

Roman Catholic Archdiocese of Boston Pension Plan

July 1, 2013
Actuarial Valuation

Roman Catholic Archdiocese of Boston Pension Plan

Introduction

This report was prepared by October Three Consulting LLC in order to document the actuarial valuation results as of July 1, 2013 for the Roman Catholic Archdiocese of Boston Pension Plan. The results are for the plan year ending June 30, 2013 and are intended strictly for documenting the funded status of the plan as of July 1, 2013.

The results of the actuarial valuation have been prepared in accordance with generally accepted actuarial principles.

The contents of the report are based on specific actuarial assumptions and methods, as selected and/or approved by the Trustees of the plan. Any changes in these factors will impact the results documented in this report. In our opinion, unless disclosed otherwise, the assumptions detailed in this report represent the best estimate of anticipated experience under the plan based on past experience and future expected experience.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

1. Plan experience differing from that anticipated by the economic and demographic assumptions,
2. Changes in economic or demographic assumptions,
3. Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and
4. Changes in plan provisions or applicable law.

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Participant data and asset information was provided by the Archdiocese of Boston. We have reviewed the data for reasonableness and have relied on the data as provided. We did not audit the data.

The signer below meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. To the best of our knowledge and based on the assumptions stated, the report is complete and accurate.



October 1, 2013

Thomas M. Sablak, FSA, EA, MAAA
Partner

Date

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, October Three Consulting LLC informs you that, unless and to the extent otherwise stated, any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Roman Catholic Archdiocese of Boston Pension Plan

Table of Contents

Summary of Funded Status	1
Reconciliation of Funded Status	2
Summary of Assets Available for Plan Benefits	3
Reconciliation of Assets by Funding Location	4
Development of Liabilities by Funding Location	5
Summary of Funded Status by Funding Location	6
Plan Financial Disclosures Under ASC 960 (Formerly SFAS No. 35)	7
Summary of Participants Included in the Valuation	8
Actuarial Assumptions and Methods	15
Plan Provisions	16
Appendix - Funding Locations	19



Roman Catholic Archdiocese of Boston Pension Plan

<u>Summary of Funded Status</u>	<u>Valuation Date</u>	
	<u>July 1, 2013</u>	<u>July 1, 2012</u>
1. Present value of accrued benefits (PVAB)		
a. Active participants	\$62,753,263 *	\$54,755,430
b. Deferred vested participants	35,076,549 *	47,182,416
c. Retired participants and beneficiaries	<u>158,365,385</u>	<u>158,775,819</u>
d. Total, (a) + (b) + (c) + (d)	\$256,195,197	\$260,713,665
2. Market value of assets	<u>213,669,880</u>	<u>207,943,142</u>
3. (Deficit)/Surplus, (2) - (1d)	(\$42,525,317)	(\$52,770,523)
4. Funded status, (2)/(1d)	83.4%	79.8%

* Prior to July 1, 2013, a portion of the "deferred vested participants" were active participants with frozen benefits. Now that accrued benefits have been frozen for all participants (and because the plan administrator has thoroughly researched the statuses for all participants), we have refined our classifications as well, as of July 1, 2013. These reclassifications primarily explain the increase and decrease in liability amounts for active participants and deferred vested participants, respectively.

Roman Catholic Archdiocese of Boston Pension Plan

Reconciliation of Funded Status

July 1, 2012 to July 1, 2013

1. (Deficit)/Surplus as of July 1, 2012	(\$52,770,523)
2. (Increase)/Decrease due to	
a. Benefit accruals	\$0
b. Contributions	7,898,569
c. Net interest	(3,170,054)
d. Liability gain/(loss)	(2,177,806)
e. Asset gain/(loss)	7,122,639
f. Assumption changes *	(396,592)
g. Plan amendments **	957,303
h. Withdrawal ***	<u>11,147</u>
i. Net (increase)/decrease	\$10,245,206
3. (Deficit)/Surplus as of July 1, 2013	(\$42,525,317)

* The mortality table was changed from the 2012 IRS Static Mortality Table to the 2013 IRS Static Mortality Table effective July 1, 2013, which increased the deficit by \$396,592.

** Voluntary lump sum opportunities offered to certain active and deferred vested participants reduced the deficit by \$957,303.

