have received starting at age 55 in the form of a Joint and 50% to Survivor Annuity. However, this benefit will not begin until the date you would have reached 55.

These spousal benefits continue for the lifetime of your surviving spouse.

**Non-Spousal Death Benefits**

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Under certain circumstances, a death benefit may be provided to a designated beneficiary of a vested employee who dies while an active participant, who does not qualify for the spousal death benefit. The benefit provided will be the present value of the participant's accrued benefit, not to exceed \$10,000.

**Refund of Contributions**

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If you made contributions to the Plan and die in the active service of a participating employer before a retirement benefit is effective, your beneficiary will receive a refund of your contributions plus interest, if any. This refund, if applicable, is in addition to any other pre-retirement death benefit available to your spouse.

## Financing The Plan

The Plan is financed entirely by contributions from each Employer and the investment earnings on the Plan's assets.

### Contributions from Employers

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No contributions made by Employers can revert back to them. All employer contributions must be used for employee benefits or plan expenses.

All Employer contributions go to fund the whole Plan. Such contributions are not allocated to individual employees.

### Return of Employee Contributions (if applicable)

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Certain rules regulate returns of contributions. If you were required to contribute to the Plan, you will always receive a return of your contributions, plus interest that accrues after your first Plan year, either in the form of benefits or a cash refund. This return of contributions may be paid to you, your spouse, your beneficiary or collectively, as the case may be. The total return paid out from the Plan will at least equal the amount of your employee contribution account plus interest.

### Trust Fund

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Funds are held in a Trust by a Trustee for the sole benefit of the participants and/or their beneficiaries. No part of the fund can revert back to any employer. The Pension Board hires professional money managers to invest the fund.

## Administration of the Plan

### Pension Board

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The Plan is administered by a seven member Board composed of individuals who must be employed by a participating employer or who must be a member of a Religious Institute and affiliated with a participating employer, provided that not more than three members may be, but need not be, members of a Religious Institute. The Board hires professionals to assist in the record keeping, actuarial and investment services.

### Annual Reports

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Each year you will receive a summary of the financial condition of the Plan.

In addition, you will receive an annual statement of your status as of the close of the Plan year including accrued retirement benefits, vesting status, and projected benefits.

### Required Information

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You will be required to give certain information requested by the Pension Board. If you have provided incorrect information, such as a misstatement of your age or your spouse's age, your retirement benefit will be recalculated based on the correct information.

### Small Payments

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If the resulting benefit of an option election is less than \$10.00 per month:

- No election under Early Retirement is available

and

- No election of the optional 50% or 100% to survivor is available.

If the retirement benefit is such that the value of the benefit does not exceed \$1,000, the Pension Board shall pay a lump sum equivalent in discharge of all liability.

### Limited Lump Sum Option

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If your normal retirement benefit is less than \$1,200 per year or the present value is less than \$10,000, you will be given a one-time option of electing a lump sum payment in lieu of a future retirement benefit. If you elect the lump sum, no further benefits will be paid by the Plan. If you do not elect the lump sum payment, you will receive a benefit at your early or normal retirement date.

## Administration of the Plan (CONTINUED)

### Applying for Benefits or Refund

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Your Employer must inform the Pension Board of any change in your active status under any of the following occurrences:

- Death
- Disability
- Termination of Employment, other than death or disability
- Approved Leave of Absence

Once the Pension Board receives notification of any of the above, they will either:

1. Pay benefits or refunds, if applicable, automatically to you, your spouse or beneficiary, as the case may be, under the terms of the Plan, or
2. Inform you of any rights or elections you may make under the following:
  - Termination with vested-deferred benefits
  - Early Retirement
  - Normal or Late Retirement
  - Joint and Survivor Annuity Options
  - Continuation of Service during period of Disability

### When Benefits Are Paid

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You will receive your retirement check around the first of each month.

### Preserving Your Benefits

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Certain provisions are in place to protect your benefits and rights under the Plan. Some of the major provisions are:

- **No Borrowing** You cannot obtain a portion of or borrow against your contributions in the Plan.
- **Non-Alienation** In general, provisions of the Plan prevent any assignment, pledge, transfer or attachment of contributions, if any, or benefits under the Plan. However, under Federal law, your benefits can be assigned to an alternate payee (such as a spouse, child, or other dependent) under a Qualified Domestic Relations Order (QDRO). The amount assigned is determined by the court.
- **Employer Contributions** No contributions made by Employers can revert back to them.

