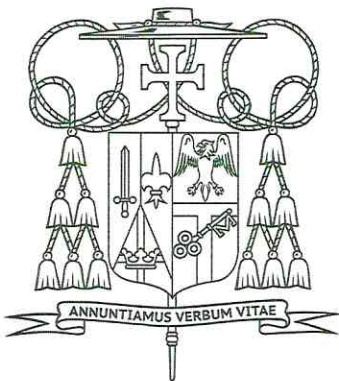


JOHN STOWE, OFM, CONV.



BISHOP OF LEXINGTON

The Revised Priest Retirement Plan of the Roman Catholic Diocese of Lexington, Kentucky

As Bishop of the Diocese of Lexington in Kentucky, I hereby issue this revised **Priest Retirement Plan of the Roman Catholic Diocese of Lexington, Kentucky** as administrative directives of the Diocese of Lexington, summarizing policies and procedures to provide retirement benefits for all eligible priests in the Diocese, including, but not limited to those of the Diocese formerly under the Priest Retirement Plan of the Diocese of Covington and the Archdiocese of Louisville, according to the norm of law.

The revised **Priest Retirement Plan of the Roman Catholic Diocese of Lexington Kentucky** is to be published in print or electronic format in a manner that is readily accessible to all affected by this policy. The provisions of this policy are effective within the Diocese of Lexington as of September 4, 2019 any particular legislation, directives or instructions to the contrary notwithstanding.

Given at the Chancery, Lexington, Kentucky this 4th day of September, 2019.

Most Reverend John Stowe, O.F.M., Conv.
Bishop of Lexington

Karen Abbey
Chancellor

PRIEST RETIREMENT PLAN OF THE DIOCESE OF LEXINGTON, KENTUCKY
RESTATED AND AMENDED Nov 1, 2016

Effective January 2, 1990, THE ROMAN CATHOLIC DIOCESE OF LEXINGTON, a non-profit organization, organized and existing under the Canon Law of the Roman Catholic Church pursuant to USCCB IRS Group Ruling as 501 (c)(3), does hereby establish and adopt this Priest Retirement Plan to provide retirement benefits for all eligible priests in the Diocese, including, but not limited to, those priests of the Diocese formerly under the Priest Retirement Plan of the Diocese of Covington and the Archdiocese of Louisville.

This Plan is intended to meet the requirement of a "church plan" as set forth in Sections 414 (e) and 3121 (w) (3) of the Internal Revenue Code of 1986 and Section 3 (33) of the Employee Retirement Income Security Act of 1974 (ERISA).

Article 1: Definitions

- 1.1 "Effective Date" shall mean January 2, 1990
- 1.2 "Employer" shall mean the Roman Catholic Diocese of Lexington, Ky.
- 1.2.1 "Diocese of Lexington" shall mean the Roman Catholic Diocese of Lexington.
- 1.3 "Member" shall mean all incardinated priests of the Diocese of Lexington who are in good standing and active in the priestly ministry, subject to section 4.6 hereof.
- 1.3.1 "Former Member" shall mean all incardinated priests of the Diocese of Lexington who left the priesthood prior to their Earliest Retirement Date, but with a minimum of fifteen (15) years of service.
- 1.4 "Years of Service" for Members shall mean the period between July 1 immediately following ordination and Earliest Retirement Date. "Years of Service" for a "Former Member" shall mean the period between July 1 immediately following ordination and July 1 of the year in which such individual leaves the priesthood.
- 1.5 "Retirement Date" shall mean (a) July 1 of the year in which the "Member" becomes seventy (70) years of age, or (b) July 1 of the year in which the "Member" is given permission to retire earlier on application to the Bishop, but in no event earlier than the year in which the "Member" becomes sixty-five (65) years of age.
- 1.6 "Plan" shall mean the Priest Retirement Plan of the Diocese of Lexington, as established herein and as it may be amended from time to time

- 1.7 "Plan Year" shall mean the fiscal year beginning January 1 and ending December 31.
- 1.7.1 "Presbyteral Council" shall mean the council of priests of the Roman Catholic Diocese of Lexington created in pursuant to Canon 495 of the Canon Law of the Roman Catholic Church.
- 1.8 "Retirement Committee" shall mean the committee defined in Paragraph 2.1 hereof.
- 1.9 "Trustee" shall mean the independent fiduciary named as Trustee in the Trust Agreement or its successor.
- 1.10 "Trust Fund" shall mean the fund(s) held under this Plan, established to service, hold, and invest contributions and earnings of the Plan and from which benefits will be distributed.