*** The withdrawal of one participating employer reduced assets by \$179,416 and reduced the present value of accrued benefits by \$190,563, for a net reduction in the deficit of \$11,147 for the plan year ending June 30, 2013.

Roman Catholic Archdiocese of Boston Pension Plan

<u>Summary of Assets Available for Plan Benefits</u>	Valuation Date	
	<u>July 1, 2013</u>	<u>July 1, 2012</u>
1. Fair value of assets in the Roman Catholic Archbishop of Boston Collective Investment Partnership	\$211,396,600	\$203,354,189
2. Cash and cash equivalents	1,003,939	3,321,101
3. Receivable contributions	21,001	118,193
4. Net prepaid/(accrued) expenses	1,248,340	1,149,659
5. Due from/(to) related organizations	<u>0</u>	<u>0</u>
6. Market value of assets available for plan benefits, (1) + (2) + (3) + (4) + (5)	\$213,669,880	\$207,943,142

Roman Catholic Archdiocese of Boston Pension Plan

Reconciliation of Assets by Funding Location (in \$000s)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Funding Location</u>	<u>Market Value of Assets (7/1/12) *</u>	<u>Contributions (7/1/12 to 6/30/13)</u>	<u>Benefits Paid (7/1/12 to 6/30/13)</u>	<u>Allocated Investment Return (7/1/12 to 6/30/13)</u>	<u>Market Value of Assets (7/1/13), (1)+(2)+(3)+(4)</u>	<u>Investment Return</u>	<u>Actuarial Gain/(Loss)</u>
ACHS (Frozen)	\$13,310	\$0	(\$1,497)	\$1,265	\$13,078	10.05%	\$446
ACHS (New)	4,470	746	(487)	462	5,191	10.05%	163
Life Resources	2,129	91	(287)	204	2,137	10.05%	72
Cemetery Pool	6,222	97	(656)	598	6,261	10.05%	211
St. Sebastian's	3,881	52	(203)	382	4,112	10.05%	135
Open Parishes	107,728	4,591	(12,148)	9,982	110,153	10.05%	3,692
Closed Parishes	3,911	0	(1,095)	338	3,154	10.05%	119
Central Admin.	12,202	513	(1,232)	1,192	12,675	10.05%	421
All Other Active Locations	17,614	1,403	(1,936)	2,221	19,302	10.05%	615
All Other Inactive Locations	2,644	0	(204)	256	2,696	10.05%	90
Under Agreement	33,639	406	(2,417)	3,283	34,911	10.05%	1,159
Withdrawals	<u>193</u>	<u>0</u>	<u>0</u>	<u>(193)</u>	<u>0</u>	N/A	<u>0</u>
Total	\$207,943	\$7,899	(\$22,162)	\$19,990	\$213,670	10.05%	\$7,123

* The Market Value of Assets as of July 1, 2012 was adjusted for a few participating employers to reflect research on certain accrued benefits.

Roman Catholic Archdiocese of Boston Pension Plan

Development of Liabilities by Funding Location (in \$000s)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Funding Location</u>	<u>Actual PVAB (7/1/12) *</u>	<u>Expected Accruals (7/1/12 to 6/30/13)</u>	<u>Benefits Paid (7/1/12 to 6/30/13)</u>	<u>Interest (7/1/12 to 6/30/13)</u>	<u>Other Changes (7/1/13) **</u>	<u>Expected PVAB (7/1/13), (1)+(2)+(3)+ (4)+(5)</u>	<u>Actual PVAB (7/1/13)</u>	<u>Actuarial Gain/(Loss), (6)-(7)</u>
ACHS (Frozen)	\$18,748	\$0	(\$1,497)	\$1,170	(\$1)	\$18,420	\$18,469	(\$49)
ACHS (New)	5,655	0	(487)	352	(74)	5,446	5,364	82
Life Resources	2,392	0	(287)	146	(6)	2,245	2,435	(190)
Cemetery Pool	6,495	0	(656)	401	(6)	6,234	6,075	159
St. Sebastian's	5,363	0	(203)	342	12	5,514	5,471	43
Open Parishes	134,054	0	(12,148)	8,319	(376)	129,849	131,321	(1,472)
Closed Parishes	11,039	0	(1,095)	682	6	10,632	10,818	(186)
Central Admin.	14,997	0	(1,232)	935	(10)	14,690	14,607	83
All Other Active Locations	21,401	0	(1,936)	1,328	(159)	20,634	20,866	(232)
All Other Inactive Locations	2,055	0	(204)	127	3	1,981	1,901	80
Under Agreement	38,327	0	(2,417)	2,413	49	38,372	38,868	(496)
Withdrawals	<u>188</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>(191)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$260,714	\$0	(\$22,162)	\$16,218	(\$753)	\$254,017	\$256,195	(\$2,178)

