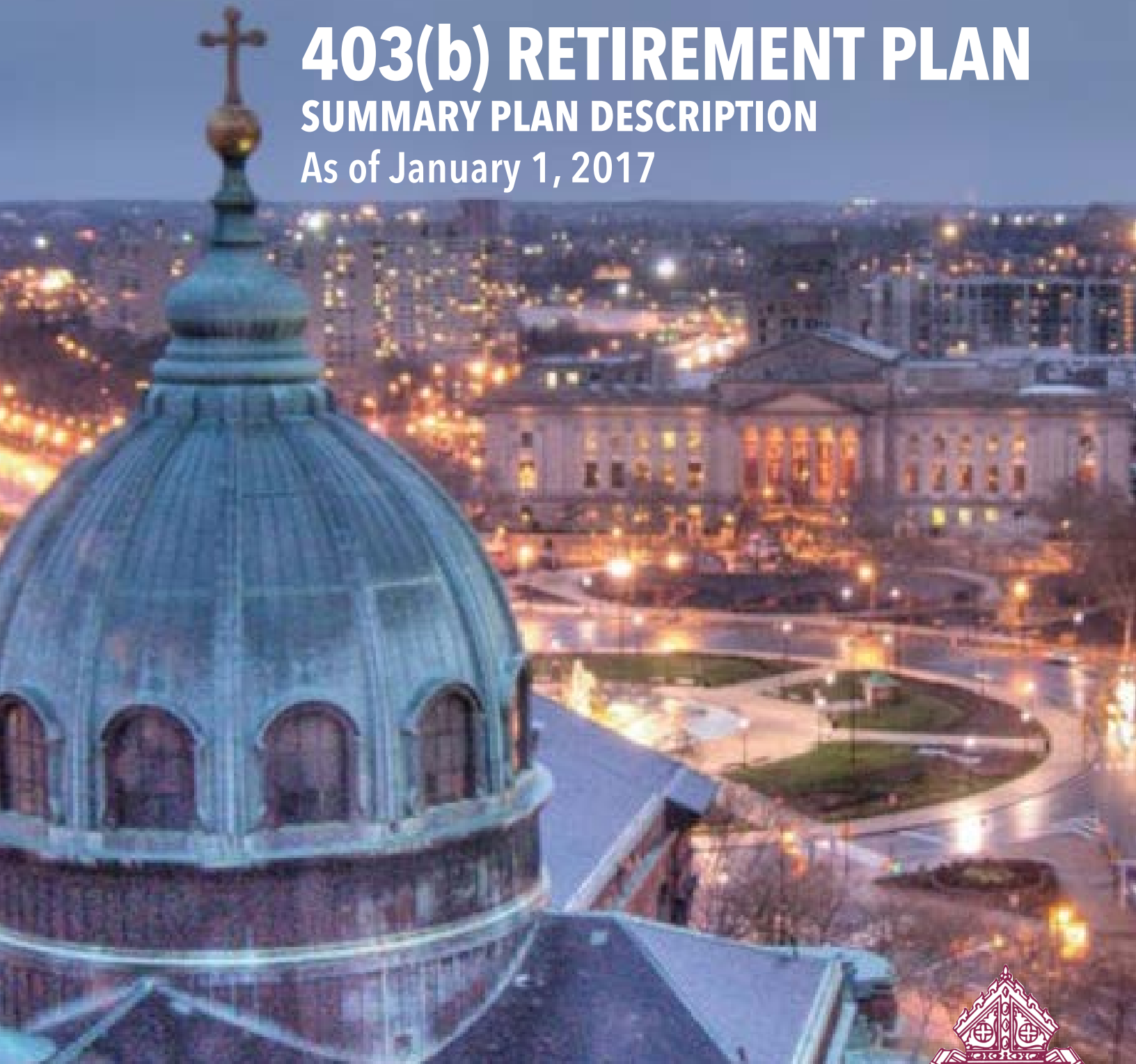


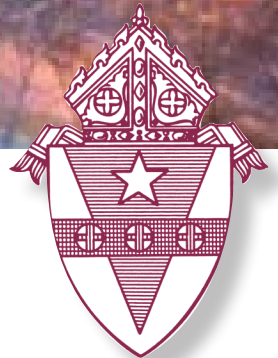
403(b) RETIREMENT PLAN

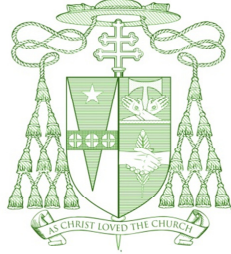
SUMMARY PLAN DESCRIPTION

As of January 1, 2017



Archdiocese
of
Philadelphia





Archdiocese of Philadelphia
Office of the Archbishop
222 North 17th Street
Philadelphia, PA 19103-1299

January 2017

Dear Friends,

The Archdiocese of Philadelphia 403(b) Retirement Plan was introduced in 2014 to provide employees with a source of retirement income in addition to social security.

