

Roman Catholic Archdiocese of Boston  
Pension Plan

July 1, 2012  
Actuarial Valuation

# Roman Catholic Archdiocese of Boston Pension Plan

## Introduction

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This report was prepared by October Three LLC in order to document the actuarial valuation results as of July 1, 2012 for the Roman Catholic Archdiocese of Boston Pension Plan. The results are for the plan year ending June 30, 2012 and are intended strictly for documenting the funded status of the plan as of July 1, 2012.

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.



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Thomas M. Sablak, FSA, EA, MAAA  
Partner

November 28, 2012

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Date

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, October Three 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

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## Roman Catholic Archdiocese of Boston Pension Plan

<u>Summary of Funded Status</u>	Valuation Date	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Present value of accrued benefits (PVAB)		
a. Active participants	\$54,755,430	\$115,479,701
b. Deferred vested participants	47,182,416	72,009,802
c. Retired participants and beneficiaries	<u>158,775,819</u>	<u>141,417,466</u>
d. Total, (a) + (b) + (c) + (d)	\$260,713,665	\$328,906,969
2. Market value of assets	<u>207,943,142</u>	<u>284,475,684</u>
3. (Deficit)/Surplus, (2) - (1d)	(\$52,770,523)	(\$44,431,285)
4. Funded status, (2)/(1d)	79.8%	86.5%

## Roman Catholic Archdiocese of Boston Pension Plan

### Reconciliation of Funded Status

July 1, 2011 to July 1, 2012

1. (Deficit)/Surplus as of July 1, 2011	(\$44,431,285)
2. (Increase)/Decrease due to	
a. Benefit accruals *	\$0
b. Contributions	10,240,956
c. Net interest	(2,555,203)
d. Liability gain/(loss)	2,971,255
e. Asset gain/(loss)	(22,522,518)
f. Assumption changes **	(15,123,870)
g. Plan amendments ***	<u>18,650,142</u>
h. Net (increase)/decrease	(\$8,339,238)
3. (Deficit)/Surplus as of July 1, 2012	(\$52,770,523)

\* Participants who were actively employed as of July 1, 2011 were assumed to earn a full year of benefit accruals for calendar year 2011 in the calculation of the present value of accrued benefits in the July 1, 2011 actuarial valuation; therefore, the benefit accruals earned between July 1, 2011 and December 31, 2011 (before the plan was frozen) were already taken into account in the deficit calculated as of July 1, 2011.

\*\* As approved by the Trustees: (1) The mortality table was changed from the 2011 IRS Static Mortality Table to the 2012 IRS Static Mortality Table effective July 1, 2012, which increased the deficit by \$407,284; (2) The retirement age assumption was changed from age 67 for active participants to age 65 for active participants effective December 31, 2011, which increased the deficit by \$14,716,586.

\*\*\* The voluntary lump sum opportunity offered to certain active and terminated vested participants in 2012 reduced the deficit by \$18,650,142.

## Roman Catholic Archdiocese of Boston Pension Plan

<u>Summary of Assets Available for Plan Benefits</u>	Valuation Date	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Fair value of assets in the Roman Catholic Archbishop of Boston Collective Investment Partnership	\$203,354,189	\$266,967,088
2. Cash and cash equivalents	3,321,101	15,930,350
3. Receivable contributions	118,193	720,782
4. Net prepaid/(accrued) expenses	1,149,659	876,923
5. Due from/(to) related organizations	<u>0</u>	<u>(19,459)</u>
6. Market value of assets available for plan benefits, (1) + (2) + (3) + (4) + (5)	\$207,943,142	\$284,475,684

