

# PLAN HIGHLIGHTS

Your financial health and well-being are important to the Archdiocese of Chicago. That's why we offer you the Defined Contribution 403(b) Retirement Plan for Benefits Eligible Lay Employees (the "Plan") to help you achieve a secure financial future.

This plan highlights document provides a general overview of the Plan. If you have questions, or would like to take advantage of personalized retirement planning guidance, be sure to contact our retirement counselor, Julia Calderon. You can call to schedule an appointment at **312-244-0941**, or send an email to

**Julia.Calderon@prudential.com**. For more detailed information about your Plan, you can request your Plan's Summary Plan Description (SPD) from your Plan Administrator.

## ENROLLMENT AND ELIGIBILITY

- Your enrollment in the program is automatic, unless you decline participation within 30 days following your Plan entry date.
- Automatic enrollment is a process by which you are enrolled in your retirement program without taking any action. You can change the amount of your contributions, stop them altogether or redirect your investment options.
- If automatically enrolled, you will be enrolled at a deferral rate of 3% of your eligible pay, which will be deducted from your paycheck and invested in the Vanguard Institutional Target Date Funds. To learn more about other investment options in your program, go online to **aoc.retirepru.com**.
- You are immediately eligible to enroll in the plan on your own and start your pre-tax savings prior to the automatic enrollment start date. This will allow you to invest in the funds of your choice from the start of your participation. In addition, you may contribute more to your account. Even an increase of one or two percent over the auto-enrollment deferral rate of 3% can have a significant impact on your savings.

## CONTRIBUTION ACCELERATOR

The Plan's Contribution Accelerator feature offers you an easy way to increase your contribution amount over time. Here's how it works:

- If you were automatically enrolled in the Plan at 3% of your eligible pay, you are also automatically enrolled in the Contribution Accelerator feature unless you opt out.
- Your contribution amount will increase by 1% annually, up to a 4% maximum.
- You can opt out of this feature at any time.

## YOUR CONTRIBUTIONS

- You may contribute up to 100% of your annual pay before taxes are deducted.
- You may also make after-tax Roth contributions. To help you determine if Roth contributions are appropriate for you, visit [preparewithpru.com](http://preparewithpru.com) and enter your personal data into the Roth Contribution Calculator.
- In 2018, federal tax law allows you to make a combined contribution of pre-tax and Roth contributions to your retirement plan up to \$18,500.
- If you will be at least 50 years old in 2018, you are also eligible to make an additional pre-tax catch-up contribution of up to \$6,000 per year.
- You may change your contribution amount any time.

## EMPLOYER'S CONTRIBUTIONS

The Archdiocese will contribution \$0.50 to your account for every \$1 you contribute, up to the first 4% of your eligible pay.

Additionally, under the Share Plan, the Archdiocese will make a quarterly contribution to each eligible employees' 403(b) retirement plan account. If you became eligible or were hired in a benefits eligible position on or after July 1, 2007, this contribution will be based on a flat percentage of gross earnings. The flat contribution may range from 1.25% to 5.0% as determined annually by the Archdiocese. If you were employed in a benefits eligible position prior to July 1, 2007, the Share Plan contribution will be based upon a percentage of gross earnings that corresponds to your age.

## VESTING

"Vesting" refers to your ownership of the money in your account. You are always 100% vested in your contributions. This vesting schedule applies to the Archdiocese match.

| Years of Service | Percentage Vested |
|------------------|-------------------|
| After 1          | 25%               |
| After 2          | 50%               |
| After 3          | 75%               |
| After 4          | 100%              |

This vesting schedule applies to the Share Plan contribution.

| Years of Service | Percentage Vested |
|------------------|-------------------|
| Less than 5      | 0%                |
| After 5          | 100%              |

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### ACCESS YOUR MONEY

You may be able to access money in your retirement program account through a loan, in-service withdrawal, hardship withdrawal or your termination of employment.

### LOANS

|                               |  |
|-------------------------------|--|
| Your plan allows you to take: | 2 loans at one time                                      |
| Application Fee               | \$50 for each loan                                       |
| Processing Fee                | <b>No charge</b>   |
| Method of Payment             | ACH  |
| Tax Consequences:             | If loan is not paid in full, tax consequences will apply |
| Prepayment available:         | Yes  |

### GENERAL PURPOSE LOAN

|                   |  |
|-------------------|--|
| Interest rate:    | Prime rate plus 1%*  |
| Minimum loan:     | \$1,000  |
| Maximum loan:     | 50% of your vested account balance, up to \$50,000 in a 12-month period* |
| Repayment period: | 1 to 5 years   |

\* Interest is paid back to the participant's account. Additional information about loan calculations and loan interest rate details can be found in your plan's loan policy.

### PRIMARY RESIDENCE LOAN

|                   |  |
|-------------------|--|
| Interest rate:    | Prime rate plus 1%*  |
| Minimum loan:     | \$1,000  |
| Maximum loan:     | 50% of your vested account balance, up to \$50,000 in a 12-month period* |
| Repayment period: | 5 to 20 years  |

\* Interest is paid back to the participant's account. Additional information about loan calculations and loan interest rate details can be found in your plan's loan policy.

### In-service withdrawals

While employed, you may make in-service withdrawals according to plan provisions.

### Hardship withdrawals\*

While employed, you may take a withdrawal request due to a financial hardship, according to plan provisions. One of the following requirements must apply to qualify for hardship withdrawal:

- Purchase or construction of a principal residence
- Payment for higher education expenses
- Major medical expenses
- Preventing eviction from, or foreclosure on, a principal residence

- Payment of funeral or burial expenses for your spouse or dependents
- Repair of damage to participant's primary residence that qualifies for casualty deduction

If you are taking a hardship withdrawal, the total amount of the withdrawal may not be more than the amount required to meet your immediate financial need, however, you may have the option to "gross-up" the amount you receive to cover taxes.

