



## **Frequently Asked Questions Regarding Participation in the Roman Catholic Archdiocese of Boston 403(b) Plan and the Roman Catholic Archdiocese of Boston 401(k) Plan**

*August 2011*

*Note: Questions and Answers that focus on the RCAB 401(k) Plan are intended to address FAQs from employees of Parishes, Parish Schools, and the Archdiocese Pastoral Center, all of whom are considered participants in the RCAB 401(k) Plan, which opens January 1, 2012. Some locations that participate in the RCAB Pension Plan and/or the RCAB 403(b) Plan have not made a final decision on whether to participate in the RCAB 401(k) Plan. Please check with your local benefits administrator to determine the status of this decision.*

### **Section A: the RCAB 403(b) Plan**

**1. I have been deferring a portion of my salary into the RCAB 403(b) Plan on a pre-tax basis through payroll deductions for the past few years. Will I be able to continue these deferrals to the 403(b) Plan?**

You will not be permitted to continue to make contributions to your RCAB 403(b) Plan account after December 31, 2011 as this Plan will be frozen on that date. If you would like to continue to defer a portion of your wages into a retirement savings plan through pre-tax payroll deductions after December 31, 2011, these deferrals will be made to the new RCAB 401(k) Plan or to your location's retirement savings plan if your location is not participating in the new RCAB 401(k) Plan.

**2. Do I need to notify the company who keeps records for my RCAB 403(b) Plan account that I will no longer make deferrals into that account?**

You do not need to notify the recordkeeper for your RCAB 403(b) Plan account that your deferrals will end, although you are welcome to do so. We included the major recordkeeping companies in the process of requesting proposals for the new 401(k) Plan, and through this process, the companies were notified of the freeze of the 403(b) Plan at the end of this year. We will also send formal notices to these recordkeepers in the coming weeks.

**3. What happens to the money in my RCAB 403(b) Plan account? Will it be lost with the transition to the RCAB 401(k) Plan?**

Any money invested in your RCAB 403(b) account will not be affected by the origination of the new RCAB 401(k) Plan or your location's retirement savings plan. Your money will continue to be invested as you have directed and can generally be kept in your account until you elect a distribution.

**4. Will I be able to complete a “roll over” of the money in my RCAB 403(b) account to the new RCAB 401(k) Plan as soon as the 401(k) Plan is open? I am under age 59 ½.**

If you are under age 59½ and still employed by a participating employer, you will not be able to roll your money over to the 401(k) account, or to your location’s retirement savings plan, as long as the 403(b) Plan remains open.

**5. I am over age 59½ and would like to roll my RCAB 403(b) account over to the new RCAB 401(k) Plan. Are there any restrictions on this rollover? Will I be taxed when I complete this rollover?**

If you are at least age 59½, you are permitted to roll any mutual fund account balances in your RCAB 403(b) Plan account to the new RCAB 401(k) Plan. A rollover of this type, completed in accordance with Plan rules, will be considered a non-taxable event and should be reported to the IRS as such by your 403(b) Plan recordkeeper. You should be aware that while there are no legal or tax restrictions on this rollover, the company handling recordkeeping for your 403(b) account may impose monetary surrender charges or fees for this rollover. Please check the wording of the annuity contract you signed when you enrolled with this company for information about surrender charges or account closure fees. If your employer will be sponsoring a separate retirement savings plan, you should check with your local benefits administrator to determine if that plan will accept rollovers from the RCAB 403(b) Plan.

**6. How long will the RCAB 403(b) Plan remain open? What happens when it terminates?**

The RCAB 403(b) Plan will remain in effect as a frozen plan through at least December 31, 2012 and will be terminated at some point in the future. Specific information about the termination date and what this means for your RCAB 403(b) Plan account balance will be provided in the coming months, but in general, termination of a 403(b) plan means that you will be entitled to roll over any mutual fund account balances to another qualified retirement plan, such as the RCAB 401(k) Plan or your location’s retirement savings plan, regardless of your age. As an alternative, you will also be entitled, at Plan termination, to a cash distribution of any mutual fund accounts, subject to tax withholding and penalties. Additional information on the impact of the 403(b) Plan’s termination on annuity contracts held within those accounts will be provided in the coming months.

**Section B: the RCAB 401(k) Plan**

**1. When will the new RCAB 401(k) Plan become effective? How will I know if I will be allowed to participate in this plan?**

The new RCAB 401(k) Plan will be effective in January 2012. Information about the new Plan is available in the enclosed RCAB 401(k) Highlights document. Additional information will be available online by September 15, 2011 at [www.catholicbenefits.org/401k](http://www.catholicbenefits.org/401k). All employees of Archdiocese parishes, parish schools, and the Pastoral Center are eligible to participate in the 401(k) Plan. Employees of separately incorporated locations should check with their local benefits administrator to determine if the RCAB 401(k) Plan will be available to employees of that location.

**2. How can I enroll in the RCAB 401(k) Plan? Where and when can I obtain more information about this new plan?**

The enrollment process for the RCAB 401(k) will begin in October 2011 through information meetings to be scheduled for October and November 2011. Additional information on the enrollment process will be available in the coming months. Please also see the enclosed RCAB 401(k) Plan Highlights document and the Initial Investment Options document for more general background information on the Plan. Please visit [www.catholicbenefits.org/401k](http://www.catholicbenefits.org/401k) on or after September 15, 2011 for additional information on enrollment and education seminars and on Plan operation.