This booklet reviews key features of the 403(b) Plan to help you understand how the Plan works. You are encouraged to read this summary carefully and keep it for future reference. If you have additional questions, please contact Vanguard, our Administrator, listed in the "Plan Information" section on the last page, or call your local Benefit Resource.

Know of my gratitude for your generous and dedicated service to our local Church and her people. Be assured of my prayers for you and your intentions.

Sincerely yours in Jesus Christ,

+ Charles J. Chaput, O.F.M. Cap.

Most Reverend Charles J. Chaput, O.F.M. Cap.
Archbishop of Philadelphia

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INVEST IN YOUR FUTURE

While you're working for the Archdiocese of Philadelphia, you can be building income for your future through the Archdiocese of Philadelphia 403(b) Retirement Plan (the "Plan"). Although the Archdiocese is referred to as the employer throughout this booklet, your employer is your participating institution, such as a parish.

All full-time and part-time employees of the Archdiocese of Philadelphia are eligible to participate (see *Eligibility*). The Plan is administered by Vanguard, one of the world's largest and most respected investment management companies. This summary briefly reviews how the 403(b) Retirement Plan works.

*To enroll, go to <https://retirementplans.vanguard.com>. To register, you will need your Social Security number, zip code, birth date, and the Plan Number (094572). To learn more about enrolling or changing your elections, see *Enrolling Is Easy*.*

EMPLOYER CONTRIBUTIONS PLUS YOUR SAVINGS (OPTIONAL)

To help provide income after you retire, the Archdiocese may make a discretionary contribution for each eligible employee. You can build your account more by also saving a percentage of your pay (called your "voluntary salary deferral contributions").

You are not required to contribute, but here are five (5) reasons why saving in this Plan—starting today—makes sense (and "cents" too):

- **It's Easy**—Your contribution (savings) comes out of your pay before you see it, miss it, or spend it. You can start small and increase the amount you save over time.
- **You Probably CAN Afford It**—Consider your everyday expenses.
 - Could you save the cost of one movie ticket per pay (over \$9 each)?
 - Could you bring your lunch instead of eating out (average \$20 a week)?
 - Could you save the cost of one monthly cell phone payment (average \$70)?
- **Tax Savings Can Boost Your Pay Today**—If you save pre-tax, your savings don't count as taxable income. That means you take home more of your pay. This Plan also gives you the option to save on a post-tax basis through a Roth account.
- **You're Not Alone**—Vanguard administers the Plan. This gives you access to a range of investment options, secure 24/7 access to your account, online investment management and financial planning tools, and helpful service from experienced professionals.
- **Time's a Wasting**—Year after year, the money you invest for retirement will compound (your earnings generate even more earnings). This example shows what could happen if you save consistently for 30 years—and how much difference it can make if you wait 10 or 20 years to start. (Example assumes a \$30,000 salary, saving 10% over 30 years, a 6% annual rate of return, and a 2% annual pay increase, but it does not represent the return on any particular investment.)

JOIN TODAY

\$294,900

WAIT 10 YEARS

\$129,100



WAIT 20 YEARS

\$42,900



INVEST IN YOUR FUTURE

ELIGIBILITY

All employees, full-time and part-time, are eligible immediately to make voluntary contributions into the Plan. These personal contributions can range from 1% to 100% (up to the IRS limits) and may be pre-tax or after-tax contributions, or any combination to the two.

Employees are eligible to receive an Archdiocese contribution after completing 1,000 hours of service during a 12-month calendar year period. Newly-hired employees become eligible for the Archdiocese contribution after completing 1,000 hours of service during their initial 12-month period beginning on their date of hire (which will likely carry over into the next calendar year). Please check with your Benefits Office to determine when you are eligible to receive the Archdiocese contribution.

EMPLOYER CONTRIBUTIONS

The Archdiocese of Philadelphia may make a discretionary contribution to your account automatically upon reaching eligibility. Currently the Archdiocese contribution is 4.5% of eligible pay, and is a basic contribution. In other words, this is not a “matching contribution” and is not based on whether or not the employee makes personal contributions to the Plan. The amount of the contribution can be changed at any time and is totally discretionary.

IT'S YOUR ACCOUNT...TAKE CHARGE

You are always 100% vested in your own contributions and their earnings. You become vested in the Archdiocese contributions after one year of service. You can take your account with you if your employment ends.