* The Actual Present Value of Accrued Benefits as of July 1, 2012 was adjusted for a few participating employers to reflect research on certain accrued benefits.

** Combined impact of mortality assumption change, voluntary lump sum opportunity, and withdrawal.

Roman Catholic Archdiocese of Boston Pension Plan

Summary of Funded Status by Funding Location (in \$000s)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Funding Location</u>	<u>Active PVAB (7/1/13)</u>	<u>Deferred Vested PVAB (7/1/13)</u>	<u>Retired and Beneficiary PVAB (7/1/13)</u>	<u>Total PVAB (7/1/13), (1)+(2)+(3)</u>	<u>Market Value of Assets (7/1/13)</u>	<u>(Deficit)/ Surplus (7/1/13), (5)-(4)</u>	<u>Funded Status (7/1/13), (7)/(4)</u>	<u>Funded Status (7/1/12)</u>
ACHS (Frozen)	\$0	\$5,376	\$13,093	\$18,469	\$13,078	(\$5,391)	70.8%	77.7%
ACHS (New)	2,694	404	2,266	5,364	5,191	(173)	96.8%	56.9%
Life Resources	131	1,010	1,294	2,435	2,137	(298)	87.8%	89.0%
Cemetery Pool	1,262	40	4,773	6,075	6,261	186	103.1%	95.8%
St. Sebastian's	745	2,856	1,870	5,471	4,112	(1,359)	75.2%	72.4%
Open Parishes	36,921	12,982	81,418	131,321	110,153	(21,168)	83.9%	80.4%
Closed Parishes	0	2,155	8,663	10,818	3,154	(7,664)	29.2%	35.4%
Central Admin.	2,320	2,374	9,913	14,607	12,675	(1,932)	86.8%	84.4%
All Other Active Locations	7,393	1,682	11,791	20,866	19,302	(1,564)	92.5%	80.2%
All Other Inactive Locations	0	411	1,490	1,901	2,696	795	141.8%	128.8%
Under Agreement	<u>11,287</u>	<u>5,787</u>	<u>21,794</u>	<u>38,868</u>	<u>34,911</u>	<u>(3,957)</u>	89.8%	87.8%
Total	\$62,753	\$35,077	\$158,365	\$256,195	\$213,670	(\$42,525)	83.4%	79.8%

Roman Catholic Archdiocese of Boston Pension Plan

<u>ASC 960 Liability (Formerly SFAS No. 35)</u>	<u>Valuation Date</u>	
	<u>July 1, 2013</u>	<u>July 1, 2012</u>
1. Actuarial value of accumulated plan benefits		
a. Vested benefits		
i. Participants currently receiving payments	\$158,365,385	\$158,775,819
ii. Other participants	94,588,566	96,079,592
iii. Subtotal	\$252,953,951	\$254,855,411
b. Non-vested benefits	3,241,246	5,858,254
c. Total accumulated plan benefits	\$256,195,197	\$260,713,665
2. Market value of assets	213,669,880	207,943,142
3. (Deficit)/Surplus, (2) - (1)	(\$42,525,317)	(\$52,770,523)
4. Funded status, (2)/(1)	83.4%	79.8%
5. Key assumptions		
a. Interest rate	6.50%	6.50%
b. Mortality	2013 IRS Static Mortality Table (based on RP-2000)	2012 IRS Static Mortality Table (based on RP-2000)

<u>ASC 960 Liability</u>	<u>July 1, 2012 to July 1, 2013</u>
1. Actuarial value of accumulated plan benefits as of July 1, 2012	\$260,713,665
2. Increase/(Decrease) due to	
a. Benefits accumulated (including noninvestment experience)	\$2,177,806
b. Interest (decrease in the discount period)	16,216,968
c. Benefits paid	(22,161,968)
d. Change in actuarial assumptions *	396,592
e. Change in plan provisions **	(957,303)
f. Withdrawal	(190,563)
g. Net increase/(decrease)	(\$4,518,468)
3. Actuarial value of accumulated plan benefits as of July 1, 2013	\$256,195,197

* The change in mortality table increased the liability by \$396,592.

