Christian Brothers Employee Retirement Plan

Summary Plan Description
July 1, 2018

Christian Brothers Retirement Planning Services
1205 Windham Parkway, Romeoville, IL 60446-1679
800.807.0700 / Fax: 630.378.2507
rpscustomerservice@cbservices.org
cbservices.org

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.

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, or have applied for listing, in The Official Kenedy Catholic Directory can participate. (See “Participation” Section.)

2. Q: Who is eligible to participate?

A: A non-academic employee who works at least the minimum number of hours set by their employer for Plan eligibility (not less than 20 hours nor more than 30 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.). If your employer merged a prior retirement plan in which you were covered into the CBERP, the prior benefit is considered your past service benefit.

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.)

5. Q: When can I retire?

A: If you are vested, normal retirement is based on your date of participation; 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. To qualify for this benefit you must have been a participant on or before June 30, 2012. (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 have the option to start receiving your actuarially reduced benefit regardless of age, provided you are vested.

If you qualified for disability prior to July 1, 2018 and have also provided proof of qualification at that time to the CBERP, you will continue to accrue future service benefits until your normal retirement date without any contributions from your employer as long as you continue to meet the disability requirements under Social Security. Should you elect to commence benefits sooner than normal retirement age, the accrual of future service benefits will stop once commencement begins.

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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 for a participating employer more than the minimum number of hours per week required by that employer for Plan eligibility. If you work more than the required minimum number of hours 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.)

Most Frequently Asked Questions about the Retirement Plan (CONTINUED)

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.)

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 participant. (See "Forms of Benefits/Reemployment Before & After Retirement" Section.)

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 beneficiary 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.)

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.)

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.)

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 Pension Board. The Board hires professionals to assist in recordkeeping, actuarial and investment services. (See "Administration of the Plan" Section.)

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.)

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.)

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 has applied for listing in the *Official Kenedy Catholic Directory* and that has elected and been approved to participate in this Plan by completing an employer adoption agreement.

Eligible Employee

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If you are a non-academic employee, you must be scheduled to work at least the minimum number of hours per week required by your employer for Plan eligibility (not less than 20 nor more than 30) 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. The qualifying period can be provided by your employer or by contacting the Plan Administrator.

Bases of Benefits

How are my Retirement Benefits Determined?

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 if disabled prior to July 1, 2018

- 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. If your employer merged a prior plan in which you were covered into this Plan, the prior plan benefit is considered your past service benefit.

Creditable Future Service is years of Continuous Service after you become a participant 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.

Bases of Benefits (CONTINUED)

Compensation

Except for plan mergers, 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 a covered participant 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

If you became a participant on or before June 30, 2012 you are eligible to receive a Normal Retirement benefit if you are vested and retire on or after your 65th birthday. If you became a participant on or after July 1, 2012 you are eligible to receive a Normal Retirement benefit if you are vested and retire on or after your normal retirement age as defined under Social Security. 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: If applicable, the benefit determined as of the date your Employer joined the Plan based on the formula chosen by your Employer (or merged benefit if applicable).

plus

Future Service: The applicable percentage of your Future Service Compensation as elected by your Employer during each of your years of Creditable Future Service. The percentage election currently elected by your employer is 2.04%.

Example:

Suppose Sally Smith retires at normal retirement age. Assume Sally's annual Past Service Benefit was determined to be $2,080 and that her Employer elected the 2.04% benefit formula for her years of Future Service. Assume also that her total Future Service Compensation for her years of Creditable Future Service was $375,000. This is how her Normal Retirement Benefit would be calculated:

Past Service: = $ 2,080

Future Service:
2.04% x $375,000 = $ 7,650

Sally's total annual retirement benefit = $ 9,730

Retirement Dates (CONTINUED)

Normal Retirement (CONTINUED)

Example:

Suppose John Jones retires at normal retirement age 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 years of Continuous Service to be $320,000, all of which is considered Future Service since he began work after his employer began participating in the Plan, and his Employer elected the 2.04% benefit level for all years of Future Service:

Future Service:

2.04% x $320,000	=	$6,528
John's total annual retirement benefit	=	$6,528

Early Retirement

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 normal retirement age 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 normal retirement age 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"**. The factors differ based on whether your retirement commencement date is before or after July 1, 2019.