Once you take a hardship withdrawal, you will not be able to make contributions to your account for 6 months.

**\*Withdrawals:** Your withdrawal is taxed as ordinary income and may be subject to an additional early distribution penalty tax if you receive the withdrawal before age 59½. You may want to consult a tax professional before taking a withdrawal from the Plan.

### Important note!

Amounts withdrawn before age 59½ may be subject to a 10% federal income tax penalty, applicable taxes and plan restrictions. Withdrawals are generally taxed as ordinary income tax rates.

**Disability option:** If you become disabled, you may be eligible to receive all of your account balance immediately. The amount you receive is subject to all applicable income taxes, but no penalties.

### RETIREMENT INCOME CALCULATOR

The Plan also offers the Retirement Income Calculator. This tool can help you determine if you are saving enough to meet your retirement goal. And if not, it can suggest an action plan to help get you back on track. To access the Retirement Income Calculator, log in to your account at [aoc.retirepru.com](http://aoc.retirepru.com).

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### INVESTMENT OPTIONS

The Archdiocese of Chicago offers a selection of investments to choose from. You can decide how you want your money invested, and may move money between investments any time.

#### Stable Value

Guaranteed Income Fund

#### Fixed Income—Intermediate Bond

Ave Maria Bond\*

Baird Aggregate Bond Inst\*

#### Balanced—Value

Vanguard Wellington Admiral\*

#### Large-Cap Stock—Value

Invesco Diversified Dividend R6\*

Knights of Columbus Large Cap Val Instl\*

#### Large-Cap Stock—Blend

Vanguard 500 Index Admiral\*

#### Large-Cap Stock— - Growth

Calvert US Large Cap Core Rspnb Idx I\*

Knights of Columbus Large Cap Gr Instl\*

Prudential Jennison Growth Z\*

#### Mid-Cap Stock—Growth

Ave Maria Growth\*

#### Small-Cap Stock—Value

Columbia Small Cap Value Fund I Y\*

Knights of Columbus Small Cap Eq Instl\*

#### Small-Cap Stock—Growth

Lord Abbett Developing Growth R6\*

#### International Stock—Blend

Lazard International Strategic Eq Instl\*

#### International Stock—Emerging Markets

Harding Loevner Instl Emerg Mkts I\*

### Specialty—Real Estate

Cohen & Steers Instl Realty Shares\*

### Retirement Income—Target Date

Vanguard Instl Trgt Retire 2010 Instl\*

Vanguard Instl Trgt Retire 2015 Instl\*

Vanguard Instl Trgt Retire 2020 Instl\*

Vanguard Instl Trgt Retire 2025 Instl\*

Vanguard Instl Trgt Retire 2030 Instl\*

Vanguard Instl Trgt Retire 2035 Instl\*

Vanguard Instl Trgt Retire 2040 Instl\*

Vanguard Instl Trgt Retire 2045 Instl\*

Vanguard Instl Trgt Retire 2050 Instl\*

Vanguard Instl Trgt Retire 2055 Instl\*

Vanguard Instl Trgt Retire 2060 Instl\*

Vanguard Instl Trgt Retire Inc Instl\*

*\*Registered mutual fund*

### AUTO REBALANCING

Your retirement plan offers auto rebalancing, an optional easy-to-use rebalancing feature. It ensures that the investment allocations you choose stay consistent until you, not market conditions or money managers, make a change. Rebalancing dates will appear on your retirement statement.

### QUESTIONS?

Visit [aoc.retirepru.com](http://aoc.retirepru.com) for more information about the Plan, upcoming events and your tools and resources. You can also call **877-PRU-2100** (877-778-2100). Participant service representatives will be available Monday through Friday, 7 a.m. to 8 p.m. CT.

Our on-site retirement counselor, Julia Calderon, can also answer many of your questions about the Plan. She'll meet with you—by phone or in person—to help you on the path to a secure retirement. You can call Julia to schedule an appointment at **312-244-0941**, or send an email to [Julia.Calderon@prudential.com](mailto:Julia.Calderon@prudential.com).

**Investors should consider the fund's investment objectives, risks, charges, and expenses before investing. The prospectus, and if available, the summary prospectus, contains complete information about the investment options available through your plan. Please call 877-778-2100 for a free prospectus, and if available, a summary prospectus that contains this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. You can lose money when investing in securities.**

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Prudential Retirement is a Prudential Financial business. Retirement counselors are registered representatives of PIMS.

The target date is the approximate date when investors plan to retire and may begin withdrawing their money. The asset allocation of the target-date funds will become more conservative as the target date approaches by lessening the equity exposure and increasing the exposure in fixed income type investments. The principal value of an investment in a target-date fund is not guaranteed at any time, including the target date. There is no guarantee that the fund will provide adequate retirement income. A target-date fund should not be selected based solely on age or retirement date. Participants should carefully consider the investment objectives, risks, charges and expenses of any Fund before investing. Funds are not guaranteed

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investments and the stated asset allocation may be subject to change. It is possible to lose money by investing in securities, including losses near and following retirement.

The Guaranteed Income Fund (GIF) is a group annuity product issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency. **Contract form # GA-2020-IA-0805 or state variation thereof.**

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

Amounts withdrawn, except for qualified withdrawals from a Roth 403(b), are generally taxed at ordinary income tax rates. Amounts withdrawn before age 59½ may be subject to a 10% federal income tax penalty, applicable taxes and plan restrictions. Neither Prudential Financial nor any of its affiliates provide tax or legal advice for which you should consult your qualified professional.

The Retirement Income Calculator is hypothetical, for illustration only and not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. **You can lose money by investing in securities.**

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