## 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 (7/1/11)</u>	<u>Contributions (7/1/11 to 6/30/12)</u>	<u>Benefits Paid (7/1/11 to 6/30/12)</u>	<u>Allocated Investment Return (7/1/11 to 6/30/12)</u>	<u>Market Value of Assets (7/1/12), (1)+(2)+(3)+(4)</u>	<u>Investment Return</u>	<u>Actuarial Gain/(Loss)</u>
ACHS (Frozen)	\$20,157	\$0	(\$5,147)	(\$445)	\$14,565	-2.53%	(\$1,588)
ACHS (New)	5,777	929	(3,375)	(116)	3,215	-2.53%	(411)
Life Resources	2,730	89	(628)	(63)	2,128	-2.53%	(222)
Cemetery Pool	8,191	118	(1,903)	(184)	6,222	-2.53%	(659)
St. Sebastian's	4,123	52	(191)	(103)	3,881	-2.53%	(366)
Open Parishes	156,377	5,761	(51,024)	(3,386)	107,728	-2.53%	(12,080)
Closed Parishes	6,134	0	(2,094)	(129)	3,911	-2.53%	(459)
Central Admin.	13,510	544	(2,166)	(322)	11,566	-2.53%	(1,147)
All Other Active Locations	23,435	1,753	(6,495)	(533)	18,160	-2.53%	(1,903)
All Other Inactive Locations	3,062	0	(253)	(74)	2,735	-2.53%	(265)
Under Agreement	40,980	995	(7,184)	(959)	33,832	-2.53%	(3,422)
Withdrawals	0	0	0	0	0	N/A	0
Unallocated	0	0	0	0	0	N/A	0
<b>Total</b>	<b>\$284,476</b>	<b>\$10,241</b>	<b>(\$80,460)</b>	<b>(\$6,314)</b>	<b>\$207,943</b>	<b>-2.53%</b>	<b>(\$22,522)</b>

## Roman Catholic Archdiocese of Boston Pension Plan

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Funding Location	Actual PVAB (7/1/11)	Expected Accruals (7/1/11 to 6/30/12)	Benefits Paid (7/1/11 to 6/30/12)	Interest (7/1/11 to 6/30/12)	Other Changes (7/1/12) *	Expected PVAB (7/1/12), (1)+(2)+(3)+ (4)+(5)	Actual PVAB (7/1/12)	Actuarial Gain/(Loss), (6)-(7)
ACHS (Frozen)	\$23,463	\$0	(\$5,147)	\$1,358	(\$1,001)	\$18,673	\$18,748	(\$75)
ACHS (New)	8,970	0	(3,375)	473	13	6,081	5,655	426
Life Resources	2,915	0	(628)	169	(20)	2,436	2,392	44
Cemetery Pool	7,780	0	(1,903)	445	139	6,461	6,495	(34)
St. Sebastian's	5,278	0	(191)	337	12	5,436	5,363	73
Open Parishes	180,472	0	(51,024)	10,072	(1,102)	138,418	134,054	4,364
Closed Parishes	10,005	0	(2,094)	582	(343)	8,150	11,039	(2,889)
Central Admin.	15,232	0	(2,166)	920	123	14,109	13,696	413
All Other Active Locations	27,338	0	(6,495)	1,566	(73)	22,336	22,632	(296)
All Other Inactive Locations	2,353	0	(253)	145	(13)	2,232	2,124	108
Under Agreement	45,101	0	(7,184)	2,698	(1,263)	39,352	38,515	837
Withdrawals	0	0	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$328,907</b>	<b>\$0</b>	<b>(\$80,460)</b>	<b>\$18,765</b>	<b>(\$3,528)</b>	<b>\$263,684</b>	<b>\$260,713</b>	<b>\$2,971</b>

\* Combined impact of changes in mortality and retirement age assumptions and voluntary lump sum opportunity.



