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MISSIONARIES
OF OUR LADY
HEALTH SYSTEM

Retirement plans

St. Dominic's retirement benefit frequently asked questions



Building big
dreams together

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A. 2021 Retirement plan transition

What pension plan changes are occurring in 2021?

Effective December 31, 2020, the St. Dominic's pension plan and 403(b) will be frozen and all FMOLHS team members will transition to a new FMOLHS 403(b) defined contribution retirement plan with the rest of the health system.

The recordkeeping responsibilities for the defined benefit pension plan will transition from Transamerica to Lincoln Financial Group (Lincoln) effective January 4, 2021. The recordkeeping responsibilities for the St. Dominic's 403(b) plan will remain with Transamerica through March of 2021 with the intent to transition them to Lincoln soon thereafter. More information will be sent to team members in early 2021 regarding the St. Dominic's 403(b) transition of account funds from Transamerica to Lincoln.

Why is FMOLHS making this change?

Many factors were considered when making this decision to transition to one plan across all of our regions. One major consideration was the changing demographic of our workforce. Less than 15% of our existing workforce across the health system are pension plan participants; the remaining majority of team members participate in separate defined contribution retirement plans. Introducing a unified retirement program ensures that we are offering consistent and competitive retirement benefits to all our team members. Our new plan also allows us to contribute more as an organization to more team members while ensuring the long-term sustainability and viability as a ministry.

Is FMOLHS making this change for financial reasons?

We understand and appreciate the implications of a decision of this nature and the impact it has on team members participating in the pension plan. The decision to transition to a single retirement plan across ministries was made with great discernment and after exhaustive analysis, feedback, and discussion. This change allows us to better manage the rising costs of our retirement programs at a more predictable rate and to sustain our ministry for the future. Increased life expectancy, coupled with historically low interest rates, significantly increase our pension costs and continuing this benefit was not sustainable.

Who is affected by the retirement program change?

All St. Dominic's team members, as well as those who have been eligible to participate in the pension plan under either the Traditional formula, Cash Balance formula, or both, will become participants in the FMOLHS 403(b) plan on January 4, 2021. This is also a change for our Louisiana-based ministries, as we will be transitioning to one plan across our entire organization.

I'm a current participant in the St. Dominic's pension plan. What will happen to my benefit?

The Traditional formula benefits froze December 31, 2012. The Cash Balance formula will freeze on December 31, 2020. There is no future benefit accrual in this plan beyond December 31, 2020. If you have a vested frozen Traditional benefit, the benefit that you have currently accrued will remain yours and be payable to you upon retirement. If you have a vested Cash Balance benefit, it will continue to earn interest and will be payable to you upon retirement.

I'm not sure which retirement plan I am in currently. How do I find out?

If you aren't sure which plan(s) you participate in, you can find out by contacting Transamerica, at **800-755-5801** or stodom.trsuretire.com, prior to January 4, 2021.

B. What this means to you

What financial impact will I see from the change?

The financial impact will vary by individual based on many factors, including: which plans you participate in today, how close you are to retirement, the level of benefits you've already earned under the plans, how much you contribute to your 403(b) plan, and many other factors. Lincoln retirement consultants (RCs) are available to meet with you to discuss your financial situation. Retirement consultant contact information may be found at the end of this document.

Will this change affect my Social Security benefit?

No. Your Social Security benefit is a function of your contributions into Social Security over the course of your career. This change will have no impact on any benefit you are entitled to under Social Security.

Does this change affect any other benefits, such as medical insurance?

No, the change to the retirement benefits doesn't affect other benefits.

Will the health system maintain the pension plan after the freeze takes effect?

Yes, we intend to maintain the pension plan following the freeze. However, there will be no further benefit accrual after December 31, 2020. The Cash Balance benefit will continue to earn interest only according to the rate specified in the plan.

How is my current pension benefit calculated?

Your pension benefit is based on several factors and varies depending on your hire date and which formula applies to you. Generally, the Traditional formula applies to participants hired prior to January 1, 2011, and the Cash Balance formula applies to participants hired on and after January 1, 2011. Some participants have both benefits under the plan. [Click here](#) to review information about the benefit formula calculation.

When will I receive an actual pension benefit statement?