Article 2: Administration of Plan

- 2.1 The Plan shall be administered by a Retirement Committee which shall consist of six (6) priests. The Vicar for the Retired Priests shall serve on the Retirement Committee by virtue of his position as one of those priests. Two (2) priests shall be selected by the Bishop and shall serve at the discretion of the Bishop. The other three priests shall be appointed through the process and for the term set forth hereafter ("Appointed Priests"). The Committee Membership is limited two retired priests serving at any time.
- 2.1.1 The process for the selection of the Appointed Priests shall be for the Retirement Committee to recommend a nominee to the Presbyteral Council for consideration at their March meeting for each position to be filled. The Presbyteral Council may accept such recommendation or may reject the recommendation and request that a different nominate be selected and offered for consideration. Once selected the Presbyteral Council shall then advise the Bishop of its recommended nominee(s). The Bishop shall then notify in writing the Retirement Committee, Presbyteral Council and the applicable priest of his appointment.
- 2.1.2 The Appointed priests (1990) shall be appointed to serve initially in staggered terms for one (1) year, two (2) years and three (3) years. Thereafter, each of the three (3) appointed priests shall serve a term of three (3) years, commencing on July 1, in the first Year of the term of appointment and ending on June 30 in the third year of the term of appointment. Each of the three (3) appointed priests may only serve two (2) full consecutive three (3) year terms, but after remaining off the Retirement Committee for one (1) year may be reappointed. Any vacancy of the Appointed Priests on the Committee may be filled as set forth in paragraph 2.1.1. The replacement Appointed Priest on the Retirement Committee so appointed shall complete the term of office of the priest that he replaces and be eligible for two (2) full, consecutive three (3) year terms thereafter.

- 2.2 The Retirement Committee shall select a Chairman, Secretary, and Treasurer of the Committee at its annual meeting which shall be held in the Fall of each year. The Chairman shall serve as chief executive, preside over meetings, delegate functions of the Committee, and coordinate all the activities of the Committee. The Secretary shall record the minutes of all meetings, maintain all administrative records, and shall handle correspondence for the Committee. The Treasurer shall have the responsibility of supervising all financial matters of the Plan and shall be responsible for preparing or having prepared all financial statements of the Plan.
- 2.3 The Retirement Committee shall have an annual meeting in the Fall of each year to review the financial condition of the Plan and to select its Chairman, Secretary, and Treasurer, who shall serve until the next annual meeting or until their successors are selected.
- 2.4 The duties of the Retirement Committee shall include interpretation of the provisions of the Plan, adoption of rules and regulations necessary to administer the Plan, determination of benefits, maintenance of detailed accounting and financial records, provision of an annual report with an actuarial study report if deemed necessary, selection of investment counselors, retention of accountants and attorney for professional advice, and performance of such other duties as may be required for the proper administration of the Plan and its purposes.
- 2.5 The Retirement Committee shall meet at least quarterly at a time and place selected by the Chairman, unless, the Chairman determines the agenda to be insufficient whereupon he may cancel any such regular meeting. Provided, however, in no event shall the Retirement Committee meet less than once a year (Fall). Four (4) members of the Retirement Committee shall constitute a quorum at any meeting, and at least four (4) concurring votes shall be necessary for a decision. All decisions of the Retirement Committee are final and conclusive on all matters and are binding on all parties, including the Bishop of the Diocese of Lexington ("Bishop") and the Members or Former Members, subject to the provisions of Paragraph 2.6.
- 2.6 Any Member or Former Member who has received an adverse decision of the Retirement Committee shall have the right to appeal such a decision through the Conciliation/Arbitration Process of the Diocese of Lexington. Such appeal shall follow the procedure established in the Conciliation/Arbitration Process. A copy of the appeal must be delivered also to the Chairman of the Retirement Committee within thirty (30) days from the Member or Former member's receipt of the adverse decision.