## Roman Catholic Archdiocese of Boston Pension Plan

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Funding Location	Active PVAB (7/1/12)	Deferred Vested PVAB (7/1/12)	Retired and Beneficiary PVAB (7/1/12)	Total PVAB (7/1/12), (1)+(2)+(3)	Market Value of Assets (7/1/12)	(Deficit)/ Surplus (7/1/12), (5)-(4)	Funded Status (7/1/12), (5)/(4)	Funded Status (7/1/11)
ACHS (Frozen)	\$0	\$5,698	\$13,050	\$18,748	\$14,565	(\$4,183)	77.7%	85.9%
ACHS (New)	3,113	269	2,273	5,655	3,215	(2,440)	56.9%	64.4%
Life Resources	298	785	1,309	2,392	2,128	(264)	89.0%	93.7%
Cemetery Pool	1,407	293	4,795	6,495	6,222	(273)	95.8%	105.3%
St. Sebastian's	0	3,614	1,749	5,363	3,881	(1,482)	72.4%	78.1%
Open Parishes	39,392	13,075	81,587	134,054	107,728	(26,326)	80.4%	86.6%
Closed Parishes	0	2,020	9,019	11,039	3,911	(7,128)	35.4%	61.3%
Central Admin.	2,478	1,946	9,272	13,696	11,566	(2,130)	84.4%	88.7%
All Other Active Locations	8,067	2,266	12,299	22,632	18,160	(4,472)	80.2%	85.7%
All Other Inactive Locations	0	379	1,745	2,124	2,735	611	128.8%	130.1%
Under Agreement	0	16,837	21,678	38,515	33,832	(4,683)	87.8%	90.9%
<b>Total</b>	<b>\$54,755</b>	<b>\$47,182</b>	<b>\$158,776</b>	<b>\$260,713</b>	<b>\$207,943</b>	<b>(\$52,770)</b>	<b>79.8%</b>	<b>86.5%</b>

## Roman Catholic Archdiocese of Boston Pension Plan

<u>ASC 960 Liability (Formerly SFAS No. 35)</u>	<u>Valuation Date</u>	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Actuarial value of accumulated plan benefits		
a. Vested benefits		
i. Participants currently receiving payments	\$158,775,819	\$141,417,466
ii. Other participants	<u>96,079,592</u>	<u>180,185,660</u>
iii. Subtotal	\$254,855,411	\$321,603,126
b. Non-vested benefits	<u>5,858,254</u>	<u>7,303,843</u>
c. Total accumulated plan benefits	\$260,713,665	\$328,906,969
2. Market value of assets	<u>207,943,142</u>	<u>284,475,684</u>
3. (Deficit)/Surplus, (2) - (1)	(\$52,770,523)	(\$44,431,285)
4. Funded status, (2)/(1)	79.8%	86.5%
5. Key assumptions		
a. Interest rate	6.50%	6.50%
b. Mortality	2012 IRS Static Mortality Table (based on RP-2000)	2011 IRS Static Mortality Table (based on RP-2000)

<u>ASC 960 Liability</u>	<u>July 1, 2011 to July 1, 2012</u>
1. Actuarial value of accumulated plan benefits as of July 1, 2011	\$328,906,969
2. Increase/(Decrease) due to	
a. Benefits accumulated (including noninvestment experience)	(\$2,971,255)
b. Interest (decrease in the discount period)	18,764,010
c. Benefits paid	(80,459,787)
d. Change in actuarial assumptions *	15,123,870
e. Change in plan provisions **	<u>(18,650,142)</u>
f. Net increase/(decrease)	(\$68,193,304)
3. Actuarial value of accumulated plan benefits as of July 1, 2012	\$260,713,665

\* The change in mortality table increased the liability by \$407,284, while the change in the retirement age assumption increased the liability by \$14,716,586.

\*\* The voluntary lump sum opportunity offered to certain active and terminated vested participants in 2012 reduced the liability by \$18,650,142.

## Roman Catholic Archdiocese of Boston Pension Plan

<u>Summary of Participant Data</u>	<u>Valuation Date</u>	
	<u>July 1, 2012</u>	<u>July 1, 2011</u>
1. Active participants		
a. Number	2,569	3,604
b. Average age	48.2	52.3
c. Average service	9.6	12.0
2. Deferred vested participants		
a. Number	1,730	2,359
b. Average age	51.4	52.2
c. Sum of benefits (annual)	\$7,712,889	\$10,973,575
d. Average benefit (annual)	\$4,458	\$4,652
3. Retired participants and beneficiaries receiving payments		
a. Number	3,302	3,013
b. Average age	73.0	73.1
c. Sum of benefits (annual)	\$15,894,884	\$14,205,163
d. Average benefit (annual)	\$4,814	\$4,715
4. Total number of participants, (1)(a) + (2)(a) + (3)(a)	7,601	8,976