For current pension plan participants, to receive a pension benefit statement please contact Transamerica prior to January 4, 2021, at **800-755-5801** or stdom.trretire.com.

What happens to my pension if I leave FMOLHS before I reach retirement age?

You have a vested right to your pension benefit and are entitled to it regardless of whether you remain employed with FMOLHS or not. If you leave employment with FMOLHS, when you are ready to retire and start drawing your earned pension benefit, you may contact Transamerica, prior to January 4, 2021, at **800-755-5801** or stdom.trretire.com or contact Lincoln after January 4, 2021.

What happens to my pension benefit if I leave FMOLHS before the freeze takes effect on January 1, 2021?

If you leave on or before December 31, 2020, your pension benefit will reflect your credited service as of the date you leave FMOLHS. The pay used in your pension calculation will be in accordance with the pension plan document.

What happens to my St. Dominic 403(b) account?

The St. Dominic's 403(b) plan will also freeze on December 31, 2020. However, the 403(b) balances will remain with Transamerica through the end of the 1st quarter of 2021. The intention at that point will be to transition the account balances in the St. Dominic's 403(b) plan to Lincoln Financial Group, which is the recordkeeper for the new FMOLHS 403(b) plan. More information will be provided to team members in early 2021 regarding the transition of the St. Dominic's 403(b) account balances to Lincoln. Until then, St. Dominic team members can contact Transamerica with questions about their St. Dominic's 403(b) account.

C. Enhanced FMOLHS 403(b) retirement plan

Can you tell me about my new retirement benefits?

Effective January 4, 2021, you will be eligible to participate in the FMOLHS 403(b) plan, which is administered by Lincoln Financial Group. You are eligible to participate in this plan and we encourage you to do so. You can contribute to the plan with pretax and ROTH (after-tax) contributions up to the IRS maximum employee contribution limit. Beginning 2021, we are enhancing the FMOLHS 403(b) plan by adding the following features:

- **Employer core contribution** - 2% of pay whether you contribute to the 403(b) plan or not
- **Employer match (403(b) only)** - 50% matching contribution for each dollar you contribute up to the first 6% (3% maximum match)
- **Vesting** - 100% vested in employer contributions after three years of service

To be eligible for the core and match contributions, you must work at least 1,000 hours in the calendar year and actively employed on the last day of the calendar year. As long as you contribute 6% and meet the eligibility conditions for hours and active employment in the calendar year, you will receive up to a 5% contribution from FMOLHS.

Will my past years of service count in the new 403(b) retirement plan?

If you have worked at least 1,000 hours in a calendar year for three years between January 1, 2009, and January 1, 2021, you will be vested in the 403(b) plan. However, if you terminated employment during that time frame, and were gone for five or more years without having completed three calendar years of 1,000 hours prior to your original termination date, you won't be fully vested.

Can you provide an example of how the match and core contribution work?

For our example, we will assume our team member, Sarah, earned \$40,000 next year, worked more than 1,000 hours in the 2021 calendar year, and was actively employed on the last day of the calendar year.

Below are two contribution examples. In scenario one, Sarah contributes 4% of pay to her 403(b) account, and in scenario two, she contributes 8% of pay.

	Scenario	One	Two
	Annual pay	\$40,000	\$40,000
Sarah's contribution	Percent of pay contribution	4%	8%
	Contribution amount in dollars	\$1,600	\$3,200
FMOLHS contribution	2% FMOLHS core contribution	\$800	\$800
	FMOLHS matching contribution (50% for each dollar up to 6% of pay Sarah contributed)	\$800	\$1,200
Sarah + FMOLHS	Total annual contribution	\$3,200	\$5,200

What factors went into designing the new retirement plan?

Our objective was to design a plan that helps both current and future team members plan for retirement while ensuring financial stability for the future of our organization, so we can continue to serve our communities. We believe that planning and saving for your retirement is a shared responsibility. We want to make sure that our current and future team members have a consistent and competitive retirement program that will help them attain the retirement they envision.

Why are we changing to a 403(b) plan and not aligning to the 401(a) plan or pension plan?