** The voluntary lump sum opportunities offered to certain active and deferred vested participants during the plan year ending on June 30, 2013 reduced the liability by \$957,303.

Roman Catholic Archdiocese of Boston Pension Plan

<u>Summary of Participant Data</u>	<u>Valuation Date</u>	
	<u>July 1, 2013</u>	<u>July 1, 2012</u>
1. Active participants		
a. Number	2,517	2,569
b. Average age	49.4	48.2
c. Average service	11.7	9.6
d. Sum of benefits (annual)	\$10,430,949	\$9,761,182
e. Average benefit (annual)	\$4,144	\$3,800
2. Deferred vested participants		
a. Number	1,436	1,730
b. Average age	51.5	51.4
c. Sum of benefits (annual)	\$5,655,297	\$7,712,889
d. Average benefit (annual)	\$3,938	\$4,458
3. Retired participants and beneficiaries receiving payments		
a. Number	3,374	3,302
b. Average age	73.5	73.0
c. Sum of benefits (annual)	\$16,055,427	\$15,894,884
d. Average benefit (annual)	\$4,759	\$4,814
4. Total number of participants, (1)(a) + (2)(a) + (3)(a)	7,327	7,601

Roman Catholic Archdiocese of Boston Pension Plan

Summary of Active Participants by Funding Location as of July 1, 2013

<u>Funding Location</u>	<u>Headcount</u>		<u>Statistics</u>		<u>Accrued Benefits (Annual)</u>		
	<u>Count</u>	<u>Change From Last Year</u>	<u>Average Age</u>	<u>Average Service</u>	<u>Total</u>	<u>Average</u>	<u>Change From Last Year</u>
ACHS (Frozen)	0	N/A	N/A	N/A	\$0	N/A	N/A
ACHS (New)	169	-19.9%	47.9	10.2	470,768	2,786	2.2%
Life Resources	6	-77.8%	48.8	14.9	20,509	3,418	46.5%
Cemetery Pool	27	-15.6%	48.1	17.3	273,286	10,122	4.1%
St. Sebastian's	10	N/A	53.1	16.9	93,928	9,393	N/A
Open Parishes	1477	-13.1%	49.8	11.6	6,062,894	4,105	2.9%
Closed Parishes	0	N/A	N/A	N/A	0	N/A	N/A
Central Admin.	104	-7.1%	51.3	7.6	420,846	4,047	-7.4%
All Other Active Locations	450	-7.8%	47.4	9.7	1,405,708	3,124	-0.9%
All Other Inactive Locations	0	N/A	N/A	N/A	0	N/A	N/A
Under Agreement	<u>274</u>	N/A	50.7	17.5	<u>1,683,010</u>	6,142	N/A
Total	2,517	-2.0%	49.4	11.7	\$10,430,949	\$4,144	9.1%

Roman Catholic Archdiocese of Boston Pension Plan

Reconciliation of Active Participants by Funding Location

	<u>Count</u> <u>(7/1/12)</u>	<u>New</u> <u>Hires</u>	<u>Rehires*</u>	<u>Trans.</u> <u>In</u>	<u>Vested</u> <u>Terms</u>	<u>Non-</u> <u>Vested</u> <u>Terms</u>	<u>In Pay</u> <u>Status</u>	<u>Paid</u> <u>Lump</u> <u>Sum</u>	<u>Died</u>	<u>Trans.</u> <u>Out</u>	<u>Count</u> <u>(7/1/13)</u>
ACHS (Frozen)	0	0	0	0	0	0	0	0	0	0	0
ACHS (New)	211	4	0	0	(11)	(15)	(1)	(16)	(2)	0	169
Life Resources	27	0	0	0	(11)	(7)	(1)	(2)	0	0	6
Cemetery Pool	32	0	1	0	0	(1)	(1)	(4)	0	0	27
St. Sebastian's	0	0	10	0	0	0	0	0	0	0	10
Open Parishes	1,699	37	41	1	(99)	(85)	(21)	(83)	(5)	(7)	1,477
Closed Parishes	0	0	0	0	0	0	0	0	0	0	0
Central Admin.	112	5	2	1	(5)	(3)	(3)	(4)	0	(1)	104
All Other Active Locations	488	29	6	7	(22)	(24)	(6)	(24)	(1)	(1)	450
All Other Inactive Locations	0	0	0	0	0	0	0	0	0	0	0
Under Agreement	0	1	273	0	0	0	0	0	0	0	274
RCAB Total	2,569	76	333	9	(148)	(135)	(33)	(133)	(8)	(9)	2,517

