
Christian Brothers Retirement Savings Plan 403(b) for the Employees of the Diocese of Fort Wayne/South Bend

Entry Dates

An employee hired on or after January 1, 2013, may participate in the Plan on the first day of the month after he/she meets the eligibility requirement of 30 hours per week, or thereafter on the start date of any quarter in the calendar year.

Employee Salary Savings Contribution

Generally, a participant may voluntarily contribute an even percentage point from 1% to 100% of pay into the Plan offset by any employer contribution to this Plan or any other defined contribution plan. The maximum salary deferral in one year may not exceed \$18,000. This Plan will permit "catch-up" contributions for participants over age 50. The "catch-up" contribution for 2015 is \$6,000 and will not count against limits on employee pre-tax contributions, except that the total contribution cannot exceed 100% of compensation.

Employer Contribution

The Diocese will be providing a discretionary contribution of 2% on behalf of all eligible employees. In addition, the Diocese will match 33% of the first 3% that an employee contributes to the Plan.

Changes in Salary Savings Contributions

Participants may make changes in their salary deferral amount on the start date of any quarter in the calendar year.

Vesting

Participants are always 100% vested in their own savings contributions and any employer contributions.

Investments

A participant can elect to invest his/her salary deferral and any employer match in one of two ways.

Option I. Select **ONE** Target Retirement Fund closest to your anticipated retirement age. 100% of your contributions will be invested in the Fund.

Option II. Core Funds – The total investment percentage must equal 100% among the funds below that you choose.

- + Prime Money Market Fund
- + Short-Term Inflation-Protected Securities Index Fund
- + Total Bond Market Index
- + Vanguard Total International Bond Index Fund
- + Wellington (Balanced Fund)
- + 500 Stock Index Fund
- + U.S. Growth Fund
- + International Growth Fund
- + Windsor II Fund
- + Total Stock Market Index Fund
- + FTSE Social Index Trust
- + Extended Market
- + Also, Fidelity Blue Chip Growth Fund
- + Aquinas Value Fund
- + Ave Maria World Equity Fund
- + Ave Maria Bond Fund
- + LKCM Aquinas Small Cap Fund

Investment Fund Changes

Investment changes are done any business day by accessing the Vanguard voice response system using a touch-tone phone. After enrollment, you will be provided a PIN number with further information about this service. You can also use the pin to obtain your account balance as of the prior business day close. The voice response system number is 1-800-532-1188. The website is www.vanguard.com. There is no cost for this service.

Withdrawals

An employee may withdraw money from his/her salary deferral savings account for the following events:

- + Normal Retirement – Age 65
- + Early Retirement – Age 55
- + Age 59 ½
- + Death
- + Disability
- + Termination of Employment
- + Financial Hardship

A withdrawal prior to age 59 ½, if the distribution is not “rolled over” within 60 days, may be subject to a 10% penalty tax. Ordinary income tax applies to the total withdrawal.

Financial Hardship

A participant may withdraw all or part of his/her salary deferral savings contributions (not earnings or employer contributions) if the participant can prove financial hardship to the Plan Administrator. Hardship is defined as an “Immediate and Severe Financial Need” and may only be applied to the following circumstances:

- + College Education (for yourself or a dependent)
- + Purchase of Primary Residence
- + Prevention of Eviction from Primary Residence
- + Deductible Medical Expense (for yourself or a dependent)
- + Pay Funeral Expenses for Dependent
- + Repair damage to primary residence (Insurable loss not covered)

All the above are taxable and may be subject to a 10% excise tax.

Administrative Expenses

The quarterly recordkeeping fee is \$17.50 per quarter. This fee will be deducted from the participant’s account.

Personal Statement

Participants will access the Vanguard website to review their personal statement of contributions and investment earnings or could contact Vanguard to request a paper statement be sent to their home.

Other Benefits

Salary deferral contributions reduce current taxable income. Therefore, current federal, and possibly state income taxes, are lowered by participating in the Plan. This does not affect Social Security taxes or other group benefits.

Effects on IRA’s

As a participant in a retirement plan, the deductibility of IRA contributions may be limited or eliminated based on income.

Summary of Benefits to Employees

- + Save money for the future through payroll deductions.
- + Defer current federal and state income taxes on all monies.
- + The interest and earnings of your account accrue tax-deferred.



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