

Termination of The Roman Catholic Archdiocese of Atlanta Lay Pension Plan and Trust

What You Need to Know:
Updates and Q&As

February 24th, 2026

WELCOME – TODAY'S SPEAKERS



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WELCOME – TODAY’S AGENDA

Overview:

The purpose of this presentation is to provide you with information about the termination of The Roman Catholic Archdiocese of Atlanta Lay Pension Plan and Trust (the “Lay Pension Plan”) and to answer your general questions.

We will:



Explain what the termination of the Lay Pension Plan means for you.



Outline the timeline of the termination and key next steps.



Describe your options related to the distribution of your benefits.

This presentation is not intended to serve as legal or financial advice. We encourage each of you to consult your own individual legal or financial advisors.

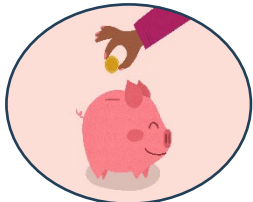
GENERAL INFORMATION

What is the Lay Pension Plan?

The Lay Pension Plan is known as a “money purchase pension plan.” It is a “church plan,” which means it is exempt from ERISA’s funding, reporting, and spousal-annuity rules.



For the time you were working at the Archdiocese, you have earned benefits in the Lay Pension Plan.



If you were eligible, the Archdiocese contributed a fixed percentage of your pay each year to your Lay Pension Plan account.



Your benefit is adjusted for investment gains or losses each year.

GENERAL INFORMATION

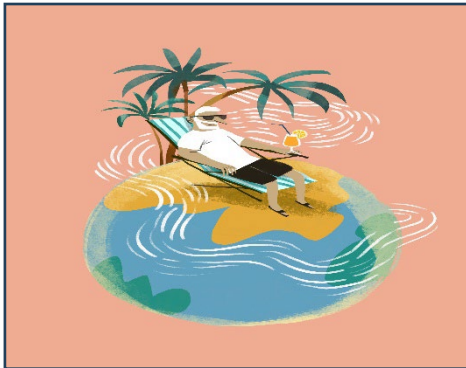
When is the Lay Pension Plan Terminating?



**The Lay Pension Plan will
be terminated effective
June 30, 2026.**

GENERAL INFORMATION

Why is the Lay Pension Plan Terminating?



Terminating the Lay Pension Plan will:

- Simplify administration for the Archdiocese and you (as Plan participants).
- Reduce overall administration costs.

Note, the Archdiocese continues to provide **retirement benefits** for employees through the Roman Catholic Archdiocese of Atlanta 403(b) Church Plan (the “403(b) Plan”).



GENERAL INFORMATION

What does the Plan Termination Mean?

- ① No further employer contributions will be made to the Lay Pension Plan after the June 30th termination.
- ① The Lay Pension Plan will be formally terminated under the Internal Revenue Service Rules.
- ① The Lay Pension Plan will no longer exist once termination is complete.

GENERAL INFORMATION

What does the Plan Termination Mean? *(cont.)*

Importantly:

You will become 100% vested in your Lay Pension Plan account.*
*(*if you are not already vested.)*

Your account balance will be distributed to you either:

- 1. As a lump sum distribution; or**
- 2. A rollover.**



GENERAL INFORMATION

What does the Plan Termination Mean? *(cont.)*



Final distribution will occur after all required valuation and administrative steps are completed (anticipated during the first quarter of 2027).

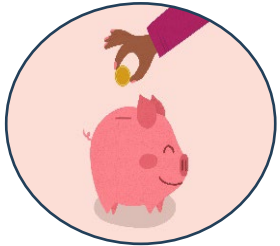


Your final payout amount will be your balance shown on your September 2026 statement.

GENERAL INFORMATION

Does the Termination Affect my Future Retirement Benefits?

Short answer: No.



In lieu of making a contribution to the Lay Pension Plan, a comparable **employer contribution** for eligible employees will be made to the 403(b) Plan towards your retirement.



To receive this new **employer contribution**, *your employment status at the Archdiocese must be full-time.*

GENERAL INFORMATION

Does the Termination Affect Your Future Retirement Benefits? **Short answer: No.**



You will be able to direct the investment of these **employer contributions** among the investment options available under the 403(b) Plan.



You do *not* need to make salary deferrals into the 403(b) Plan to be eligible to receive the new **employer contributions** – however, contributions are permitted.

DISTRIBUTIONS FROM THE LAY PENSION PLAN



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DISTRIBUTIONS

When and How Can You Choose Your Lay Pension Plan Payment Method?