## Roman Catholic Archdiocese of Boston Pension Plan

### Summary of Active Participants by Funding Location as of July 1, 2012

<u>Funding Location</u>	<u>Headcount</u>		<u>Statistics</u>	
	<u>Count</u>	<u>Change From Last Year</u>	<u>Average Age</u>	<u>Average Service</u>
ACHS (Frozen)	0	N/A	N/A	N/A
ACHS (New)	211	-31.5%	46.9	9.3
Life Resources	27	-25.0%	44.6	7.6
Cemetery Pool	32	-34.7%	47.1	15.7
St. Sebastian's	0	N/A	N/A	N/A
Open Parishes	1,699	-31.5%	48.6	10.1
Closed Parishes	0	N/A	N/A	N/A
Central Admin.	100	-16.7%	50.4	7.2
All Other Active Locations	500	-18.0%	46.9	8.4
All Other Inactive Locations	0	N/A	N/A	N/A
Under Agreement	0	N/A	N/A	N/A
<b>Total</b>	<b>2,569</b>	<b>-28.7%</b>	<b>48.2</b>	<b>9.6</b>

## Roman Catholic Archdiocese of Boston Pension Plan

### Reconciliation of Active Participants by Funding Location

	<u>Count</u> <u>(7/1/11)</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>(7/1/12)</u>
ACHS (Frozen)	0	0	0	0	0	0	0	0	0	0	0
ACHS (New)	308	36	1	1	(4)	(16)	(15)	(100)	0	0	211
Life Resources	36	8	0	0	(3)	(5)	0	(9)	0	0	27
Cemetery Pool	49	1	3	0	(1)	(1)	(4)	(15)	0	0	32
St. Sebastian's	0	0	0	0	0	0	0	0	0	0	0
Open Parishes	2,481	260	21	0	(83)	(88)	(122)	(768)	(2)	0	1,699
Closed Parishes	0	0	0	0	0	0	0	0	0	0	0
Central Admin.	120	15	1	1	(4)	(6)	(5)	(21)	0	(1)	100
All Other Active Locations	610	92	0	4	(12)	(29)	(19)	(143)	(1)	(2)	500
All Other Inactive Locations	0	0	0	0	0	0	0	0	0	0	0
Under Agreement	0	0	0	0	0	0	0	0	0	0	0
<b>RCAB Total</b>	<b>3,604</b>	<b>412</b>	<b>26</b>	<b>6</b>	<b>(107)</b>	<b>(145)</b>	<b>(165)</b>	<b>(1,056)</b>	<b>(3)</b>	<b>(3)</b>	<b>2,569</b>

## Roman Catholic Archdiocese of Boston Pension Plan

### Summary of Deferred Vested Participants by Funding Location as of July 1, 2012

<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)	127	-42.3%	53.9	\$791,952	\$6,236	-13.1%
ACHS (New)	26	-7.1%	47.1	59,920	2,305	-13.4%
Life Resources	31	-20.5%	50.3	138,922	4,481	17.0%
Cemetery Pool	4	-50.0%	58.7	35,228	8,807	4.7%
St. Sebastian's	62	-4.6%	51.8	525,806	8,481	0.8%
Open Parishes	577	-23.3%	51.8	2,239,438	3,881	-2.4%
Closed Parishes	101	-30.8%	53.8	334,105	3,308	-17.9%
Central Admin.	70	-6.7%	51.2	371,850	5,312	-2.0%
All Other Active Locations	104	-11.9%	50.9	384,004	3,692	-4.0%
All Other Inactive Locations	15	-25.0%	59.3	47,962	3,197	-2.8%
Under Agreement	<u>613</u>	-31.0%	50.1	<u>2,783,702</u>	4,541	-0.5%
<b>Total</b>	<b>1,730</b>	<b>-26.7%</b>	<b>51.4</b>	<b>\$7,712,889</b>	<b>\$4,458</b>	<b>-4.2%</b>

