

The Lay Employees' Pension Plan of the Roman Catholic Diocese of Albany

Frequently Asked Questions (FAQs)

1. What is the objective of the pension plan?

The plan is designed to provide lifetime retirement benefits to participants who complete certain age and service requirements.

2. What kind of plan is it?

It is a defined benefit plan that includes lay employees of the Diocese, parishes, and other related entities.

3. How is the plan funded?

Contributions — from employees and employers — are paid into a trust fund that has been set up solely for the benefit of plan participants with Trustco Bank. These contributions, together with investment earnings of the trust fund, are used to finance your plan benefits.

4. Who is the plan's investment advisor?

Christian Brothers Investment Services (CBIS). CBIS has been providing Catholic investors with socially responsible investment solutions for over 30 years. It is a global investment firm that delivers highly competitive risk-adjusted investment returns in a manner consistent with the moral and social teachings of the Catholic Church.

5. What is the plan's investment policy?

The plan's trust fund assets are professionally managed to ensure that retirees receive their promised pension benefits. Primary investment objectives are:

- Preserving the trust fund's capital.
- Keeping the trust fund sufficiently liquid to meet all operating requirements and anticipated demands.
- Diversifying the investments to minimize risk and attain a market rate of return throughout changing budgetary and economic cycles.

6. Is the trust fund protected?

Fund assets are always held in a separate trust and are not co-mingled with other Diocese assets. This protects the plan and plan assets from legal claims that might be brought against the Diocese.

7. How do we know the Diocese puts enough money into the plan each year?

Our plan is funded each year, based on an annual actuarial valuation done by Milliman, one of the world's largest providers of actuarial services, to make sure that our plan is always adequately funded to pay promised benefits over both the short-term and the long-term. The key purpose of the actuarial valuation — made using good, conservative assumptions — is to inform the Diocese, the plan sponsor, of the amount needed to adequately fund benefits.

8. How well positioned is the pension plan to pay the benefits that have been promised to me?

As noted in the prior question, Milliman provides an annual valuation of the plan. This includes measuring plan assets and liabilities as of the first day of the plan year (January 1) in order to

determine the plan's funded status. As of the latest actuarial valuation report date, January 1, 2022, the plan was over 105% funded, meaning that the plan had more than enough assets to pay of all plan obligations at that time. Work involved in the valuation of the plan as of January 1, 2023 is underway and will assist the diocese in determining the appropriate level of funding to provide to the plan.

9. Is the plan audited by someone other than Milliman?

Yes, financial statements for the pension plan are independently audited by Bonadio & Company, LLP, a nationally ranked, top-40 CPA firm, each year. This annual audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made, as well as evaluating the overall management of financial statements.

It is our hope that knowing your pension plan benefit is funded on an ongoing basis gives you an added feeling of security for your — and your family's — future. To learn more about how the plan works and how and when you can elect to receive your benefit, see the summary plan description (SPD), available by contacting the diocesan Human Resources office.