In **September 2026**, you will receive a distribution packet that will include:

- Your 2026 Lay Pension Plan Account **Statement**;
- **Instructions** for making your distribution election, including the required forms, deadlines, reference materials and contact information for assistance with questions; and
- Your **Distribution Election Form**, which you will use to choose your payment option.



You will have at least **30 days** to complete and return your election paperwork to the Archdiocese Human Resources Office. Your election must be **received by the deadline stated in the packet** in order for your distribution to be processed on time.

DISTRIBUTIONS

What Payment Options Exist for Your Lay Pension Plan Payout?



If you are **actively employed** by the Archdiocese at the time of distribution, your payout options are:

- A **lump sum payment** made directly to you, or
- A **direct rollover** to (i) the 403(b) Plan, (ii) an Individual Retirement Account (“IRA”), or (iii) another tax-qualified retirement plan.



If you are **no longer employed** by the Archdiocese at the time of distribution, your payout options are:

- A **lump sum payment** made directly to you, or
- A **direct rollover** to (i) an Individual Retirement Account (“IRA”), or (iii) another tax-qualified retirement plan.

DISTRIBUTIONS

Payment Options – Lump Sum Payment

Whether you are **actively employed** or **no longer employed** by the Archdiocese at the time of distribution, you can elect to **receive a lump sum payment paid directly to you**:

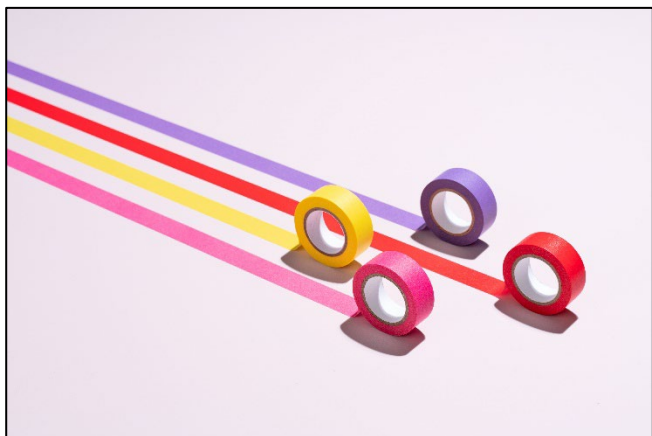


- Your distribution will be **taxable to you in the year it is paid.**
- Generally, the payment will be subject to **20% federal income tax withholding.**
- You will receive a Form 1099-R reporting the distribution and the taxes withheld that you must report on your personal taxes.
- If you are under age $59 \frac{1}{2}$, you may also be subject to **early withdrawal penalties.**

DISTRIBUTIONS

Payment Options – Direct Rollover

Whether you are **actively employed** or **no longer employed** by the Archdiocese at the time of distribution, you can elect to **directly rollover your account balance**, ***HOWEVER***, only active employees can elect a rollover to the 403(b) Plan.



You may elect to rollover your account to:

- An Individual Retirement Account (“IRA”);
- Another tax-qualified retirement plan; or
- The 403(b) Plan – ***active Archdiocese employees only.***

Income taxes are deferred on amounts you rollover.

DISTRIBUTIONS



- The **Distribution Election Form** you receive will clearly indicate all payment options available to you based on whether you are actively employed or terminated at the time of distribution.
- You will also receive a **Tax Notice** describing the tax rules, rollover options, withholding, and penalties that may apply to your Plan distribution.
- We recommend that you consult your tax advisor regarding how your payment choice fits into your retirement and tax planning.

DISTRIBUTIONS

What Information Do You Need to Know if You Decide to Rollover Your Distribution?

If you are **actively employed** and elect a **rollover to the 403(b) Plan**:

- You will make the rollover election directly on your **Distribution Election Form**, which will contain all the required information and instructions.
- You **must** already be enrolled in the 403(b) Plan at Empower before your rollover can be processed.

DISTRIBUTIONS

What Information Do You Need to Know if You Decide to Rollover Your Distribution?

If you elect to **roll over your distribution into an IRA or another qualified retirement plan:**

- You will need to know exactly how the check should be made payable (e.g., Fidelity FBO Jane Smith).
 - Your financial advisor or financial institution will provide this information.
- The rollover check will be mailed directly to you, and you are responsible for delivering it to your IRA or financial institution.
- If your rollover check is made payable to you (rather than to the receiving institution FBO and you), different tax and timing rules can apply.
 - To avoid these issues, we recommend confirming the exact payee wording with your receiving institution.

DISTRIBUTIONS

Will You Have to Pay Taxes on Your Lay Pension Plan Distribution?

Short answer:
It depends.