* Includes participants from frozen employers formerly classified as deferred vested.

Roman Catholic Archdiocese of Boston Pension Plan

Summary of Deferred Vested Participants by Funding Location as of July 1, 2013

<u>Funding Location</u>	<u>Headcount</u>		<u>Statistic</u>	<u>Accrued Benefits (Annual)</u>		
	<u>Count</u>	<u>Change From Last Year</u>	<u>Average Age</u>	<u>Total</u>	<u>Average</u>	<u>Change From Last Year</u>
ACHS (Frozen)	124	-2.4%	54.2	\$723,748	\$5,837	-6.4%
ACHS (New)	42	61.5%	46.2	101,111	2,407	4.4%
Life Resources	44	41.9%	50.2	172,522	3,921	-12.5%
Cemetery Pool	2	-50.0%	58.5	7,485	3,743	-57.5%
St. Sebastian's	51	-17.7%	52.5	415,247	8,142	-4.0%
Open Parishes	565	-2.1%	51.4	2,091,067	3,701	-4.6%
Closed Parishes	102	1.0%	54.0	348,472	3,416	3.3%
Central Admin.	81	9.5%	51.9	425,632	5,255	-1.1%
All Other Active Locations	117	17.0%	48.7	329,401	2,815	-23.8%
All Other Inactive Locations	16	6.7%	59.7	50,022	3,126	-2.2%
Under Agreement	<u>292</u>	-52.4%	50.7	<u>990,590</u>	3,392	-25.3%
Total	1,436	-17.0%	51.5	\$5,655,297	\$3,938	-15.3%

Roman Catholic Archdiocese of Boston Pension Plan

Reconciliation of Deferred Vested Participants by Funding Location

<u>Funding Location</u>	<u>Count (7/1/12)</u>	<u>Vested Terms</u>	<u>Trans. In</u>	<u>Alt. Payee/ Surv. Spouse</u>	<u>Non-Vested Terms</u>	<u>In Pay Status</u>	<u>Rehires</u>	<u>Paid Lump Sum</u>	<u>Trans. Out</u>	<u>Died</u>	<u>Other</u>	<u>Count (7/1/13)</u>
ACHS (Frozen)	127	0	11	0	0	(6)	0	(6)	(1)	(1)	0	124
ACHS (New)	26	12	6	0	0	(1)	0	(1)	0	0	0	42
Life Resources	31	11	2	1	0	0	0	(1)	0	0	0	44
Cemetery Pool	4	0	0	0	0	0	(1)	0	0	(1)	0	2
St. Sebastian's	62	0	0	0	0	(1)	(10)	0	0	0	0	51
Open Parishes	577	106	17	2	(9)	(26)	(41)	(52)	(2)	(6)	(1)	565
Closed Parishes	101	2	9	0	0	0	0	(4)	(3)	(3)	0	102
Central Admin.	74	8	3	1	(1)	(2)	(2)	0	0	0	0	81
All Other Active Locations	100	26	9	2	0	(6)	(6)	(5)	(1)	(2)	0	117
All Other Inactive Locations	15	0	4	0	0	(3)	0	0	0	0	0	16
Under Agreement	<u>613</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>(7)</u>	<u>(13)</u>	<u>(273)</u>	<u>(16)</u>	<u>0</u>	<u>(5)</u>	<u>(10)</u>	<u>292</u>
Total	1,730	167	62	6	(17)	(58)	(333)	(85)	(7)	(18)	(11)	1,436

Roman Catholic Archdiocese of Boston Pension Plan

Summary of Retired Participants and Beneficiaries by Funding Location as of July 1, 2013