To make the most of this Plan, you need to learn how the Plan works, save as much as you can, and take an active role in managing your account. You can enroll, change how much you contribute or how your account is invested, review investment performance, move money among investment funds, or request a loan or withdrawal—either online or by phone:

- **Online**—You can log on to your account at <https://retirementplans.vanguard.com>. To register for secure online account access, you will need your Social Security number, date of birth, zip code, and the Plan Number (094572). You can download the mobile app at vanguard.com/bemobile so you can access your account on the go.
 - Check out [Lessons](#) for short videos about topics ranging from why it's important to save for retirement, how much to save, how investment options work, and how to build retirement income while saving for college tuition or other expenses.
 - The [Tools](#) page offers calculators and other resources to help you determine if you are on track for a secure retirement, how saving more could affect your paycheck, why it makes a difference to start saving early... and more.
- **Telephone**—Call 800-523-1188 to reach Vanguard's 24-hour interactive VOICE® Network. You'll need your Social Security number and a personal identification number (PIN) to use VOICE. To create a PIN, follow the prompts. Or you can speak with a Vanguard Participant Services associate Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

This 403(b) Summary Plan Description (SPD) and other Vanguard materials are available on the [Benefits Gateway](#) or from the Benefits Office. If there is a difference between this booklet and the Plan document, the Plan Document will govern.

GETTING STARTED

ENROLLING IS EASY

You need to enroll to choose how much you want to contribute and your investment options and to name your beneficiary. You can change your elections at any time.

- Go to <https://retirementplans.vanguard.com> and enter your Social Security number, date of birth, zip code, and Plan No. 094572.
- Click *Continue*.
- Next, make your elections. **Important!** If you don't name a beneficiary, your account will be paid to your spouse if living or otherwise to your estate.

CHOOSING HOW MUCH TO CONTRIBUTE

The Archdiocese contribution to your 403(b) Plan account and Social Security provide a basic level of retirement income. To have a comfortable retirement, you will need to add your personal savings. Vanguard recommends saving 12% to 15% of pay each year for retirement, including employer contributions. If saving that much seems impossible, don't give up. Instead, save as much as you can...and plan to increase your savings percentage once a year. **You may change how much you contribute or your investment options at any time at [vanguard.com](https://retirementplans.vanguard.com).**

If you are not personally making contributions to your 403(b) plan account, you will be enrolled automatically after you become eligible for the employer contribution (see *Eligibility* on Page 2). You will be included in the Annual Employee Participation Opportunity during the following July.

AUTOMATIC 1% DEDUCTION AND 1% ANNUAL INCREASE

Through the auto enrollment and auto increase feature (called the *Annual Employee Participation Opportunity*), the Archdiocese encourages ALL eligible employees to contribute at least 1% of pay and to increase their contribution percentage each year.

- **Automatic 1% Deduction**—If you do not enroll or choose not to contribute, you will be enrolled for a 1% pre-tax contribution after you become eligible for the Archdiocese contribution. You will be notified before the deduction begins, and you may opt-out before the deductions begin.
- **Annual July Increase of 1%**— If you are "auto-enrolled," your contribution rate will also be increased by one percentage point each July beginning in the calendar year after you are auto-enrolled. These automatic annual increases will continue until your contributions reach the automatic limit of 5% or the IRS limit, whichever is less. You will be notified before the increase takes effect, so again, you have an opportunity to opt-out of this scheduled increase.

If you have not chosen how to invest your account, all contributions will be invested in the Vanguard Target Retirement Fund with the target date closest to the year in which you will reach age 65 (see *Investment Options*).

ABOUT YOUR CONTRIBUTIONS

Here are key facts about contributing to the Plan.

CONTRIBUTION LIMITS

You may save from 1% to 100% of your pay, up to the annual IRS limits. If you will be at least age 50 during the calendar year, you can make an additional Catch-up contribution. For 2017, the IRS limits are \$18,000 for employee contributions and \$6,000 for Catch-up contributions. These IRS limits may change each year. For the current limits, please check the Vanguard website (vanguard.com/contributionlimits) or the IRS website (irs.gov).

If you contributed to a previous employer's plan this year, be aware that the annual IRS limit applies to the sum of your contributions to all employer plans for this year. Monitor your contributions to ensure that your total contributions for this year do not exceed the annual IRS limit.

PRE-TAX OPTION

Your personal salary deferral does not count as income for federal taxes (does not apply to Social Security/Medicare). That means you take home more of your pay. For example, if you earn \$50,000 a year and save 5% (\$2,500 a year), you would save \$566 a year (assumes 15% Federal tax rate and 7.65% for Social Security/Medicare). However, you will owe ordinary income taxes on contributions and earnings when you receive the money, but you may be in a lower tax bracket after you retire.