If you elect to receive your distribution as a **lump-sum payment directly to you**:



Federal income tax withholding of 20% is required on the taxable portion of your distribution, plus any applicable state taxes.



You generally may **not** elect a lower rate on mandatory withholding for an eligible rollover distribution.



If you are under the age 59½, you may also be subject to a 10% early withdrawal penalty on the amount paid to you.

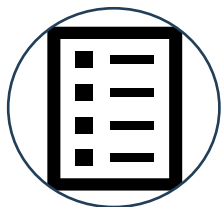
These taxes and penalties apply regardless of whether you are **actively employed** or **no longer employed** by the Archdiocese.

DISTRIBUTIONS

Will You Have to Pay Taxes on Your Lay Pension Plan Distribution?

**Short answer:
It depends.**

If you elect to receive your distribution as a **direct rollover**:



No taxes are withheld, and no taxes are due at the time of rollover, because the money remains in a tax-deferred retirement account.

We recommend that you consult your tax or financial advisor before making an election so that you understand how your payment choice will affect **your retirement and tax planning.**

DISTRIBUTIONS

Is There a Benefit to Rolling Over your Lay Pension Plan Distribution into the 403(b) Plan?

Short answer:
Yes.

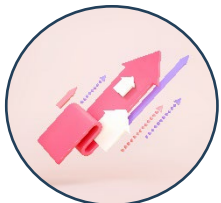
You might consider rolling your distribution to the 403(b) Plan for a number of reasons:



Simplicity – If you elect the option to rollover your funds into the Archdiocese 403(b) Plan, the Archdiocese will transfer your benefit from the Lay Pension Plan directly into your 403(b) Plan account at Empower. This eliminates the need to find a financial institution, open an IRA, receive a check, and deposit the rollover yourself.



One-stop money management – All of your Archdiocese retirement funds will be in one plan. This makes it easier for you to track and manage your retirement money.



Continued income tax deferral – Amounts rolled into the 403(b) Plan remain tax-deferred, and any future investment earnings continue to grow tax-deferred until you take a distribution.

DISTRIBUTIONS

Is There a Benefit to Rolling Over your Lay Pension Plan Distribution into the 403(b) Plan?

Short answer:
Yes.

Additional reasons:



Deferral of Required Minimum Distribution Payments (RMDs) – If you roll your balance into the 403(b) Plan and continue working for the Archdiocese, you will not be required to take RMDs—even if you are over age 73. If instead, you roll your distribution into an IRA or another qualified plan, the RMD portion must be paid to you at the time of rollover and cannot be deferred.



Other advantages – Once rolled into the 403(b) Plan, your funds become subject to the Plan's available features, such as loans and withdrawals (in case you need immediate access to the funds). These features can offer additional flexibility not available in an IRA.

DISTRIBUTIONS

Are There Additional Steps You Need to Take Before Electing to Rollover Your Lay Pension Plan Distribution into the 403(b) Plan?

Short answer:
YES!



You must be enrolled in the 403(b) Plan.

- If you are not already enrolled, you will need to go on-line at empowermyretirement.com and set up your account. Empower cannot accept your rollover unless your 403(b) Plan account has already been established.
- **Enrollment does NOT require salary deferrals** - setting up your 403(b) Plan account does not mean that you need to make deferral contributions from your pay to the 403(b) Plan. An account must simply be established so that your Lay Pension Plan balance has a destination for the rollover.
- Please remember to complete the information regarding your chosen beneficiaries and select your investment options. **Please direct any questions to chanceryhr@archatl.com.**

DISTRIBUTIONS

Are There Additional Steps You Need to Take Before Electing to Rollover Your Lay Pension Plan Distribution into the 403(b) Plan?

Short answer:
YES!



You must be enrolled in the 403(b) Plan. Your rollover cannot be processed without an active 403(b) account.

- Empower will not accept any rollover until your 403(b) Plan enrollment is completed. If you wish to roll over into the 403(b) Plan, please take this step before returning your distribution election form.

ENROLL NOW

DISTRIBUTIONS

What Happens if You Do Not Make a Distribution Election and/or Return Your Distribution Election Form?

Your distribution cannot be processed without a completed election form.

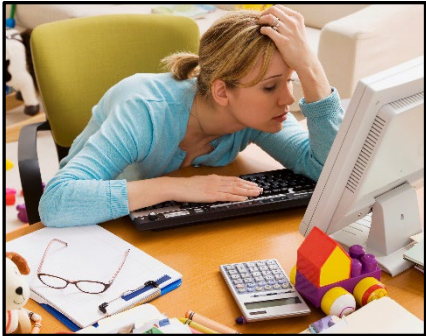
- The Plan cannot choose a default payment option for you. A distribution will not occur unless you complete your election form.