<u>Funding Location</u>	<u>Headcount</u>		<u>Statistic</u>	<u>Accrued Benefits (Annual)</u>		
	<u>Count</u>	<u>Change From Last Year</u>	<u>Average Age</u>	<u>Total</u>	<u>Average</u>	<u>Change From Last Year</u>
ACHS (Frozen)	241	4.3%	72.1	\$1,324,545	\$5,496	-2.8%
ACHS (New)	82	7.9%	68.6	190,190	2,319	-6.6%
Life Resources	35	6.1%	72.7	128,438	3,670	-5.2%
Cemetery Pool	56	0.0%	73.6	525,619	9,386	0.7%
St. Sebastian's	27	0.0%	75.1	200,145	7,413	6.6%
Open Parishes	1,720	1.2%	73.4	8,130,219	4,727	0.0%
Closed Parishes	280	-3.1%	76.0	934,971	3,339	0.7%
Central Admin.	163	-0.6%	74.0	1,024,082	6,283	0.9%
All Other Active Locations	299	13.7%	74.2	1,230,105	4,114	-11.4%
All Other Inactive Locations	47	-17.5%	74.5	168,312	3,581	4.3%
Under Agreement	<u>424</u>	4.2%	73.5	<u>2,198,803</u>	5,186	-1.9%
Total	3,374	2.2%	73.5	\$16,055,429	\$4,759	-1.1%

Roman Catholic Archdiocese of Boston Pension Plan

Reconciliation of Retired Participants and Beneficiaries by Funding Location

<u>Funding Location</u>	<u>Count (7/1/12)</u>	<u>In Pay Status</u>	<u>New Beneficiaries</u>	<u>Trans. In</u>	<u>Rehires</u>	<u>Paid Lump Sum</u>	<u>Died</u>	<u>Trans. Out</u>	<u>Other</u>	<u>Count (7/1/13)</u>
ACHS (Frozen)	231	12	0	5	0	0	(7)	0	0	241
ACHS (New)	76	6	0	1	0	0	(1)	0	0	82
Life Resources	33	2	0	0	0	0	0	0	0	35
Cemetery Pool	56	2	0	0	0	0	(2)	0	0	56
St. Sebastian's	27	1	0	0	0	0	(1)	0	0	27
Open Parishes	1,699	59	10	5	0	(1)	(41)	(10)	(1)	1,720
Closed Parishes	289	3	3	0	0	0	(13)	(2)	0	280
Central Admin.	164	7	0	0	0	0	(4)	(5)	1	163
All Other Active Locations	263	26	3	14	0	0	(4)	(2)	(1)	299
All Other Inactive Locations	57	4	0	1	0	0	(2)	(13)	0	47
Under Agreement	<u>407</u>	<u>13</u>	<u>6</u>	<u>11</u>	<u>0</u>	<u>(2)</u>	<u>(12)</u>	<u>0</u>	<u>1</u>	<u>424</u>
Total	3,302	135	22	37	0	(3)	(87)	(32)	0	3,374

Roman Catholic Archdiocese of Boston Pension Plan

Actuarial Assumptions and Methods

Economic Assumptions

Investment return/discount rate	6.50%.
Provisions for expenses	4.00% load on the present value of accrued benefits.

Demographic Assumptions

Mortality	2013 IRS Static Mortality Table (based on RP-2000).	
Retirement age	Age 65.	
Sample termination rates (annual)	<u>Age</u>	<u>Rate</u>
	25	31.8%
	35	17.0%
	45	8.9%
	55	0.0%
Sample disability rates (annual)	<u>Age</u>	<u>Rate</u>
	25	0.134%
	35	0.146%
	45	0.208%
	55	0.435%
Marital status	80% of males and 50% of females are assumed to be married, with wives 3 years younger than husbands.	
Form of payment	Life annuity.	
Actuarial cost method	Unit credit.	

Calculation of Liabilities

Actuarial liabilities in this report were computed using the unit credit cost method. Under this method, the liability is the value of the accrued pension benefit using service and frozen accrued benefits as of the valuation date. There is no reflection of benefits which a participant might receive in the future due to advancement in age or service.

Changes in Actuarial Assumptions and Methods Since Last Valuation

The mortality assumption was changed from the 2012 IRS Static Mortality Table (sex distinct, based on RP-2000) to the 2013 IRS Static Mortality (sex distinct, based on RP-2000), effective July 1, 2013.