ROTH AFTER-TAX OPTION

When you make Roth contributions, you pay taxes now. But you won't owe federal tax on your Roth contributions—or their earnings—if you receive the distribution after you are at least age 59½ and you made your first Roth contribution at least five years before. You may make pre-tax and Roth post-tax contributions. The [Roth Assessment Tool](#) on the Vanguard website may help you decide.

DEDUCTIONS TO OTHER 403(b) PROVIDERS

Vanguard is the sole approved Archdiocesan 403(b) vendor. You may not contribute through payroll deduction to non-Vanguard service providers.

ROLLOVERS

If you have money in a former employer's qualified retirement plan or an IRA, in most cases you can roll it over to this Plan. Ask the service provider about any fees or penalties that could apply.

INVESTMENT OPTIONS

The 403(b) Retirement Plan provides a range of investment options—and resources to help you determine the investment strategy that fits your needs. If you take the [Investor Questionnaire](#), Vanguard will suggest an investment mix for your long-term goals that reflects your risk tolerance, investing experience, and life stage.

INVESTING BASICS

Stocks and bonds are the building blocks of a long-term investment strategy. The annual return for investments in stocks is generally significantly greater than bonds over time, but they carry higher risks than bonds. But if you avoid the risks of stocks entirely, it will likely take a lot more time to reach your financial goal. Here are some basic facts about investment options.

Stocks

When you own stock, either directly or through a mutual fund, you are a part owner of the company. If the company declares a dividend, you are entitled to your fair share. If the stock goes up in value—or loses value—your shares will gain or lose proportionately too.

Bonds

When a company or government wants to borrow, it issues bonds. Bond buyers are lending them money. A bond is a legal contract to repay the amount borrowed, plus interest, over a specified time. (There is no similar promise to return a stock owner's money, which makes stocks riskier than bonds.) Bonds are subject to the risk that an issuer will fail to make payments, or bond prices may decline due to rising interest rates or negative perceptions of an issuer's ability to make payments.

Mutual Funds

Many investors pool their money in a mutual fund, allowing them to own many more investments than they could buy alone and to benefit from the services of professional fund managers. A single fund might own thousands of individual stocks or bonds. This diversification reduces some of the risk of investing. The fund manager will buy and sell investments to meet the fund's overall objective, such as growth or income.

Target-Date Funds

These funds may simplify your investment selection because they contain a broadly diversified mix of stocks and bonds. The manager of a target-date fund adjusts the fund mix if it is affected by market changes—and over time decreases the percentage of stocks in the fund and increases the percentage of bonds. That way, there is less chance of a big loss close to the investor's expected retirement date (the year in the fund name). **Note:** An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Fees

While Vanguard does charge annual maintenance fees for each account, these fees are currently being paid by the Archdiocese and will not be charged to participating employees.

INVESTMENT OPTIONS

ABOUT RISK

All investing is subject to risk, including the possible loss of the money you invest. For information about any fund, including investment objectives, risks, charges, and expenses, call Vanguard at 800-523-1188 to obtain a prospectus or, if available, a summary prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at vanguard.com.

THIS PLAN'S INVESTMENT OPTIONS

The investment options may vary. You can find the current fund mix for this Plan at the [Archdiocese 403\(b\) Retirement Plan website](#). There are four types (tiers) of funds in the Plan:

- **Tier 1-Vanguard Target Retirement Funds**—As noted above, this type of fund is designed to gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date (the year in the fund name). If you do not make an investment election, your contributions will be invested in the Target Retirement Fund closest to the year you will reach age 65.
- **Tier 2-Core Funds**—These funds include a guaranteed interest account and several Vanguard stock and bond index funds.
- **Tier 3-Supplemental Funds**—These funds include actively managed funds that cover differing investment styles, such as large cap and small cap funds.
- **Tier 4-Specialty Fund-Catholic Values**— In keeping with its goals and values the Archdiocese of Philadelphia also offers funds that invest solely in companies that reflect Catholic values.

ACCOUNT INFORMATION

You are encouraged to actively manage your account online at <https://retirementplans.vanguard.com>. Vanguard also will provide periodic account statements by mail (or online if you elect the "paperless" option).

LOANS, WITHDRAWALS, AND DISTRIBUTIONS

The 403(b) Retirement Plan is designed to help you build the income you will need to live comfortably in retirement. Experts suggest your retirement income needs to be 75%-85% of the amount you are making before retirement. That's why it's best to let your 403(b) Plan account continue to build until you retire. However, you may be permitted to borrow from your account or take a hardship withdrawal while you're working. Be sure you understand the potential tax implications of any distributions from your account.

