1. **What are the current retirement plans?**

   There are two retirement plans: a Defined Benefit Pension Plan for Parish Employees and a Defined Contribution Plan for Central Administration Employees which consists of two parts (a 403b salary deferral plan and a defined contribution money purchase plan).

2. **What changes are being made?**

   On September 1st, all plans will be frozen (there will be no new participants in the existing plans, no further contributions will be made into it, and participants will be vested on their years of service at that time). A new 403b plan will be expanded to include contributions from the employer on a matching basis.

3. **What is a 403b retirement plan? Is it like a 401k retirement plan?**

   A 403b is a voluntary salary deferral/reduction retirement plan and it is like a 401k in for-profit organizations. Basically, it is a way for you to put PRE-TAXED income into an investment account to save for retirement. Another name for it is Salary Deferral Plan: a percentage of your salary (that you choose to reduce) is “deferred” in order to be paid to you after retirement. Often, these plans are called tax-sheltered annuities, because they are bought as variable annuities from insurance companies. To learn more about 403b plans go to [FAQs on 403(b) Tax-Sheltered Annuity Plans](#).

4. **Do I have to participate?**

   No. This is a VOLUNTARY Salary Deferral Plan. You can join at any open enrollment period (usually from June through August) in anticipation of the plan anniversary date on September 1 of each year.

5. **Can I change the percent of salary deferral from year to year?**

   Yes. You will have that option on the form distributed each June.

6. **How does the match from the diocese or parish work?**

   If you put in 1% of your pay before taxes, we will give you a matching amount. If 2%, we will match it with 2%. If you defer 3% or more, we will be give 4% of your pay. The reason for the added percent is simple – it is an incentive to save more for retirement! In other words, there is a dollar for dollar match up to 3%, where the bonus of an additional 1% is given. The employer match does not increase beyond the 4%, although employee deferrals may be higher than 3%.

7. **What does the vesting refer to?**
The vesting schedule refers to your degree of entitlement to the employer-contributed funds which have been going into a Money Purchase Plan with Mass Mutual in the current program. It only applies to a participant in the plan who leaves employment BEFORE completing 5 years of employment with the diocese at 20 or more hours per week. Under both the frozen Money Purchase Plan and the updated 403b plan, the vesting will remain and be the same: 3 years = 60%, 4 years = 80%, and 5 years = 100%. You ALWAYS are 100% vested in your own individual deferrals because that is your money which you are setting aside for retirement.