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Summary of Ascension Settlement Terms

The terms of the proposed settlement before District Court Judge Cohn are:

- *Church plan.* The plan will remain a church plan, and thus continue to be exempt from ERISA, subject to the possible future changes in its church plan status listed below in the description of the “general release of claims”.
- *Contribution to plan.* Ascension will make a one-time \$8 million dollar contribution to the plan.
- *Attorney’s fees.* Ascension agrees to pay plaintiff’s attorneys up to \$2 million dollars in fees and expenses. This amount is subject to the approval and discretion of the district court, and is separate from the plan contribution amount described above.
- *General release of claims.* The plaintiff generally releases all claims, including any current or prospective challenge to the church plan status of the Ascension plan. However, this general release of claims does not include the following:
 - Any claim arising under ERISA with respect to any event occurring after the Roman Catholic Church disassociates itself from a plan’s sponsor, should that dissociation ever occur.
 - Any claim arising under ERISA with respect to any event occurring after:
 - the Internal Revenue Service issues a written ruling that a plan does not qualify as a church plan;
 - the U.S. Supreme Court holds that church plans must be established by a church or a convention or association of churches; or
 - an amendment to ERISA specifying that a church plan must be established by a church or a convention or association of churches.
- *Benefits commitment.* Ascension will guarantee that the plan will have sufficient funds to pay participants the level of benefits stated in the plan through June 30, 2022.
- *Plan termination.* Ascension will not terminate the plan through June 30, 2022, unless there are sufficient assets to meet the life annuity and lump sum distribution amounts, elected by participants in a termination, including any administrative costs.
- *Plan mergers.* If the plan is merged with or into another plan, participants will be entitled to the same (or greater) benefits post-merger as they enjoyed prior to the merger.

- *Plan amendments.* If the plan is amended, the actuarial value of a participant's accrued benefit will not be less than it was on the day immediately prior to the effective date of the amendment.
- *Plan administration.* The plan document shall: (a) name a fiduciary; (b) provide a procedure for establishing and carrying out the current funding policy and method; (c) describe a procedure for allocation of administration responsibilities; (d) provide a procedure for plan amendments and identify the person(s) with authority to make such amendments; (e) specify the basis on which payments are made to and from the plan; and (f) provide a joint and survivor annuity.
- *Summary plan descriptions.* The plan's summary plan description ("SPD") shall be distributed within 4 months of the issuance of the Final Approval Order of the settlement. The SPD will: (a) exclude any mention of ERISA or information about ERISA rights; (b) include information about the plan's church plan status, including that the plans' benefits are not insured by the Pension Benefit Guaranty Corporation ("PBGC"); (c) make it clear that the plan is a church plan; (d) be in the same form and manner as they are now written; (e) not comply with ERISA § 102; (f) be distributed electronically, unless a participant requests a hard copy.
- *Annual summaries, pension benefit statements, and current benefit values.* The content of the plan's annual summaries, pension benefit statements, and/or current benefit values will be determined solely by Ascension and will be distributed electronically, once during any calendar year paper copies of such documents will be provided.
 - *Annual summaries.* Annual summaries shall include: (a) plan names and EIN; (b) plan years covered by the summary; (c) summary of funding arrangements; (d) summary of plan's expenses; (e) information as to the number of participants at year end; (f) summary of the value of net assets at beginning and end of each year; (g) a statement of the plan's assets and liabilities; (h) summary information as to the increase and/or decrease in net plan assets annually; (i) summary information as to plan's total income; and (j) a statement of assets and liabilities consistent with the plans' methodologies, not later than the next October 1 following the end of each plan year.
 - *Pension benefit statements.* Ascension will provide pension benefit statements at least every 3 years; the content, distribution and format to be determined solely by Ascension.
 - *Current benefit values.* Ascension will respond to requests from participants for current benefit values information, as determined solely by Ascension, within 30 days after receiving a written request from a participant. However, Ascension may unilaterally extend its deadlines to respond by an additional 30 days, by providing written notice to the participant.
- *Claim review procedures.* The plan's claim review procedures, which shall be included as part of the SPDs, shall state: (a) the identity of the person or entity to whom a claim should be addressed; (b) the time period for filing a claim; (c) the information that must be provided in support of the claim; (d) if a claim is denied, in whole or in part, the person to whom an appeal should be sent; (e) the time period for filing a claim appeal; (f) the information the claimant must provide in support of an appeal; and (g) any statute of limitation period for filing a benefits related claim.

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