PENSION PLAN FOR PRIESTS
WITHIN THE DIOCESE OF PALM BEACH

SUMMARY PLAN DESCRIPTION

JULY 2012

PREAMBLE

The Diocese of Palm Beach Pension Plan was established July 1, 1985, to benefit its employees when their working years are over. In 1989, the Diocese of Palm Beach Pension Plan was split into two plans - this Pension Plan for Priests within the Diocese of Palm Beach and the Pension Plan for Lay Employees and Sisters and Brothers of the Diocese of Palm Beach. Effective July 1, 2007, the Pension Plan for Priests was restated. The purpose of this Plan is to provide you with additional retirement income, supplementing other sources usually and customarily available, such as Social Security. This will become clear to you as you continue reading this Summary, which describes all the facts you need to know about the Plan - including when you qualify for benefits and how much you can expect to receive.

Plan funds are administered for the exclusive benefit of participants by the Board of Trustees under the direction of the Bishop of the Diocese of Palm Beach. By law, these funds may not be directed to any other use by anyone, including the Bishop of the Diocese of Palm Beach. Furthermore, benefits may be distributed only in accordance with the provisions of the Plan Document approved by the Internal Revenue Service as administered by the Board of Trustees.

Since this booklet is a summary of the actual Plan provisions pertaining to Priests, it may be necessary to refer to the Plan documents for the answers to certain questions. In case there is any conflict between this summary and the actual Plan, the provisions of the Plan will govern. Copies of the actual Plan document are available from the Plan Administrator for a nominal charge to cover printing and mailing costs.

You should keep this summary where you can conveniently refer to it. And above all, if you have any questions about your Pension Plan, ask the Benefits Office.

Note: The provisions in this summary apply to those who are active participants under the Plan on or after July 1, 2012.

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IMPORTANT TERMS AND DEFINITIONS

BISHOP means the Bishop of the Diocese of Palm Beach.

BOARD OF TRUSTEES means the Pension Plan Board of Trustees.

DIOCESE means the Diocese of Palm Beach. For purposes of this Plan, the term Diocese includes any parish, institution, school or entity established and operated within the Diocese, with the sanction of the Bishop, and designation by the Bishop and the Board as a participating entity under the Plan.

EMPLOYEE means any Priest or Religious Priest as defined below.

MEMBER means any Priest who meets the Plan's eligibility requirements and is included as a participant thereof.

PLAN means the Restated Pension Plan for Priests Within the Diocese of Palm Beach as adopted by the Bishop and executed as of July 1, 2007 and as thereafter amended.

PLAN ADMINISTRATOR means the Diocese of Palm Beach Pension Plan Board of Trustees.

ORIGINAL PLAN EFFECTIVE DATE means July 1, 1985.

PLAN YEAR means any year commencing on July 1 and ending on June 30.

PRIEST means and includes:

A. A Priest incardinated in the Diocese (accepted into the Diocese according to the law of the Church).

B. A non-incardinated Priest with an official assignment in the Diocese of Palm Beach.

C. Religious Priests who have been accepted into the process of incardination.

D. A Religious Priest who was a participant or member of a plan of another diocese, and who immediately thereafter was acknowledged by this Plan's Board of Trustees as a transferee from such plan into this Plan by special written arrangement between the dioceses.

The term shall not include:

A. Religious Priests working in the diocese in any capacity except as defined above.

B. Priests enjoying faculties but without official assignment in the Diocese of Palm Beach.

MEMBERSHIP

ELIGIBILITY

Every Priest, as defined previously, shall become a Member of the Plan.

Persons not eligible for membership are:

A. Priests "on faculties" only, serving without a written official assignment in the Diocese of Palm Beach.

B. Persons rendering voluntary service only.

In addition, the following provisions apply:

A. Participation for eligible Priests is mandatory.

B. No member shall be permitted to withdraw from the Plan, except by retirement, disability, death or termination of employment.

C. There is no minimum or maximum age limitation, nor is there any waiting period.

D. No employee contributions are required or permitted.

If you have any questions regarding your eligibility, please contact the Plan Administrator.