**Administration of the Plan (CONTINUED)**

**Amendments and Termination of the Plan**

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Should the Retirement Plan ever be modified, suspended or even terminated by the Pension Board, you will not be deprived of your rights under the Plan. If the Plan is terminated, the entire Fund will be distributed among participants and pensioners in the following order:

1. employee contributions, if any, together with credited interest;
2. retirement income benefits to those who have begun to receive them, if they were eligible to retire three years before termination of the Plan;
3. all other vested benefits due employees and their beneficiaries; and
4. any remaining benefits under the Plan.

To the extent that funds are available, benefits will be paid in full in each of the above distribution categories. If sufficient funds are not available to pay all the benefits in a category, then benefits in that category will be paid on a prorata basis.

No amendment or modification shall be made which will:

1. Adversely affect the benefits of anyone receiving a retirement or survivor annuity;
- or
2. Deprive any participant not yet retired of any benefits then accrued under the Plan.

**Termination of Participation in the Plan by an Employer or Employers**

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Your employer may individually terminate participation under the Plan. In such event, your accrued benefits are fully protected; to the extent you have then completed the vesting requirement.

**Administration of the Plan (CONTINUED)**

**Claims Procedures**

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If you think you are eligible for any of the benefits described in this Summary Plan Description, you have to file a claim in order to receive it. See your Plan Administrator for the proper forms or for any information you need.

Once your claim has been documented and you've filled out the necessary forms, the people who handle your claim will normally process it within 90 days after they receive it. However, in some cases, if more time is required, you will be notified.

If your claim is denied, you will be notified in writing. This written notice will tell you the reason for the denial. It will also point out what addition information is needed, if any, which could change the decision to deny the claim. Finally, the notice will tell you how you can have the decision reviewed.

**Claims Appeal Procedure**

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If your claim has been denied, or if you have not heard anything within 90 days after you have sent it in, you can appeal the denial in writing and have your claim reviewed. You have at least 60 days from the time you were notified of the denial or at least 60 days from the end of the processing period, if you have heard nothing by that time, to appeal.

Besides having the right to appeal, you or your authorized representative can examine any plan documents related to your claim. You can also submit, in writing, reasons why you think the claim should not be denied.

Those reviewing your claim generally must act within 60 days of receiving it. However, in special cases, they may be allowed 120 days. The final decision of the Pension Board will be sent to you in writing, with an explanation of how the decision was made.

## Plan Information

There may be times when you will need information about how the Plan is administered. We have listed the required information below.

### Plan Sponsor:

Brothers of the Christian Schools  
1205 Windham Parkway  
Romeoville, Illinois 60446-1679  
EIN #36-2671613

### Plan Name:

Christian Brothers Employee Retirement Plan  
Plan #333

### Type of Plan:

The Plan is a 401(a) defined benefit pension church plan.

### Administration of the Plan - - Plan Administrator:

The Plan is administered by the Plan Administrator, who is the:

Pension Board  
1205 Windham Parkway  
Romeoville, Illinois 60446-1679  
Local (630) 378-2900  
National (800) 807-0700

The Plan is not insured but is trusteed.

**Plan Information (CONTINUED)**

**Trustee:**

The Trustee is:

The Northern Trust Company  
50 South LaSalle Street  
Chicago, Illinois 60675

Benefits are accumulated in a Trust Fund administered by the Trustee.

**Agent for Legal Process:**

Chairperson, Pension Board  
Christian Brothers Employee Retirement Plan  
1205 Windham Parkway  
Romeoville, Illinois 60446-1679

**Plan Year:**

July 1 through June 30 of the first fiscal year (1964-1965) and subsequent years.

**Disputes as to Benefits or Rights  
The Plan Document**

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This booklet should give you information to help explain your benefits and rights under the Plan. In the case of any conflict or inconsistency between this booklet and the Plan Document, the provisions of the Plan Document will always govern.

**ERISA**

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As a church plan, the Plan is not covered by the Employee Retirement Income Security Act of 1974 ("ERISA"). Accordingly, Plan benefits are not insured by the Pension Board Guaranty Corporation ("PBGC").

**SECURITIES LAW DISCLAIMER**

The Christian Brothers Employee Retirement Plan is a church plan that is not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or State securities laws. Similarly, the Administrator and the Trustees of the Plan and the entities maintaining any investment funds under the Plan are not subject to those provisions of those Acts or laws. Therefore, Plan participants and beneficiaries will not be afforded the protection of those provisions.