Roman Catholic Archdiocese of Boston Pension Plan

Plan Provisions

Effective Date

The original effective date of the RCAB Pension Plan was January 1, 1963. The Plan was last amended and restated effective January 1, 2011. The Plan was frozen December 31, 2011.

Eligibility

Employees of the Participating Employers in the Plan. The eligibility date is the first day of the month following the later of: (1) the date on which the Employer begins participating in the Plan, and (2) the earlier of 3 Years of Service or age 21 with 1 Year of Service. Participation was closed to employees effective December 31, 2011.

Employee Contributions

Not currently permitted, but contributions were required prior to July 1971.

Definitions

Participating Employer

Employer listed in the plan document and/or voted by the Trustees as being qualified for inclusion under the Plan.

Year of Service

One year of service is credited for each calendar year of employment with a Participating Employer in which the Participant completes at least 1,000 hours.

Eligible Earnings

Regular, basic earnings from a Participating Employer, including pre-tax deferrals under IRC sections 125, 402(e)(3), 402(h), 403(b), 457, and 132(f)(4), but excluding overtime pay and earnings in excess of the annual compensation limit under IRC section 401(a)(17).

Accrued Pension

The sum of (1), (2), (3), and (4):

- (1) Current formula (for service after January 1, 2004): 2% of Eligible Earnings up to \$20,000 per Year of Service plus 1% of Eligible Earnings in excess of \$20,000 per Year of Service.
- (2) Prior formula (for service after June 30, 1987 through December 31, 2003): 2% of Eligible Earnings plus 0.47% of Eligible Earnings in excess of the Integration Level (two times the Covered Compensation amount) for that year.
- (3) Accrued benefit as of June 30, 1987: 133-1/3% of the Accrued Pension accumulated for each year through June 30, 1987 based on earnings up to the wage base, plus 100% of the remaining Accrued Pension earned in those years.
- (4) Past Service Benefit: A benefit, approved by the Trustees, that reflects an Employee's service before the date his Employer begins participation in the Plan.

Accruals in the plan ceased, and participants' accrued benefits were frozen, effective December 31, 2011.

Roman Catholic Archdiocese of Boston Pension Plan

Plan Provisions (continued)

Normal Retirement

Eligibility

The first of the month following the later of: (1) age 65, or (2) 5 Years of Service.

Benefit

Accrued Pension determined as of the Normal Retirement Date.

Early Retirement (by election or disability)

Eligibility

The first of the month following the attainment of age 55 with 5 Years of Service.

Benefit

Accrued Pension determined as of the Early Retirement Date, reduced by the following representative factors specified in the Plan:

<u>Age</u>	<u>Factor</u>
55	40.2%
56	43.7%
57	47.5%
58	51.8%
59	56.6%
60	61.9%
61	67.8%
62	74.4%
63	81.9%
64	90.4%

Delayed Retirement

Eligibility

Any date after Normal Retirement eligibility.

Benefit

Accrued Pension determined as of the Delayed Retirement Date.

Vested Terminations

Eligibility

5 Years of Service. However, benefits attributable to Employee Contributions are 100% vested.

Benefit

Accrued Pension determined as of the termination date, reduced by factors specified in the Early Retirement section. The pension payable to a vested terminated participant may not commence prior to age 55.

Roman Catholic Archdiocese of Boston Pension Plan

Plan Provisions (continued)

Pre-retirement Death Benefit

Eligibility

Death in service, or death after becoming eligible for a Vested Pension.

Benefit

50% of the Accrued Pension determined as of the earlier of the termination date or death date, reduced by the factors specified in the Early Retirement section (if applicable), as if the Participant had survived to age 55 (or current age if later), elected a 50% joint and survivor annuity, and died immediately.

Post-retirement Death Benefit

Eligibility

Death after commencement of pension benefit, if participant satisfied the eligibility for an early, normal, or delayed retirement benefit upon termination of employment.

Benefit

Upon death, \$10,000 prorated for service less than 10 years, in addition to any death benefits provided by the optional form of benefit elected.

Normal Form of Payment

Married Participants

50% joint and survivor annuity.

Single Participants

Life annuity.

Optional Forms of Payment

For married participants who obtain the proper consent, a life annuity option is available.

