

## 403(b) Diocese of Winona-Rochester Lay Employees Retirement Plan Information

Type of Plan:	Tax Deferred 403(b) - <i>Lincoln Alliance</i> ®
Eligibility:	Employees, age 21 or older, who are normally scheduled to work 20 or more hours per week. Participation is effective at date of hire for eligible employees. Temporary employees are not eligible.
Employer Discretionary Contribution:	3% of employee's wages.
Employee Elective Deferral:	<p>Participant may contribute, via payroll deduction, from 1% to 100% (even numbers only) of his/her wages up to the annual IRS limits. Participant may change his/her elective deferral percentage effective the first day of any given month.</p> <p>Your 403(b) deduction does not reduce your wages for purposes of calculating FICA (Social Security and Medicare) taxes. “Pre-tax” only refers to income taxes, therefore, we must apply the FICA tax rate to your <i>gross earnings</i>. If you elect a contribution rate of 100%, we must first withhold FICA taxes and then you can defer 100% of your remaining compensation.</p>
Employer Matching Contribution:	1% of employee's wages if the employee contributes 1%; 2% of employee's wages if the employee contributes 2%; 3% of the employee's wages if the employee contributes 3% or more; otherwise 0%.
Vesting - Employer Contributions:	20% vesting (ownership) per full year of eligible employment. Participant is 100% vested after 5 years.
Vesting - Employee Contributions:	Participant is always 100% vested in his/her elective deferral contributions.
Investments Options:	Participant directs all contributions to a variety of widely-recognized mutual funds. Participant also has the option to select a <i>LifeSpan</i> ® asset allocation model, which provides allocation among the various investment options, based on a targeted retirement date. Participant may change investment options at any time.
Default Investment Election:	Participants who do NOT make individual investment elections for their contributions will automatically be invested in a <i>LifeSpan</i> ® Target Date Model based on the participant's date of birth and the date closest to when the participant will reach the plan's normal retirement age of 65.
Loans:	Participant may borrow from his/her elective deferral account balance. Minimum loan amount is \$1,000 and only one loan may be outstanding at a time. Loan must be repaid within 5 years, except loans used to purchase primary residence.

## Withdrawal of Funds:

Participant may be eligible to withdraw money from the vested account balance when the following events occur:

- Reach age 59½
- Upon retirement
- Upon death
- Upon total and permanent disability
- A financial hardship, as defined by IRS guideline
- No longer employed within the Diocese of Winona-Rochester

*Please note that distribution restrictions may apply to certain accounts under each of the above events. Taxes will be due upon distribution and if taken before age 59½, may be subject to an additional 10% federal tax penalty.*

## Fees:

The mutual funds in this program contain operating expenses just like all mutual funds.

## **How to Enroll**

1. Complete the Salary Reduction Agreement, indicating the percentage of your wages that you choose to contribute (from 0% - 100%) to the plan each payroll.
2. Return the Salary Reduction Agreement to the person who handles payroll at your parish/school/cemetery/institution.
3. Your parish/school will provide the necessary data to the Diocese of Winona-Rochester to set up your account with *Lincoln Alliance*®.

## **Account Access**

*Lincoln Alliance*® will mail you a letter containing instructions to access your account by phone and on the internet.

1. Phone – toll free @ 1-800-234-3500
  - The last four digits of your Social Security number is required to access your account.
  - You will be given prompts in the call to complete registration.
2. Internet – [www.lfg.com](http://www.lfg.com)
  - When in the website click on “Register Now” where you will register and establish a user name and password. You will be able to register after your first month’s wages have been uploaded.

When accessing your account for the first time, either by phone or by internet, you should:

1. Make your investment choices
2. Make your beneficiary elections

## **Lincoln Alliance Program® Contact Information**

CUSTOMER SERVICE  
**1-800-234-3500**  
Mon - Fri 7 am - 7 pm  
24 Hour Voice Response  
[www.lfg.com](http://www.lfg.com)

RETIREMENT CONSULTANT  
Zaina Mujtaba  
Phone: 708-310-9756  
E-mail: [Zaina.Mujtaba@LFG.com](mailto:Zaina.Mujtaba@LFG.com)