## Appendix “A”

### Christian Brothers Employee Retirement Plan Early Retirement Reduction Factors

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#### Factors to be applied to the Normal Retirement Benefit at age 65

EARLY RETIREMENT FACTORS			
Early Retirement Age	Reduction Factor	Early Retirement Age	Reduction Factor
55	.500	61	.733
56	.533	62	.800
57	.567	63	.867
58	.600	64	.933
59	.633	65	1.000
60	.667		

Factors are interpolated for completed months between ages. If you qualify for the “Golden Rule of 90”, these reduction factors do not apply.

#### Example:

Assume the participant’s age to completed months at the early retirement date is 58 years. If we assume that the Participant’s normal retirement benefit payable at age 65 and earned to the date of early retirement is \$500.00 per month, the early retirement benefit beginning at age 58 years is  $(.6 \times \$500.00)$ , or \$300.00 per month.

## Appendix “B”

### Christian Brothers Employee Retirement Plan Joint and Survivor Annuity Reduction Factors

Factors to be applied to the Normal Retirement Benefit at age 65

<b>JOINT AND SURVIVOR ANNUITY ACTUARIAL REDUCTION FACTORS</b>			
CONTINGENT ANNUITANTS AGE AS RELATED TO PARTICIPANTS AGE	50% JOINT & SURVIVOR ACTUARIAL REDUCTION FACTOR (OPTION B)	100% JOINT & SURVIVOR ACTUARIAL REDUCTION FACTOR (OPTION A)	10 YR CERTAIN & LIFE ANNUITY REDUCTION FACTOR (OPTION C)
5 or more years older	.96	.91	.96
Difference less than 5 yrs	.94	.88	.96
5, but less than 10, younger	.92	.85	.96
10, but less than 15, younger	.90	.83	.96
15, but less than 20, younger	.89	.81	.96
20, but less than 30, younger	.87	.78	.96
30, but less than 40, younger	.84	.74	.96
40, but less than 50, younger	.79	.69	.96
50, or more years younger	.73	.63	.96

#### **Example:**

Assume the participant is 65 years old with a normal retirement benefit of \$500 per month and with a joint and 50% to survivor annuity, spouse age 62. Since the difference in age is less than five years, the reduction factor is .94. The participant receives \$470.00 per month on the Joint and 50% to Survivor form (.94 x \$500.00). The spouse will receive 50% of \$470.00, or \$235.00 per month, if the spouse survives the participant.

If the spouse was age 57 (5 but less than 10 years younger than the participant), the factor would be .92 instead of .94.

If the participant chooses the 100% option above, the factor is .88, as difference in age is less than 5 years. The participant would receive \$440.00 per month on the Joint and 100% to Survivor Form (.88 x \$500.00). In this case, the spouse will receive \$440.00 per month, 100% of the reduced benefit, if the spouse survives the participant.

## WORKSHEET

### Estimate Your Retirement Benefit

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#### Past Service

- (1) Years of Creditable Past Service to you \_\_\_\_\_(1)  
(No more than the maximum limit selected by your employer)
- (2) % of Past Service Compensation for Retirement Benefit = \_\_\_\_\_%(2)  
2.31% times years of Creditable Past Service (1) 2.31% times Line 1
- (3) Your W-2 earnings during the calendar year prior to the year your Employer began participation in the Plan \_\_\_\_\_(3)
- (4) Your Creditable Past Service Retirement Benefit = \_\_\_\_\_(4)  
% of Past Service Compensation times compensation Line 2 x Line 3

#### Future Service

- (5) Year in which you plan to retire \_\_\_\_\_(5)
- (6) Enter on this line the year which is the later of the year your Employer began participation or the year you began participation in the Plan. \_\_\_\_\_(6)
- (7) Year of Future Service to Retirement = line (5) minus line (6) \_\_\_\_\_(7)  
Line 5 – Line 6
- (8) % of Future Compensation for Retirement Benefit = 2.64% times Years Of Future Service entered on line (7) \_\_\_\_\_(8)  
(2.64% x line 7)
- (9) Your estimate of your average annual compensation for years of Future Service entered on line (7) \_\_\_\_\_(9)
- (10) Your Future Service Retirement Benefit = % of Future Service Compensation x Compensation (Lines 8 and 9) \$ \_\_\_\_\_(10)
- (11) Your total Retirement Benefit, estimated = Line (4) plus Line 10 \$ \_\_\_\_\_(11)  
Line 4 plus Line 10

The result entered on Line (11) is your Estimated Retirement benefit before reductions for:

- Joint and Survivor Annuity or 10 Year Certain & Life Benefits, if applicable, and
- Early Retirement Benefits, if anticipated.
- A refund of contributions plus interest, if applicable and elected.