



**MICHIGAN
CATHOLIC**
CONFERENCE

Frequently Asked Questions Lay Employees' Retirement Plan (LERP)

2016 Update

Questions:

Q. Why is there a new plan document?

A. The IRS generally requires a qualified pension plan document to be restated and submitted for approval every five years. The five-year deadline for MCC's Lay Employees' Retirement Plan (LERP) was January 31, 2016. As a result, the LERP has been amended and restated, effective January 1, 2016. The restatement makes some changes discussed in these FAQs and the Summary Plan Description and incorporates all amendments made to the LERP since it was last restated.

Q. Has the amount of my retirement benefit changed?

A. No, the restatement did not change the LERP retirement benefit formula.

Q: In what form will my retirement benefit be paid?

A. The normal form of distribution is a monthly annuity payable for your lifetime. You are allowed to waive the normal form and elect either (1) an annuity payable for your lifetime with 60 months certain (meaning that if you die within 60 months of the date as of which your benefits commence, your designated beneficiary will receive your monthly annuity for the remainder of that 60-month period), (2) a joint and 100% survivor annuity or (3) a joint and 50% survivor annuity. A joint and survivor annuity is a reduced monthly annuity payable for your lifetime, with the designated percentage of your monthly benefit continuing for the lifetime of your designated joint annuitant, if he or she survives you. The joint annuitant can be any person you designate at the time you elect your form of distribution, provided, however, if you select the joint and 100% survivor annuity option, your designated joint annuitant may not be more than 10 years younger than you are. Please see the Summary Plan Description for a more detailed explanation of the forms of distribution available under the LERP.

Q. Has the LERP death benefit changed?

A. The death benefit payable under the LERP with respect to a vested participant who dies before his or her retirement benefits commence has been modified and generally enhanced. Effective with respect to the death of a participant occurring on or after January 1, 2016, the death benefit is 80% of the Actuarial Equivalent (as defined in the LERP plan document) of the participant's Accrued Benefit.

Q. In what form is the death benefit paid?

A. The death benefit is payable as a single lump sum payment within one year following the participant's death; provided, however, if the participant's designated beneficiary is a single natural person (this does not include a trust) and the value of the death benefit is \$50,000 or more, the designated beneficiary may elect to receive the death benefit as an Actuarially Equivalent annuity for the beneficiary's lifetime.

Q. Can I designate anyone as the primary beneficiary of my death benefit?

A. You may designate any one or more persons as your primary beneficiary(ies), including a trust. For example, you can designate your spouse, child, sibling, parent or friend. If your primary beneficiary dies before you and you do not designate a new primary beneficiary, your default beneficiary will be your descendants by right of representation, and if you have no living descendants, your estate. It is very important that you make sure that you have designated a primary beneficiary and that this information is always up to date. You can verify your primary beneficiary online by using the online [Employee Self-Serve](http://www.micatholic.org/BenefitsSystem) portal (www.micatholic.org/BenefitsSystem), by calling the MCC Benefits Team at 800-395-5565, or by calling MCC at 800-395-5565.

Q. Will the LERP accept a Qualified Domestic Relations Order (QDRO)?

A. Any QDRO that was approved by MCC counsel, signed by a judge, and first received at MCC prior to December 31, 2015 will be honored. Domestic relations orders first received by MCC on or after January 1, 2016 will not be accepted by or binding on the LERP and any attempt in such order to assign an interest in the participant's benefit will not be recognized by the LERP.

Terms of LERP document control: In the event of any inconsistency between the information contained in these FAQs and the LERP plan document, the terms of the LERP plan document will control.