

Plan Changes to the Christian Brothers Employee Retirement Plan (Effective July 1, 2021)

FAQ's for Participants

Q1. Why are changes being made to the Plan?

A1. The Pension Board, as Plan fiduciary, has an obligation to protect the participants in the Plan. The Plan has over \$1 billion in assets. These changes will help preserve the benefit for current employees, as well as future generations of employees who will serve the Church. Note: These changes were approved by the Board in the Fall of 2019 prior to the Covid-19 pandemic.

Q2. Do the Plan changes affect benefits already earned under the Plan?

A2. Any benefits earned under the Plan as of June 30, 2021, are not impacted by the benefit formula changes. Any change in the benefit formula is prospective from July 1, 2021 and forward.

Q3. Do the Plan changes affect the Golden Rule of 90?

A3. An employee who became a participant in the Plan on or before June 30, 2012, can still qualify for the Golden Rule of 90. An employee who became a participant on or after July 1, 2012, will not qualify for the Golden Rule of 90.

Q4. Do the changes affect normal retirement age under the Plan?

A4. It may depending on your age and/or date of participation. Prior to this change, the normal retirement in the Plan was

- age 65 for an employee who became a participant in the Plan on or before June 30, 2012, or
- Social Security Normal Retirement Age for an employee who became a participant in the Plan on or after July 1, 2012

The change states the normal retirement for all participants will correspond to the participant's normal retirement age under Social Security regardless of the date he/she became a participant. However, if you attain age 65 on or before June 30, 2021, you will retain age 65 as your Normal Retirement Age unless you became a participant on or after July 1, 2012.

Q5. Can I take a lump-sum distribution instead of receiving monthly pension payments?

A5. Yes, effective July 1, 2021, the Plan will offer all terminating participants (including those with a present value over \$10,000) the option to elect a lump-sum distribution instead of receiving monthly pension payments. The present value calculation will be based on the funded status of the Plan and as such will vary from year to year. More detailed information regarding this option will be provided upon termination of employment.

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FAQ's for Participants (cont.)

Q6 Can I use the Participant Website to view these changes?

A6. Yes, on or about the week of April 5th, the Participant website (found at www.cbsecurities.org) will be updated with the Plan changes. You will be able to run estimates for future retirement dates as needed. However, the website will not include projections of the lump sum option as this amount is subject to several variables which will change over time. Note: The website will not provide a before- and-after comparison but rather an estimate of benefits with the plan changes taken into account. As a reminder, benefits accrued as of June 30, 2021 are not changing. However, changes in the Normal Retirement Date may impact benefit amounts paid prior to Normal Retirement Age.

If you are contemplating early retirement commencement within the next six months to a year, we suggest you contact our office at 1-800-807-0700 to discuss how these changes might affect your benefit and retirement date decision.

Q7 How do I determine my Social Security Retirement Age?

A7. The following chart was taken from the Social Security Administration website and provides your Social Security Normal Retirement Age based on your year of birth.

Normal Retirement Age	
Year of Birth	Age
1937 and Prior	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Notes:

1. Persons born on January 1 of any year should refer to the normal retirement age for the previous year.
2. For the purpose of determining benefit reductions for early retirement, widows and widowers whose entitlement is based on having attained age 60 should add 2 years to the year of birth shown on the table.