# Roman Catholic Archdiocese of Boston Pension Plan

## Reconciliation of Deferred Vested Participants by Funding Location

<u>Funding Location</u>	<u>Count (7/1/11)</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 (7/1/12)</u>
ACHS (Frozen)	220	0	0	0	(1)	(24)	0	(74)	0	(1)	8	127
ACHS (New)	28	4	0	0	(1)	(1)	(1)	(4)	0	0	1	26
Life Resources	39	3	0	1	0	(2)	0	(10)	0	0	0	31
Cemetery Pool	8	1	0	0	0	(1)	(3)	(1)	0	0	0	4
St. Sebastian's	65	0	0	0	0	(3)	0	0	0	0	0	62
Open Parishes	752	83	2	8	(8)	(85)	(20)	(167)	(1)	(1)	14	577
Closed Parishes	146	0	0	0	0	(13)	0	(43)	(2)	0	13	101
Central Admin.	75	4	0	1	0	(6)	(1)	(8)	0	(2)	6	70
All Other Active Locations	118	12	0	1	(3)	(14)	0	(21)	0	0	11	104
All Other Inactive Locations	20	0	0	0	0	(2)	0	(2)	0	0	(1)	15
Under Agreement	<u>888</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>(5)</u>	<u>(29)</u>	<u>0</u>	<u>(241)</u>	<u>0</u>	<u>(8)</u>	<u>7</u>	<u>613</u>
<b>Total</b>	<b>2,359</b>	<b>107</b>	<b>2</b>	<b>12</b>	<b>(18)</b>	<b>(180)</b>	<b>(25)</b>	<b>(571)</b>	<b>(3)</b>	<b>(12)</b>	<b>59</b>	<b>1,730</b>

## Roman Catholic Archdiocese of Boston Pension Plan

### Summary of Retired Participants and Beneficiaries by Funding Location as of July 1, 2012

<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)	231	13.8%	71.7	\$1,306,862	\$5,657	3.5%
ACHS (New)	76	26.7%	67.8	188,652	2,482	1.5%
Life Resources	33	0.0%	71.9	127,809	3,873	-0.2%
Cemetery Pool	56	12.0%	73.4	521,876	9,319	-3.8%
St. Sebastian's	27	12.5%	75.0	187,788	6,955	-4.6%
Open Parishes	1,699	5.6%	72.8	8,032,350	4,728	4.9%
Closed Parishes	289	41.0%	75.4	958,355	3,316	8.4%
Central Admin.	154	1.3%	73.9	958,743	6,226	0.4%
All Other Active Locations	271	19.4%	73.3	1,258,628	4,644	-5.9%
All Other Inactive Locations	59	-6.3%	75.6	202,614	3,434	-3.5%
Under Agreement	<u>407</u>	5.2%	72.7	<u>2,151,207</u>	5,286	2.4%
<b>Total</b>	<b>3,302</b>	<b>9.6%</b>	<b>73.0</b>	<b>\$15,894,884</b>	<b>\$4,814</b>	<b>2.1%</b>



