



The Most Reverend Joseph W. Tobin, C.Ss.R.
Archdiocese of Indianapolis

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January 19, 2016

Dear Co-Worker in Ministry,

I wish you and your family a most blessed New Year and pray that you come to more fully experience and share the love and mercy of God in the months ahead.

I also want to thank you for your service to the Archdiocese of Indianapolis. I am grateful for the work you do to support the ministries of our parishes, schools, and agencies.

As an employer, the Archdiocese of Indianapolis is committed to providing benefits to assist you and your family, including medical, dental, life, and long-term disability insurance. We also believe it is critically important to help employees save for retirement.

You are currently eligible for two retirement plans:

- A retirement savings plan, also known as a 403(b) or “defined contribution” plan, which provides a 50% match on savings up to 8% of pay. The matching funds vest (become your money) immediately. This has been the only retirement plan provided to employees hired since January 2012.
- Full-time employees hired prior to January 2012 are also eligible for a second retirement plan, the pension plan, which is also known as a “defined benefit” plan. It is administered by the Nyhart Company, and the Archdiocese contributes a percentage of eligible participants’ annual earnings at the end of each calendar year. Participants do not contribute to this plan, and all of the funding comes from the Archdiocese.

The Archdiocese hired a consulting firm to evaluate these two retirement plans and offer recommendations. Their key findings are listed below:

- The retirement savings plan provides an effective method for employees to save for retirement, especially since new full-time employees hired since July 2008 were enrolled in the plan at 2% of pay and their savings rate is increased by 1% per year, until they are saving 8% of pay, the maximum that we match.
- Unfortunately, the second plan, the pension plan, has become cost prohibitive for the Archdiocese to continue, which is mainly due to the volatility of investment returns and the update of assumptions used to calculate plan costs. Continuing this plan would require an additional annual contribution of \$3 million, which would place a financial burden on parishes, schools, and agencies whose revenues have been relatively “flat” over the past few years.

After much research and prayerful consideration, the difficult decision was made that no new benefits will be earned under this plan as of July 1, 2016. After July 1, 2016, we will continue to fund the benefits that employees have already earned under the plan, but no new benefits will accrue in the future.

Here are answers to questions you may have:

What will happen to pension benefits I already earned?

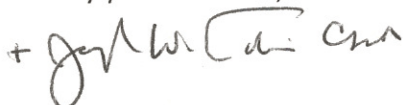
Any benefits earned under the pension plan through June 30, 2016 will remain in the plan and earn interest each year equal to the 10-year Treasury rate, which means that the rate will always be a positive number. You have access to these funds when you retire or end your employment with the Archdiocese.

What should I do now?

If you are not already participating in the retirement savings plan, consider starting to save and benefiting from the matching funds we provide. Also, Peter Dunn, also known as "Pete the Planner", can meet individually with employees and provide information about how to save adequately for retirement based on each individual's or family's circumstances. His assistance is confidential and free-of-charge, and he is not selling any services or investments.

I regret the need to announce this difficult news. Many other employers, including many dioceses, have had to make similar decisions over the past few years with their defined benefit pension plans. If you have any questions regarding your retirement benefits, if you wish to start or increase saving for retirement, or if you are interested in assistance from Pete the Planner, please contact the Human Resources Office at humanresources@archindy.org, (317) 236-1594, or (800) 382-9836, ext. 1594.

Sincerely yours in Christ,

A handwritten signature in black ink, appearing to read "Joseph W. Tobin", with a cross symbol to the left.

Most Rev. Joseph W. Tobin, C.Ss.R.

Archbishop of Indianapolis