

## 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 page 27.

### 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

## **20 Most Frequently Asked Questions About The Retirement Plan**

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

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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 Catholic Directory can participate. (page 1)

### **2. Who is eligible to participate?**

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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. (page 1)

### **3. How is my Retirement Benefit calculated?**

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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. (page 3)

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

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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. (page 3)

### **5. When can I retire?**

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If you are vested, normal retirement is at age 65; however, you can retire with a

reduced benefit as early as age 55. (page 3)

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

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The Golden Rule of 90 is a Plan subsidized early retirement benefit. If you qualify, you will be able to retire before your normal retirement date without a benefit reduction for early retirement commencement. (page 6)

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

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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. (page 2)

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

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Yes, with a Joint & Survivor Annuity option. (page 7)

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

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No, this Plan does not integrate with Social Security; therefore, your benefit is not reduced by Social Security. (page 11)

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

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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. (page 12)

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

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Your options vary depending upon whether or not you are vested and the value

of your benefit. (page 13)

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

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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. (page 12)

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

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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. (pages 15-16)

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

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By employer contributions and by the investment return on the Plan's assets.  
(Page 17)

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

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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. (page 17)

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

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Funds are held in a Trust for the sole benefit of the participants. Investments are made by professional money managers. (page 17)

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

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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. (page 18)

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

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Yes, all participants receive an annual benefit statement showing the benefits accrued under the Plan, vesting status, and projected benefits at retirement. (page 18)

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

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The Retirement Plan needs official Notice from your employer before any action can be taken. (Page 20)

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

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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. (page 20)