DESIGNATION OF BENEFICIARY

Beneficiary means the person(s) entitled to receive any benefits hereunder at your death and who has been designated by you in writing and filed with the Plan Administrator. If no such designation is in effect at the time of your death, or if no person so designated is living at the time, the Board shall have the authority to designate as beneficiary(s) the heirs at law.

You should promptly designate and maintain on an up-to-date basis a beneficiary designation for any death or survivor's benefits under the Plan. A signed copy of all completed forms must be filed with the Plan Administrator.

THE PLAN COSTS YOU NOTHING

Your employer pays the entire cost of the Plan for you - there are no deductions from your pay. An actuary calculates the employer contributions to the Plan to keep it funded on a sound basis. Your employer's contributions are paid directly into a trust fund to be used exclusively for the benefit of Plan participants and their beneficiaries.

CREDITED SERVICE

Your years of credited service are used to determine when you qualify for benefits and how much your benefits will be:

CREDITED SERVICE is defined as:

Prior Service which means service prior to July 1, 1985, as transferred from the Miami Plan or the Orlando Plan (as applicable)

plus

Years of Service following June 30, 1985.

A *Year of Service* for Priests and Religious Priests means each Plan Year after June 30, 1985, during which a Member performs services within the diocese and/or is on disability leave for at least six (6) full calendar months.

SENIORITY SERVICE

For purposes of benefit accrual any Priest who has been active in the Diocese of Palm Beach for a period of ten (10) years shall be given credit for one half (½) Year of Service for each year he has worked in ministry since ordination other than for the Diocese of Palm Beach, up to a maximum of eight (8) years of such service. However, credit will not be given for any period of

service for which the Priest accrued a benefit under another retirement plan under which the Priest was fully vested.

Any member who has entered this Plan as a transferee from another plan and who has transferred Credited Service from such plan shall have such serviced count toward the 10 year seniority service requirement above. Such service shall not also be included in service outside the diocese and shall not provide additional half-year's credit.

BREAKS IN SERVICE

Any Plan Year during which you do not complete more than 3 months of service as a Priest in the Diocese is considered a Break in Service. Under the Plan, a Break in Service is considered to be an interruption of your employment. However, you remain entitled to the years of service you had earned before your Break in Service began if:

A. You were vested before the Break in Service; or

B. The number of your consecutive Breaks in Service years is less than five.

NOTE: If you have 5 or more Years of Credited Service you are fully vested and cannot lose benefits due to a Break in Service.

RELIGIOUS PRIESTS: EXCLUSION FROM BREAK IN SERVICE RULES

Regardless of any other provision herein, all service rendered by Religious Priests to the Diocese of Palm Beach following June 30, 1985 shall be counted for all Plan purposes; no Break in Service shall cause any period of service to be excluded from Credited Service.

WHEN YOU MAY RETIRE

NORMAL RETIREMENT DATE

Your Normal Retirement Date is the first day of the month on or after reaching your 65th birthday and the completion of 5 Years of Credited Service. Please note that a different Normal Retirement Date may apply to you if you have not been credited with a Year of Credited Service after June 30, 1986.

DELAYED RETIREMENT DATE

You may remain actively employed beyond your Normal Retirement Date and continue to

accrue benefits under the Plan. Your retirement date shall be the first day of the month on or after the date on which you actually retire.

PRE-RETIREMENT BENEFITS

Effective July 1, 2000, if you remain in active ministry following your Normal Retirement Date, you may elect to be treated as a retiree as of the first day of the month following your Normal Retirement Date, while continuing to accrue additional retirement benefits for any Years of Credited Service completed thereafter. The amount of your Normal Retirement Benefit shall be recalculated each July 1 thereafter for any additional Years of Credited Service and any cost-of-living increases.

RETIREMENT BENEFITS

NORMAL RETIREMENT BENEFIT

Your monthly benefit is calculated as follows:

$90.76* times Years of Credited Service

For example:

20 years X $90.76 = $1,815.20 per month
30 years X $90.76 = $2,722.80 per month
33 years X $90.76 = $2,995.08 per month

*The $90.76 will increase 3% each July 1. For example:

On or after:	Benefit Amount
7/1/12	$ 90.76
7/1/13	$ 93.48
7/1/14	$ 96.28
7/1/15	$ 99.17
7/1/16	$102.15

NOTE: There is a housing allowance exclusion for retired clergy which authorizes the Trustee to send two checks to Priests, one designated "pension benefit" and one designated "housing allowance." It is up to the Priest to file with the IRS showing that he is entitled to exclude all or a portion of the second check from taxable income as housing allowance pursuant to Section 107 of the Code. (Not all Priests and not all expenditures may qualify for the exclusion.)