LOANS

Before you request a loan, keep in mind that your paycheck will be reduced to repay the loan with interest and that you could owe taxes and a 10% federal penalty if you leave the Archdiocese of Philadelphia before repaying the loan. Use the [Loan Calculator](#) on the Vanguard website to determine the loan's true cost and if an alternative might be better for you.

The minimum loan is \$1,000. The maximum is 50% of your vested account balance up to \$50,000 (or less if you have had an outstanding loan in the past 12 months). You may have no more than two outstanding loans—one general purpose loan and one loan to purchase your principal residence. You may take up to five years to repay a general-purpose loan or ten years for a home purchase loan.

You may apply for a loan online or by phone. There is a \$50 application fee if you apply online or through the VOICE telephone system or \$100 if you request personal assistance from a Vanguard associate. The maintenance fee is \$25 a year per loan.

WITHDRAWALS

You may be permitted to withdraw money from your account under certain circumstances:

- **After Age 59½**—You can make withdrawals from your entire vested account balance.
- **Hardship Withdrawals**—Before making a hardship withdrawal, you must exhaust other options, including loans. You cannot contribute to your account for six months after the withdrawal. These reasons may qualify as a serious financial hardship:
 - Purchase of a principal residence, prevention of eviction or mortgage foreclosure, or to repair your principal residence if the expenses qualify as a casualty deduction;
 - Tuition and fees for postsecondary education; or
 - Unreimbursed medical expenses or burial or funeral expenses for a parent, spouse, child, or dependent.
- **Rollover Withdrawals**—You may withdraw all or part of any money that you rolled over from another plan.
- **Roth After-Tax Withdrawals**—You can withdraw all or part of your Roth contributions and earnings for the following types of Roth withdrawals:
 - Roth age 59½.
 - Roth hardship.
 - Roth rollover.

The withdrawal can be tax-free if you are age 59½ and have had your Roth account for at least five years. You should also meet the plan's requirements for each type of Roth withdrawal.

LOANS, WITHDRAWALS, AND DISTRIBUTIONS

IF YOUR EMPLOYMENT ENDS OR YOU DIE

You are eligible to receive your vested account balance upon retirement, termination of employment, or total and permanent disability.

Be Sure You Name Your Beneficiary—If you die, Federal law requires that the Archdiocese distribute your account to the beneficiary on file with Vanguard—your Plan designation supersedes your Will. So, make sure you designate a beneficiary when you enroll and change it as needed (for example, if you get married or divorced). If you do not designate a beneficiary, your account will be paid to your spouse if living or otherwise to your estate. To name or update your beneficiary:

- Log on to your account at <https://retirementplans.vanguard.com>.
- Click *My Profile* (if you have multiple accounts at Vanguard, you may need to select *Employer plans* first).
- Select *Beneficiaries*.

TAX IMPLICATIONS

You will be responsible for paying any federal, state, local, or foreign taxes on a distribution or withdrawal from pre-tax accounts. A distribution or withdrawal of Roth earnings is usually also taxable unless the initial Roth contribution was made more than five years ago and you are at least age 59½. Early withdrawals may be subject to a 10% federal penalty tax. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes.

Note: Once you reach age 70½, you must withdraw at least a minimum amount—your required minimum distribution—each year from your tax-deferred retirement savings accounts.

PLAN INFORMATION

PLAN ADMINISTRATION

The Archdiocese of Philadelphia 403(b) Retirement Plan is administered by Vanguard. This booklet summarizes key Plan provisions. The Plan is governed by the terms of the Plan document. If there is a difference between this booklet and the Plan document, the Plan document will govern.

If you have any questions about how the 403(b) Retirement Plan operates, you may contact Vanguard (the Plan Administrator) by calling a Vanguard Participant Services associate at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

PLAN SPONSOR

The Archdiocese of Philadelphia sponsors this 403(b) Retirement Plan. To reach the Archdiocese regarding this Plan, please direct inquiries to:

Archdiocese of Philadelphia
Pension Office
222 N. 17th Street
Philadelphia, PA 19103
215-587-0570

Participating Employers

Although the Archdiocese is referred to as the employer throughout this booklet, your employer is your participating institution, such as a parish. However, your employer cannot modify the terms of the Plan. A list of participating institutions can be obtained from Vanguard (the Plan Administrator).

FUTURE OF THE PLAN

The Archdiocese reserves the right to amend or terminate the Plan, at the discretion of the Archbishop.

403(b) Retirement Plan
Summary Plan Description
As of January 1, 2017