## Roman Catholic Archdiocese of Boston Pension Plan

### Reconciliation of Retired Participants and Beneficiaries by Funding Location

<u>Funding Location</u>	<u>Count (7/1/11)</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 (7/1/12)</u>
ACHS (Frozen)	203	24	1	0	0	0	(3)	0	6	231
ACHS (New)	60	16	0	0	0	0	(1)	0	1	76
Life Resources	33	2	0	0	0	(1)	(1)	0	0	33
Cemetery Pool	50	5	1	0	0	0	0	0	0	56
St. Sebastian's	24	3	1	1	0	0	(2)	0	0	27
Open Parishes	1,609	208	6	6	(1)	(3)	(48)	(83)	5	1,699
Closed Parishes	205	13	2	78	0	0	(11)	0	2	289
Central Admin.	152	11	0	1	0	0	(6)	(8)	4	154
All Other Active Locations	227	33	5	12	0	(2)	(9)	(6)	11	271
All Other Inactive Locations	63	2	0	0	0	0	(2)	(5)	1	59
Under Agreement	<u>387</u>	<u>29</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>(16)</u>	<u>0</u>	<u>3</u>	<u>407</u>
<b>Total</b>	<b>3,013</b>	<b>346</b>	<b>16</b>	<b>102</b>	<b>(1)</b>	<b>(6)</b>	<b>(99)</b>	<b>(102)</b>	<b>33</b>	<b>3,302</b>

## Roman Catholic Archdiocese of Boston Pension Plan

### Actuarial Assumptions and Methods

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#### Economic Assumptions

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

#### Demographic Assumptions

Mortality 2012 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 2011 IRS Static Mortality Table (sex distinct, based on RP-2000) to the 2012 IRS Static Mortality (sex distinct, based on RP-2000), effective July 1, 2012.

The retirement age assumption was changed from age 67 for active participants to age 65 for active participants effective December 31, 2011.

## Roman Catholic Archdiocese of Boston Pension Plan

### Plan Provisions

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#### 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)

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#### 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)

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#### 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

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

## Roman Catholic Archdiocese of Boston Pension Plan

### Appendix - Funding Locations

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#### 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. No. Cambridge Catholic 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. No. Cambridge Catholic 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

## Roman Catholic Archdiocese of Boston Pension Plan

### Appendix - Funding Locations (continued)

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#### All Other Active Locations

24. Boston Catholic TV Center
25. Catholic Purchasing Services
26. Clergy Support & Formation \*
27. Child Advocacy, Implementation \*
28. Office of Volunteer Resources \*
29. The Catholic Foundation \*
30. Delegate for Healing & Ast. Ministries \*
31. Propagation of the Faith (Boston)
32. Franciscan Center (Andover)
33. Glastonbury Abbey-Benedictine (Hingham)
34. Lowell Catholic High School
35. Mass Catholic Conference
36. Missionary Sisters Society of Mary
37. Monastery of St. Clare (Andover)
38. National Catholic Bioethics Center (Barrington)
39. Parents Alliance for Catholic Education
40. Planning Office For Urban Affairs
41. Blessed John XXIII National Seminary
42. Regina Cleri
43. Sisters of Charity Corporate Mission
44. Elizabeth Seton Residence, Inc. (Wellesley Hills)
45. Marillac Residence, Inc. (Wellesley)
46. Sisters of Charity (Halifax)
47. Sisters of Good Shepherd (Marlboro)
48. Sisters of Notre Dame - Ipswich Province
49. Society of St. James The Apostle
50. St. Columbkille School, Inc.
51. St. John's Seminary
52. St. Joseph Provincial House (Lowell)
53. St. Mary High School, Inc.
54. St. Patrick School & Education Center
55. Trinity Catholic Academy
56. Youville Place, Inc.
57. Pope John Paul II Catholic Academy
58. St. Ann School of Cape Ann
59. Quincy Catholic Academy
60. Lawrence Catholic Academy

\* Part of Central Administration

## Roman Catholic Archdiocese of Boston Pension Plan

### Appendix - Funding Locations (continued)

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#### All Other Inactive Locations

61. Blessed Stephen Bellesini Academy
62. Cardinal Cushing H.S./Real Estate
63. Central Purchasing Service
64. Charismatic Renewal Services
65. Christopher Columbus High School
66. Elizabeth Seton Academy
67. Keith Catholic High School
68. Oblate Mission House & Residence (Tewksbury)
69. Sisters of Notre Dame - Boston Province (Everett)
70. Sisters of Notre Dame Development Fund (Worcester)
71. Society of African Missions (Dedham)
72. St. Stephen Priory
73. Jesuit Seminary Guild
74. La Vida Catolica
75. Young Catholics in Action

#### Under Agreement

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