We regularly review the benefits we offer to keep them competitive and ensure they continue to align with the needs of both our team members and our ministry. During a recent analysis, it became clear that many employers (including our competitors and other healthcare organizations across the country) are transitioning to 403(b) defined contribution plans. The trends show that 403(b) plans are the plan of choice for organizations that wish to provide retirement benefits and offer team members greater opportunities to manage their own retirement funds. This transition to an enhanced defined contribution plan will allow us to better manage our future financial obligations and ensure that we maintain our market competitiveness.

When will the employer contributions be credited to my 403(b) account each year?

Once the calendar year has concluded, FMOLHS will work with Lincoln to calculate the core contribution and matching contribution amounts and credit those amounts to your account as soon as administratively possible, within the first quarter of the next year.

D. Your contributions to the FMOLHS 403(b) plan

Will my current St. Dominic's 403(b) contribution rate transfer to the new FMOLHS 403(b) plan?

No, your contribution rate will not transfer. To continue contributing to a 403(b) plan, you will need to enroll in the FMOLHS 403(b) plan through the Lincoln website after January 4, 2021. Your St. Dominic's 403(b) account will transition to Lincoln in early April. You will receive communications regarding the 403(b) transition at a later date, so we can guide you on the appropriate action needed.

Will I automatically be enrolled in the new 403(b) plan?

Unless you opt-out or choose your own contribution amount, you will be enrolled automatically at 4% of pay. You may opt-out of being auto-enrolled during a 30-day period from January 4, 2021 through February 3, 2021. The new plan will also have an auto-escalation feature that will automatically increase the contribution percentage by one percent each year, up to 10%, unless you opt-out. You may opt-out of the auto-enroll and auto-increase by going to LincolnFinancial.com/FMOLHS. Click **Register** and follow the instructions located in the question below. You may also call the Lincoln Customer Contact Center, at **877-562-4738**, for assistance.

How do I enroll in the new 403(b) plan?

As mentioned earlier, your current deferral rate will not transfer to the new plan. **You will need to take action.** Starting January 4, 2021, you may enroll in the plan by contacting Lincoln. You can also start by registering at LincolnFinancial.com/FMOLHS; select **Register** and follow the prompts. After registering you will be immediately taken to the simple enrollment site. **Next:**

1. Select the amount you'd like to contribute
2. Make an investment election
3. Name your beneficiaries. Select **My Beneficiaries** under My Preferences. It's important to keep them up to date.
4. Sign up for eDelivery

What if I don't want to contribute to the 403(b) plan?

Starting January 4, 2021, you will have 30 days to opt-out. You may opt-out of auto-enroll by logging into your account at Lincoln and selecting a 0% deferral rate, or by calling the Lincoln Customer Contact Center at **877-562-4738**.

How can I update my contributions in the 403(b) plan?

Starting January 4, 2021, you will be able to log into your account on the Lincoln app or website at LincolnFinancial.com/FMOLHS to update your contribution amount.

Are there other ways that I can contribute?

Once you have contributed the maximum allowable by the IRS to the 403(b) plan, you may contribute to the FMOLHS 457(b) plan. As FMOLHS will not match contributions made to the 457(b) plan, please consider carefully when and how much you contribute to the 457(b) plan.

E. Get help

Where can I get more information?

Go to the [TeamLink site](#) to view a recorded webinar with more information about the St. Dominic's pension plan transition and FMOLHS 403(b) plan enhancements.

Who do I contact if I have pension related questions?

If you can't find the answer to your pension related question in this document or on the [TeamLink site](#), you can contact Transamerica prior to January 4, 2021, at **800-755-5801** or stdom.trsuretire.com.

Who do I contact if I have questions about my St. Dominic's 403(b) plan?

You can contact Transamerica at **800-755-5801** or log into your account at stdom.trsuretire.com.

Who do I contact if I have FMOLHS 403(b) retirement plan questions?

You may contact one of our dedicated Lincoln retirement consultants who will be able to assist you. You have the opportunity to either schedule a personal appointment by going to LincolnFinancial.com/FMOLHSSchedule or by calling or emailing Ryan or Jayme directly.

- **Ryan Jones: 225-305-8539** or Ryan.Jones@LFG.com
- **Jayme Schwartzenburg: 225-363-8767** or Jayme.Schwartzenburg@LFG.com