Article 3: Eligibility

- 3.1 A Member shall be eligible for retirement benefits under the Plan on his Retirement Date and the cessation of primary responsibilities for active ministry (such as pastor, full time position in the diocesan office, full time chaplain, administrator etc.) Unless such Member is on a leave of absence approved by the Bishop. In addition, the following requirements also must be met:
- a. The member has exercised all of his priestly ministry in the Diocese of Lexington, the Diocese of Covington, or the Archdiocese of Louisville. A Member serving in a specific capacity outside of the subject Diocese at the direct request of the Bishop thereof fulfills this requirement.
 - b. The member is in good standing and actively serving the Roman Catholic Diocese of Lexington.
 - c. The Member has exercised his priestly ministry for a minimum of ten (10) years.

A priest must have fulfilled all three (3) requirements listed above to be automatically eligible for retirement benefits.

- 3.1.1 A Former Member shall be eligible for certain retirement benefits under the Plan, as set forth in Section 4.1.1, upon July 1 of the year in which such Individual becomes seventy (70) years of age.
- 3.1.2. Any Member retiring prior to age sixty-five (65) with permission of the Bishop shall be the responsibility of the Roman Catholic Diocese of Lexington until such Member reaches Retirement Age.
- 3.2 The Retirement Committee shall have the discretionary authority to grant either partial or complete benefits of the Plan to Members or Former Members who would not qualify under one or more of the provisions of 3.1 or 3.1.1 of the Plan. This action may be initiated by either the Member, or Former Member, upon written petition of the Retirement Committee. The Retirement Committee should consider special circumstances and the individual needs of the Member or Former Member. The recommendation of the Retirement Committee will be presented to the Presbyterial Council for affirmation. The Retirement Committee shall communicate its decision to the Member or Former Member within sixty (60) days.

- 3.3 A Member who has or will reach his Retirement Date and intends to retire, or a Former Member who wishes retirement benefits under the Plan, must notify the Employer and retirement Committee of his intention to retire or seek retirement benefits six (6) months prior to his Retirement Date or July 1 in the Year in which he becomes seventy (70) years of age, in the case of Former Members. Notice must be in writing. In case of necessity the Retirement Committee may make an exceptions to this rule. A Member who reaches his Retirement Date (70) under Section 1.5 (a) hereof shall automatically begin receiving benefits thereafter without further action by such Member.
- 3.4 The payment of retirement benefits to a Member or Former Member shall commence on the last day of July in the year of his Retirement Date. July 31 in the year in which he becomes seventy (70) in the case of Former Members. Such payments shall continue to be paid on the last day of each month thereafter until his death. A Member or Former Member shall not be entitled to benefits for the month in which his death occurs.
- 3.5 It is the responsibility of the Committee notify the Bank of the pending retirement, the start date and the amount to be paid. It is up to the retiree to set up all other Fiscal arrangements.

Article 4: Benefits

- 4.1 As set forth in Section 2.4 hereof, the retirement benefit shall be determined by the Retirement Committee from time to time by the amendment of these Articles. In making its determination of such retirement benefits the Retirement Committee shall consider the performance of the investments in the Fund, a timely actuarial report on the Plan, the demographics of the Members or potential Members, retired, active, or otherwise, cost of living data, expected contributions and any other factors the Retirement committee decides are relevant. It is the goal of the Retirement Committee to set retirement benefits as close as the Retirement Committee deems prudent to the total salary paid to an active priest of the Diocese. Modifications of the retirement benefit shall be considered annually for the upcoming benefit period by the Retirement Committee at its winter meeting or such other meeting as it may choose. See (4.1.3)
- 4.2 A qualified Member, upon retirement, shall be entitled to receive a retirement benefit commencing on the last day of July in the year in which his Retirement Date occurs.
- a. Effective August 1, 2011, for qualified Members with at least **Twenty-five (25) Years of Service** who have, or will be, retiring on their Retirement Date under Section 1.5 (a) hereof, the retirement benefit shall be \$1,853.00 per month.

- b. Effective August 1, 2011, qualified Members with at least Twenty-five (25) Years of Service who have, or will be, retiring on their Retirement Date under Section 1.5 (b) hereof, the retirement benefit shall be the following:

Retirement Date	Retirement Benefit
Year attaining Age 65	75% of the benefit under Section 4.2 (a) hereof
Year attaining Age 66	80% of the benefit under Section 4.2 (a) hereof
Year attaining Age 67	85% of the benefit under Section 4.2 (a) hereof
Year attaining Age 68	90% of the benefit under Section 4.2 (a) hereof
Year attaining Age 69	95% of the benefit under Section 4.2 (a) hereof
Year attaining Age 70	Full benefit under section 4.2 (a) hereof

- c. For Members with less than twenty-five (25) Years of Service on their Retirement Date, the retirement benefits shall be reduced pro rata.