The benefit will normally be payable commencing on your Normal Retirement Date and continuing for life. Other forms of benefit distributions are available - see "Optional Forms of Retirement Benefit", below.

DELAYED RETIREMENT BENEFIT

Your monthly benefit is calculated in the same manner as your Normal Retirement Benefit, except that Credited Service shall be determined as of your actual retirement date. Your monthly payments shall commence on the first day of the month on or after your Delayed Retirement Date.

See previous discussion of "Pre-Retirement Benefits" for payment of benefits after Normal Retirement Date while still in active service.

LIMIT ON BENEFITS

Under the Internal Revenue Code, annual benefits under the Plan generally may not exceed 100% of your average compensation for your highest 3 years of earnings.

VESTING

The term "Vesting" refers to the nonforfeitable right which you acquire to an accrued benefit, and which cannot be divested for any reason. If you terminate service in the Diocese, either voluntarily or by discharge, and are not eligible at date of termination for any other benefits, your entitlement to vested benefits shall be determined as follows:

Vesting Schedule

Years of Credited Service	**Vested % of Accrued Benefit**
Less than 5 years	0%
5 years or more	100%

Your accrued benefit at date of termination shall be determined in the same manner as that for Normal Retirement except that Credited Service shall be determined as of the date of termination. When you reach normal retirement age while still in active ministry you become fully vested in your benefits.

PAYMENT OF VESTED BENEFITS

Payment of vested benefits shall commence at your Normal Retirement Date, unless another payment date or method is approved by the Board of Trustees. In the event of your death after your assignment is terminated and prior to the commencement of vested benefit payments, no death benefits shall be payable.

VESTED INTERESTS NON-ASSIGNABLE

Your vested interest is not assignable or transferable, and may not be used as collateral or pledged or alienated in any way.

OPTIONAL FORMS OF RETIREMENT BENEFITS

The standard pension benefits under the Plan are payable to you monthly as a Life Annuity, upon retirement, for as long as you live. At your death this benefit ceases. However, the Plan also provides for an election, by you, of other forms of payment which may continue benefits to a named beneficiary at your death. If you choose one of these options, the monthly benefit is reduced in order to help pay for the continued payments to the beneficiary. This election must be made by you prior to the time benefit payments start. The following summarizes both the normal and optional forms of retirement benefits.

LIFE ANNUITY

Retirement benefits are paid for as long as you live. This is the normal form of payment under the Plan.

JOINT AND LAST SURVIVOR OPTION

You may elect to receive a decreased retirement benefit during your lifetime and have such decreased benefit continue after your death to your designated individual beneficiary for the beneficiary's lifetime. If your beneficiary is more than 10 years younger than you, your beneficiary's benefit as a percentage of your benefit may be limited.

10 YEAR CERTAIN AND LIFE THEREAFTER

You may elect to receive a decreased retirement benefit for as long as you live with 120 monthly payments guaranteed. If, after retiring, you die prior to receiving all 120 monthly payments, the balance of the payments shall be made to your designated beneficiary or to your Estate in the absence of or upon the subsequent death of the designated beneficiary.

DEATH BENEFITS

POST RETIREMENT (RETIREES ONLY)

No post retirement death benefits are payable except by reason of an Option selected prior to retirement (see Section entitled Optional Forms of Retirement Benefits).

PRE-RETIREMENT (FOR MEMBERS ELIGIBLE FOR NORMAL RETIREMENT)

A pre-retirement death benefit will be paid on your behalf whether or not you are actively serving in the diocese, if you are eligible for Normal Retirement and die prior to commencement of benefits.

The amount of the survivor benefit shall be equal to 50% of the actuarially equivalent single sum value of your vested accrued benefit as of your date of death. If the value of the death benefit is $7,000, or less, the benefit shall be paid in a lump sum to the designated beneficiary. If the value exceeds $7,000, the benefit shall be paid in the form of a monthly survivor annuity, unless the beneficiary and the Board of Trustees agree to an alternative actuarially equivalent form of benefit that satisfies the minimum distribution rules of the Internal Revenue Code. The benefit shall be paid as soon as the required calculations and paperwork are completed following your death.