Retirement Dates (CONTINUED)

Early Retirement (CONTINUED)

Example:

Suppose Kevin O'Malley retires 7 years (84 months) prior to his normal retirement date and after July 1, 2019. Let's assume his total Future Service Compensation is $250,000 up to 7/1/14 and $150,000 after 7/1/14. Also assume his Employer elected the 2.64% benefit level for all years of Future Service up to 7/1/14 and 2.04% for all years after 7/1/14. His early retirement benefit will be determined as follows:

Future Service:

2.64% x $250,000 =	$ 6,600
2.04% x $150,000 =	$ 3,060
Total Normal Retirement Benefit =	$ 9,660

Times the early retirement factor, Appendix "A" = x .530 (84 months early)

Kevin's annual early retirement benefit = $ 5,119.80

Important Options Under Early Retirement

You may want to delay commencement of your Early Retirement benefit to your normal retirement age. 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 normal retirement age.

Example:

In Kevin's example under Early Retirement, Kevin would receive the full $9,660 per year if he elects to receive benefits beginning at normal retirement age.

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

If you remain in your employer's service beyond your normal retirement date, 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

If you became an active participant in the Plan on or after July 1, 1997, up until June 30, 2012, 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 Plan Administrator for further details on this option. If you became an active participant on or after July 1, 2012 you will not qualify for this benefit.

Forms of Benefits

Normal Form of Payment Methods

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 her normal retirement age. She is married to John, who is two years older than her. 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 annual retirement benefit of $6,624 for Sherry ($7,200 x .92). The factor of .92 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 an annual benefit of $3,312 for the rest of his life under the 50% option. (50% of Sherry's retirement benefit of $6,624).

Forms of Benefits (CONTINUED)

Optional Forms of Payment Methods for Single Employees

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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 of payment.

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 as long as commencement of benefits has not begun

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 $8,800 under the 50% to Survivor Option, as described under **Appendix "B"**. If Bill dies in retirement and Jim survives him, Jim would receive $4,400 per year (50% of Bill's reduced retirement benefit).

Forms of Benefits (CONTINUED)

Optional Forms of Payment Methods for Single Employees (CONTINUED)

Death Effects on Survivor Annuity Options for Single Employees

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

- If you have completed and submitted your retirement paperwork to the Plan Administrator within 90 days of benefit commencement, have terminated employment and die before your benefit commences, your benefit election will remain in effect.
- 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 unless you name a new joint pensioner prior to the date your benefit begins.
- If your joint pensioner dies after you begin to receive a retirement benefit under the 50% or 100% optional annuity form, you are not allowed to name a new joint pensioner and the amount of your benefit will continue unchanged. There will be no survivor benefit following your death. Under the 10 Year Certain & Life Option, if your beneficiary dies, you must name a new beneficiary if 120 payments have not yet been received.

Optional Forms of Payment Methods for Married Employees

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

or

- Your early retirement date

or

- Your date of death if you elected a delayed early retirement date.

Forms of Benefits (CONTINUED)

Optional Form of Payment Methods for Married Employees (CONTINUED)

Election of 50% or 100% to Survivor Annuity Options

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) the 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 $6,192 ($7,200 x .86), using the reduction in **Appendix "B"**. Under this option John would receive $6,192 per year for the remainder of his lifetime after Sherry's death in retirement.

Death Effects on Survivor Annuity Options for Married Employees

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

- If you have completed and submitted your retirement paperwork to the Plan Administrator within 90 days of benefit commencement, have terminated employment and die before your benefit commences, your benefit election will remain in effect.
- 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 unless you name a new joint pensioner. If you are married and the new joint pensioner is not your spouse, Spousal Consent is required.
- If your spouse or other joint pensioner dies after you begin to receive a retirement benefit under the normal or optional annuity form, you are not allowed to name a new beneficiary and the amount of your benefit will continue unchanged. However, if you have elected the 10 Year Certain & Life Option, and your beneficiary dies, you must name a new beneficiary if 120 payments have not yet been received.

Forms of Benefits (CONTINUED)

Modification of Benefits

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.

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 participant.
- 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 participant.
- 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 as an Eligible Employee, 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

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 participant.

Termination of Employment With a Vested-Deferred Benefit

If, for any reason other than death or 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 participant.