EXAMPLE:

15 years of service at age 70
 Full retirement benefit of \$1,000
 Pro rata Benefit----- $15/25 \times \$1,000 = \600

- 4.2.1 Beginning January 1, 2009 in addition to the benefit under 4.1 (a) and (b) above, each Member shall receive an additional monthly benefit as determined by the Secretary of Stewardship on a yearly basis.
- 4.2.3 A Former member upon July 1 of the year in which such individual becomes Seventy (70) years of age, and upon written notification (3.3), shall be entitled to receive a retirement benefit commencing on the last day of July in which he is eligible, as set forth herein, shall occur. Provided, however, such retirement benefit for a Former Member shall be calculated on the following Formula: (Years of service divided by (year of attaining age seventy (70) minus year of ordination) with such total multiplied times the applicable benefits for those retiring at sixty-five (65) under the benefit scale in effect at the time the Former Member's resignation from the Priesthood.

EXAMPLE:

Year resigned: 1997—benefit of \$962.00 at age 70
Scale in effect in 1997

Year at age 70: 2006

Year Ordained: 1967

$30(1997-1967) / 39(2006-1967) \times \$962.00 = \$740.00$

- 4.3 A Member or Former Member shall not have a vested interest or right in any retirement benefit.
- 4.3.1 The amount of the monthly payment may be increased or decreased at the discretion of the Retirement Committee with the approval of the Presbyteral Council based on the financial status of the Trust Fund and other relevant circumstances.
- 4.4 A Member or Former Member shall not be entitled to any death benefits under the terms of this Plan before or after his retirement.
- 4.5 All benefits payable under the Plan shall be paid or provided solely from the Trust Fund, and the Employer and the Diocese assume no liability or responsibility therefore.
- 4.6 The benefits shall be payable to the Member or Former Member or, at the discretion of the Retirement Committee, to persons or entities for the exclusive use and benefit of a Member or Former Member.
- 4.7 In dealing with priests who retire who qualify to receive retirement benefits under the Plan, and who also are entitled to receive retirement benefits under other retirement plans because of other work, it is the policy of the plan that said priests will be granted retirement benefits without regard to any other retirement benefits which they might receive. It is the further policy of the Plan that the retirements benefits, from whatever source (but not to include personal investments, IRAs and savings) for all priests of the Diocese of Lexington should be made equal, as nearly as possible, on a voluntary basis. Any priest who has other retirement benefits will be made aware of the goal of equalization of retirement benefits and asked to consider carefully the equities involved, but it shall be his personal decision as to any reduction of his retirement benefits.
This discussion should take place with the Bishop and person prior to incardination, and a written notification of the result be forwarded to the Retirement Committee.

Provided, however, after July 1, 1991, whenever a priest is permitted to undertake a special ministry where he will be provided retirement benefits (example: Federal Prison Chaplain, Hospital Chaplain etc.) there will be prior determination by the Retirement Committee, with the Bishop, as to whether said priest will continue to be treated as a Member in the retirement program and, if so, under what terms. Likewise, a similar determination will be made by the Retirement Committee, with the Bishop, for any second vocation priest, or one ordained elsewhere who becomes incardinated in the Diocese of Lexington, but who has vested retirement rights from his earlier employment. All such determinations under this Section shall be in writing and maintained in the files of the Retirement Committee and by the Diocesan Chancellor.

Article 5: Trust Fund

- 5.1 The Employer has entered into a Trust Agreement with the Trustee to hold the funds and assets of the Plan that are to be used to pay Benefits. The said Trust Agreement shall be deemed a part of this Plan.
- 5.2 The Trust Fund shall be received, held in trust, and distributed by the Trustee in accordance with the provisions of this plan and the Trust Agreement. No part of the Trust Fund shall be used for or diverted to purposes other than the exclusive benefit of the Members under this Plan. No Person shall have any interest in or right to the Trust or any part thereof, except as specifically provided for in this Plan and/or Trust Agreement.
- 5.3 The Retirement Committee may elect or remove the Trustee at any time upon sixty (60) days notice to the Trustee. Likewise, the Trustee may resign at any time upon sixty (60) days notice in writing to the Retirement Committee. Upon such removal or resignation, the Retirement Committee shall appoint and designate a successor Trustee who shall assume the duties and responsibilities of the Trustee. Within sixty (60) days after the date of removal or resignation, the Trustee shall furnish the Employer and the Retirement Committee a full and complete accounting of the assets and liabilities of the Trust Fund.
- 5.4 The Trustee shall be authorized to invest or reinvest all or any part of the Trust Fund pursuant to the discretion of the Retirement Committee or its duly appointed investment counselor.