If you do not make an election and do not return your distribution paperwork by the deadline your account balance will be escheated to the State in which you live (Georgia for most).

- Once escheated, you must claim the funds from the State, not the Archdiocese.
- It could take up to 6 months for the escheatment process to be completed before you would be able to make a claim for your benefit from the State.

DISTRIBUTIONS

The Archdiocese **WILL NOT HAVE** your funds after they are transferred to the State.



- If you do not return your election forms, **you will be responsible for making a claim for your benefit** from the custodial institution or, after escheatment, from the State of Georgia (or the State where you live), not the Archdiocese.
- If you elect a lump sum and receive a check but do not cash it, the funds may still be transferred to the custodial institution or escheat to the State under unclaimed property rules.

DISTRIBUTIONS

Once You Choose a Payment Method, Can you Change Your Mind Later?

**Short Answer:
No.**



- Once you submit your completed distribution paperwork, your benefit payment choice will be final and cannot be changed.
- Your payment will be processed based on the option you selected, and federal rules do not allow changes or reversals once your election has been processed.

DISTRIBUTIONS

How Long Will it Take to Terminate the Lay Pension Plan and Distribute Lay Pension Plan Assets?

It is expected to take approximately **six (6) to eight (8) months** following the June 30, 2026 termination date for your benefit payment or rollover to be completed.

Lay Pension Plan assets are expected to be fully distributed by the **end of the first quarter of 2027**. Processing time includes required valuation, reconciliation, and administrative steps that must take place before distributions can be made.



DISTRIBUTIONS

What happens if You Terminate Employment Before Lay Pension Plan Assets are Distributed?

- If you are not already 100% vested, you will become fully-vested in your Lay Pension Plan account on the date of termination, June 30, 2026.
- Your benefit will be paid to you at the same time that all other Lay Pension Plan assets are distributed as part of the Plan's termination process. Whether you leave employment before or after the termination date, your distribution will be made only during the Plan's termination distribution process—not immediately upon your separation.
- You will **not** be eligible to roll over your distribution into the 403(b) Plan but you can still roll over the funds into an IRA or another qualified retirement plan.

Next Steps and Additional Information



Next Steps

What Do You Have to Do Now?

You do not have to do anything at this time.

However, now is a good time to:



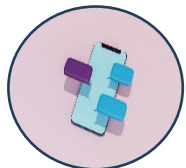
Evaluate your short- and long-term savings, as well as your future potential retirement income sources.



Consider consulting your tax and/or financial advisor to help you understand your options and prepare for making your payment election when the time comes.



Review your beneficiary designation for both the Lay Pension Plan and the 403(b) Plan to ensure it reflects your current wishes.



Notify the Archdiocese promptly if you change your mailing address, email address, or marital status so that all required materials reach you without delay.

Next Steps

Common Mistakes to Avoid



- **Not** enrolling in the 403(b) Plan when electing a rollover.
- **Not** updating your address.
- Delaying your election and **missing the deadline**.
- Assuming RMDs are automatically handled (they are **NOT** if funds go to custodian/state).
- Assuming the Plan will make a distribution without an election.
- Assuming your beneficiary designation is up to date (review it for both plans).

Next Steps

Where Can You Get More Information?

There are several ways for you to obtain information about the Lay Pension Plan termination.

Your **Lay Pension Plan Termination Packet**:

- You will receive this packet containing payment option details and instructions for electing your Lay Pension Plan distribution.
- We expect to send this to you in late September 2026.

Plan Summaries and the **Archdiocese Office**:

- You can review the Plan Summary for both the Lay Pension Plan and the 403(b) Plan on RCAA's intranet.
- Plan Summary(ies) are also available by contacting Lily Gallagher, Director of Benefits, by telephone at (404) 920-7485, Monday through Friday, 9:00 a.m. to 4:00 p.m. Eastern Time, by email at lgallagher@archatl.com, by mail at Archdiocese of Atlanta, 2401 Lake Park Drive SE, Smyrna, GA 30080.

Empower

- You can contact Empower for information about the 403(b) Plan, as well as for financial planning information, tools and resources. Visit them at <http://www.empowermyretirement.com/> or call **1-866-467-7756**.

Questions?



Please enter your questions in the chat box now. To protect your privacy, please do not include any personal identifying information.

Any questions that remain unanswered in the time allotted will be answered in a follow up email to all participants. This presentation is being recorded. A copy of the recording and a link to view it will be shared by the Human Resources Office in a follow-up message.

Thank you for your attendance today !