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

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 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.
Effective July 1, 2018, the spousal benefit in the event of your pre-retirement death is as follows:

If you are vested and should die during active service (or within the first two years of an approved leave of absence) or 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 reduced 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. Your spouse may elect to defer receipt of payment to a later date (with the appropriate adjustment factors) but cannot defer payment beyond the date you would have attained Normal Retirement Age;

or

- If you die prior to age 55, your spouse will receive 50% of the reduced 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. Your spouse may elect to defer receipt of payment to a later date (with the appropriate adjustment factors) but cannot defer payment beyond the date you would have attained Normal Retirement Age;

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

Non-Spousal Death Benefits

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.

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 participant benefits or plan expenses.

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

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

……..

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

The Plan is administered by a Board composed of plan participants (either active or retired) of a participating employer or who are members of a Religious Order and affiliated with a participating employer. However, up to two individuals can be appointed to the Board without satisfying either condition. No more than one-half of the Board may be, but need not be, members of a Religious Order. The Board hires professionals to assist in the record keeping, actuarial and investment services.

Annual Reports

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

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

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.

Administration of the Plan (CONTINUED)

Limited Lump-Sum Option

If your normal retirement benefit is less than $1,200 per year or the present value is more than $1,000 and less than $10,000, you will be given an 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.

Applying for Benefits or Refund

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
    - Termination due to Disability

When Benefits Are Paid

You will receive your retirement benefit payment around the first business day of each month.

Administration of the Plan (CONTINUED)

Preserving Your Benefits

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.

Amendments and Termination of the Plan

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 pro rata 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.

Administration of the Plan (CONTINUED)

Termination of Participation in the Plan by an Employer or Employers

Your employer may individually terminate participation under the Plan and will be subject to a withdrawal liability. You will be deemed a terminated participant at such time. If your employer fails to pay the withdrawal liability when due, the Pension Board reserves the right to reduce the vested benefits of any terminated participant not yet in pay status.

Claims Procedures

If you have been denied benefits but 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

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.

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.

Plan Information (CONTINUED)

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

EARLY RETIREMENT FACTORS PRIOR TO JULY 1, 2019			
Months prior to Normal Retirement	**Reduction Factor**	**Months prior to Normal Retirement**	**Reduction Factor**
144	.433	60	.667
132	.467	48	.733
120	.500	36	.800
108	.533	24	.867
96	.567	12	.933
84	.600	0	1.000
72	.633		

EARLY RETIREMENT FACTORS ON OR AFTER JULY 1, 2019			
Months prior to Normal Retirement	**Reduction Factor**	**Months prior to Normal Retirement**	**Reduction Factor**
144	.330	60	.630
132	.360	48	.690
120	.400	36	.750
108	.440	24	.830
96	.480	12	.910
84	.530	0	1.000
72	.580		

Factors are interpolated for time periods between the above monthly figures. (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 84 months prior to normal retirement age and retirement is after July 1, 2019. If we assume that the Participant's retirement benefit payable at normal retirement age and earned to the date of early retirement is $500.00 per month, the early retirement benefit is (.53 x $500.00), or $265.00 per month.

Appendix "B"

Christian Brothers Employee Retirement Plan
Joint and Survivor Annuity Reduction Factors

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Factors to be applied to the Normal Retirement Benefit

JOINT AND SURVIVOR ANNUITY ACTUARIAL REDUCTION FACTORS ON OR AFTER JULY 1, 2018			
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	.94	.89	.96
Difference less than 5 years	.92	.86	.96
5, but less than 10, younger	.90	.83	.96
10, but less than 15, younger	.88	.81	.96
15. but less than 20, younger	.87	.79	.96
20, but less than 30, younger	.85	.76	.96
30, but less than 40, younger	.82	.72	.96
40, but less than 50, younger	.77	.67	.96
50, or more years younger	.71	.61	.96

Example:

Assume the participant has a normal retirement benefit of $500 per month and elects a joint and 50% to survivor annuity after July 1, 2018 and the spouse is 3 three years younger. Since the difference in age is less than five years, the reduction factor is .92. The participant receives $460.00 per month on the Joint and 50% to Survivor form (.92 x $500.00). The spouse will receive 50% of $460.00, or $230.00 per month, if the spouse survives the participant.

If the spouse was 8 years younger (5 but less than 10 years younger than the participant), the factor would be .90 instead of .92.

If the participant chooses the 100% option above, the factor is .86, as difference in age is less than 5 years. The participant would receive $430.00 per month on the Joint and 100% to Survivor Form (.86 x $500.00). In this case, the spouse will receive $430.00 per month, 100% of the reduced benefit, if the spouse survives the participant.