If, upon termination, the present value of a Participant's Accrued Pension is less than \$5,000, the plan administrator may direct the payment of such benefit in one lump sum.

Certain participants in the RCAB Pension Plan were offered a one-time, voluntary lump sum distribution related to the value of the accrued benefit under the RCAB Pension Plan.

Changes in Plan Provisions Since Last Valuation

None

Roman Catholic Archdiocese of Boston Pension Plan

Appendix - Funding Locations

ACHS (Frozen) - Accruals Stopped on 8/31/2004

1. St. Clare Catholic High School
2. Archbishop Williams High School
3. Bishop Fenwick High School
4. Cardinal Spellman Central High School
5. Cathedral High School
6. Marian High School
7. Maignon High School
8. Cristo Rey High School
9. Pope John XXIII Central High School

ACHS (New) - Accruals Started on 9/1/2004

10. Archbishop Williams High School, Inc.
11. Bishop Fenwick High School, Inc.
12. Cardinal Spellman High School, Inc.
13. Cathedral High School, Inc.
14. Marian High School, Inc.
15. Maignon High School, Inc.
16. Cristo Rey High School, Inc.
17. Pope John XXIII High School, Inc.

Life Resources

18. Life Resources, Inc.

Cemetery Pool

19. Cemetery Association (various locations)

St. Sebastian's

20. St. Sebastian's School, Inc.

RCAB Corp. Sole

21. Open Parishes
22. Closed Parishes
23. Central Administration
24. Clergy Support & Formation *
25. Child Advocacy, Implementation *
26. Office of Volunteer Resources *
27. The Catholic Foundation *
28. Delegate for Healing & Ast. Ministries *
29. Charismatic Renewal Services *

* Part of Central Administration

Roman Catholic Archdiocese of Boston Pension Plan

Appendix - Funding Locations (continued)

All Other Active Locations

30. Boston Catholic TV Center
31. Catholic Purchasing Services
32. Propagation of the Faith (Boston)
33. Franciscan Center (Andover)
34. Glastonbury Abbey-Benedictine (Hingham)
35. Lowell Catholic High School
36. Mass Catholic Conference
37. Missionary Sisters Society of Mary
38. Monastery of St. Clare (Andover)
39. National Catholic Bioethics Center (Barrington)
40. Parents Alliance for Catholic Education
41. Planning Office For Urban Affairs
42. Blessed John XXIII National Seminary
43. Regina Cleri
44. Sisters of Charity Corporate Mission
45. Elizabeth Seton Residence, Inc. (Wellesley Hills)
46. Marillac Residence, Inc. (Wellesley)
47. Sisters of Charity (Halifax)
48. Sisters of Good Shepherd (Marlboro)
49. Sisters of Notre Dame - Ipswich Province
50. Society of St. James The Apostle
51. St. Columbkille School, Inc.
52. St. John's Seminary
53. St. Joseph Provincial House (Lowell)
54. St. Mary High School, Inc.
55. St. Patrick School & Education Center
56. Trinity Catholic Academy
57. Youville Place, Inc.
58. Pope John Paul II Catholic Academy
59. St. Ann School of Cape Ann
60. Quincy Catholic Academy
61. Lawrence Catholic Academy
62. St. Joseph's Cemetery
63. St. Jeanne d'Arc School
64. St. Clement's Shrine
65. Irish Pastoral Center

Roman Catholic Archdiocese of Boston Pension Plan

Appendix - Funding Locations (continued)

All Other Inactive Locations

66. Cardinal Cushing H.S./Real Estate
67. Christopher Columbus High School
68. Keith Catholic High School
69. Oblate Mission House & Residence (Tewksbury)
70. Sisters of Notre Dame - Boston Province (Everett)
71. Sisters of Notre Dame Development Fund (Worcester)
72. Society of African Missions (Dedham)
73. St. Stephen Priory
74. Jesuit Seminary Guild
75. La Vida Catolica
76. Young Catholics in Action
77. New England Province of Cenacle

Under Agreement

78. Boston College High School
79. Campion Health Center, Inc.
80. Campion Residence & Renewal Center, Inc.
81. Catholic Charitable Bureau
82. Central Catholic High School
83. New England Province of Jesuits (Society of Jesus of New England)