PRE-RETIREMENT (FOR MEMBERS NOT ELIGIBLE FOR NORMAL RETIREMENT)

No pre-retirement death benefit is payable on your behalf if you are not eligible for Normal Retirement Benefits.

OTHER FACTS YOU SHOULD KNOW

NO DUPLICATION OF BENEFITS FOR THE SAME PERIOD OF SERVICE

No retirement benefit shall be paid to any person from this Plan for any period of service concerning which retirement benefits are paid from another plan (except for Social Security and worker's compensation benefits and certain benefits attributable to military service.)

ADMINISTRATION OF THE PLAN

A. Administration

The Plan is administered by a Board of Trustees which serves as trustee of the fund and is responsible for the management and proper operation of the Plan. The Board consists of not less than three (3) members.

The Board has the power to interpret the provision of the Plan, to determine questions relating to eligibility, participation, and benefits and such other powers, authority and duties as are necessary for the operation and administration of the Plan and as prescribed by the Plan documents.

The Board holds regular meetings throughout the year in order to carry out its administrative duties on a current and complete basis.

B. Trust Fund Investments

The trust fund established as part of the Plan is depository of all contributions and assets required for benefits under this Plan and all other qualified Plans established by the Diocese. Professional investment managers are appointed by the Board to handle investment decisions and are subject to ongoing review. All fund assets, including asset appreciation and fund earnings, are held in the trust for the exclusive purpose of providing benefits for Plan Members and beneficiaries.

C. How to File for a Benefit

You may obtain an application for benefits from the Benefits Office (address given on the last page). The completed application, along with all requested supporting documentation, must be returned to the Benefits Office. Once the completed application is received, your benefits status will be determined by the actuary and you will be notified by the Benefits Office accordingly.

D. Denied Claims Procedure

If you believe that you are eligible to claim benefits under the Plan, your claim should be filed in writing with the Plan Administrator. If your claim for benefits is denied, in whole or in part, you or your beneficiary will receive a written notice from the Plan within 90 days after the date on which your claim was filed. The Plan Administrator can extend this period for an additional 90 days by notifying you or your beneficiary of the reasons for the extension and the date when you can expect to receive a decision. The written notice will provide you or your beneficiary with:

- The specific reason or reasons for the denial;
- Specific reference to the Plan provisions on which the denial was based;
- A list of any additional information necessary to support your claim (along with an explanation of why the additional material is necessary); and
- An explanation of steps to take if you wish to submit your claim for review.

If you wish to appeal a denied claim, you or your beneficiary must file a written request for a review of the denial of the claim for benefits with the Plan Administrator within 60 days after receipt of a claims denial notice. The request must include all information not previously submitted that you or your beneficiary want to be considered in connection

with the claim. On request to the Plan Administrator, you can review Plan documents and other information pertinent to the request for review.

Generally, the Plan Administrator will make a final decision within 60 days after you file your request for appeal. This period can be extended to 120 days after your request for appeal by a notice to you that explains the reason for the extension and the date you can expect to receive a decision. The Plan Administrator has final discretionary authority to determine whether you are eligible for a benefit, and to decide all questions relating to the Plan and to interpret the Plan. You will receive the Plan Administrator's final decision in writing.

Any other claims you may have against the Plan should also be filed with the Plan Administrator and will be considered in accordance with the foregoing procedures.

E. Name and Address Changes

You shall be responsible for notifying the Benefits Office of any change in your name or address to which any benefits payable under the Plan or other communications are to be mailed. If any check in payment of a benefit hereunder (which was mailed by regular United States mail to your last known address) is returned unclaimed, no further action shall be taken until a determination therefore is made by the Board.

F. Employer Identification Number

The Employer Identification Number is 59-2438903

BENEFITS OFFICE

Diocese of Palm Beach Chancery
9995 N. Military Trail
Palm Beach Gardens, Florida 33410

Principal Contact: Benefits Office
Phone: (561) 775-9525
Fax: (561) 775-9575