- 5.5 The Retirement Committee may authorize the Trustee to pay any reasonable administrative costs incurred in the formation, operation, and maintenance of the Plan.

Article 6: Contributions

- 6.1 The Plan and Trust Fund has been initially funded with funds in the amount of \$589,500.00 transferred to the Plan and Trust Fund from the Trust Fund of the Priest Retirement Plan of the Diocese of Covington pursuant to that certain agreement of November 27, 1989, and later supplemented with funds in the amount of \$58,164.00 transferred to the Plan and Trust Fund from the Trust Fund of the Priest Retirement Plan of the Diocese of Louisville.
- 6.2 Additional contributions from the Employer and other sources such as Member contributions, parish assessments, gifts, bequests, and general solicitations, may be made at any time; provided however, the Employer shall not be under any obligation to make any additional contributions. Member contributions shall be voluntary and shall not create a vested interest or right to any benefit deriving from such contributions.

Article 7: Amendments

- 7.1 The Employer, in consultation with the Presbyteral Council, reserves the right at any time to modify, alter, amend, revoke, or terminate this Plan.
- 7.2 In the event of modification or termination of the Plan, the assets of the Trust Fund shall not be used for or diverted to purposes other than the exclusive benefit of the Members, retired Members and Former Members.


Article 8: Miscellaneous

- 8.1 It is the intention of the Employer that this Plan shall be continued and contributions thereto made regularly, however, this Plan is entirely voluntary on the part of the Employer, and the continuance of the Plan and the payments thereunder are not assumed to be a contractual

obligation of the Employer. This Agreement is not intended to be and shall not be interpreted as an employment contract between the Employer and any Member, Retired Member or Former Member, and shall not otherwise be interpreted to give rise to any right of employment

- 8.3 And benefit payable to or on behalf of a Member or Former Member which are not claimed within one (1) year after initial entitlement thereto shall not bear interest and shall be forfeited at the discretion of the Retirement Committee.
- 8.4 Neither the Employer, nor the Trust Fund shall in any manner be liable for or subject to the debts or liabilities of any Member, Former Member or Retired Member. No retirement income or other benefit at any time payable from the Fund shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, or encumbrance of any kind. If a Member, Former Member or Retired Member attempts to or does alienate, sell, transfer, assign, pledge or otherwise encumber his retirement income or other benefits from the Fund or any part thereof or, if by reason of his bankruptcy or other event happening at the time such benefits would be received by anyone else or would not be enjoyed by him, his interest in any such benefits shall thereupon terminate.
- 8.5 All notifications specified or required shall be in writing.

IN WITNESS WHEREOF, John Stowe, Bishop of the Roman Catholic Diocese of Lexington, Ky. has hereunto set his hand this 22nd day of November, 2016



+ John Stowe
**Bishop of the Roman Catholic
Diocese of Lexington, Kentucky**

Trustee: Huntington Bank, Columbus, Ohio
Actuary: Nyhart, Indianapolis, Indiana
Fund Manager: UBS, Cincinnati, Ohio

Membership of the Presbyterial Council November, 2016

Reverend:

Miguel Alvizures: *Miguel*

Danny Fister: *Danny Fister*

Michael Flanagan: *Rev. Michael Flanagan*

Charles Howell: *Rev. C. Howell*

Peter Joseph: *Fr. Peter Joseph*

Bob Nieberding: *Rev. Robert N. Nieberding*

Linh Nguyen:

Dan Noll:

Frank Osburg: *Frank L. Osburg*

Paul Prabell: *Paul Prabell*

Mike Ramler: *Mike Ramler*

John Rausch: *John S. Rausch*

Gary Simpson: *Gary Simpson*

Danny Schwendeman:

