



# BURLINGTON RETIREMENT SYSTEM

**City of Burlington**

City Hall, Room 20, 149 Church Street, Burlington, VT 05401 Voice (802) 865-7000

Robert Hooper  
Chairman of the Board

Munir Kasti  
Vice-Chairman

**Meeting – Friday, October 2, 2020**  
**Start Time – 8:30 AM – 9:30 AM**

**Please join this meeting:**

<https://global.gotomeeting.com/join/190962189>

Toll Free: 1 877 309 2073

Access Code: 190-962-189

1. Agenda
2. Public Forum
3. Continuation of Separation Agreement for Jason Bellavance
4. Other
5. Adjourn

EILEEN M. BLACKWOOD, ESQ.  
City Attorney  
RICHARD W. HAESLER, JR, ESQ.  
Assistant City Attorney  
KIMBERLEE J. STURTEVANT, ESQ.  
Assistant City Attorney  
JUSTIN ST. JAMES, ESQ.  
Assistant City Attorney  
JOY HOVESTADT, ESQ.  
Assistant City Attorney  
TIMOTHY DEVLIN, ESQ.  
Assistant City Attorney



149 Church St., Room 11  
Burlington, VT 05401-8489  
Phone: (802) 865-7121  
Fax: (802) 865-7123  
TTY: (802) 865-7142

CITY OF BURLINGTON, VERMONT  
OFFICE OF  
THE CITY ATTORNEY  
AND  
CORPORATION COUNSEL

**MEMORANDUM**

To: BERS Board of Trustees  
From: Eileen Blackwood, City Attorney  
Date: September 28, 2020, amended October 1, 2020  
Re: Additional Service Credits for Employees Separating Employment

**Request for Approval**

The City Council has approved a separation agreement with Sgt. Jason Bellavance, an employee of the Burlington Police Department. The agreement provides that the City will pay Sgt. Bellavance the equivalent of three years' salary, pay his COBRA premium for continuing health care benefits, and credit him with the three years of service towards retirement. The approval of the BERS board is sought for the three years of service credit.

The Burlington Retirement Ordinance, BCO 24-14, defines "service" for which an employee will receive credit as:

*Service* shall mean service as an employee for which compensation is paid by the city, including the period covered by paid disability leave as well as the period covered by a payment for accumulated vacation leave but not including a period covered by a payment for unused disability leave.

In this case, although Sgt. Bellavance will not be employed for the next three years, he is receiving compensation for that period based on his service as an employee. Therefore, the Board is asked to approve his service credit for that period: Oct.5, 2020 to Oct. 4 2023.

Sgt. Bellavance is receiving the equivalent of three years of salary as separation pay, and although it will be paid in two lump sums this fiscal year, the total is attributable to the three years of service. Therefore, Sgt. Bellavance's average final compensation will be calculated with three years of salary at \$100,000 each and the two highest of his actual years of service. In other words, the separation pay will be considered pensionable pay.

Sgt. Bellavance is a vested Class A member with approximately 9.5 years of service at the agreed upon resignation date. The additional three years will give him approximately 12.5 years of service. The employee's contribution will be withheld from the separation pay (12.28% out of each of two lump sum payments), and the City will contribute the sum of \$ 21,934, representing the balance of the net current value of the retirement benefit, as calculated by the BERS actuary. The City will contribute its balance on Oct. 5, 2020, and the employee's contributions will be paid to BERS when he is paid. Thus, the retirement system will be made whole.

It does not appear that the City has dealt with a situation like this in the past, and separation agreements and payments are rare. This decision will not set a precedent, and each future case will be decided on a case by case basis.

**Motion: to approve the three years of service credit for Jason Bellavance, consistent with and on the terms described above in this memo and the Separation Agreement between Jason Bellavance and the City, and to accept the amount of \$58,293 as the net current value of the anticipated increase in retirement benefit to be paid to the system, with the City's share (\$21,934) to be paid on October 5.**

# Calculation of Benefit Options

## Burlington Employees' Retirement System

Jason M. Bellavance

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. The results shown in this estimator are for informational purposes only and the amounts are not guaranteed. Your final benefit payable from the Plan will be calculated at your actual retirement date based on the applicable plan provisions and data on that date.

### Type of Calculation

Vested - Regular Retirement

### Information Used in Benefit Determination

Participant Name:	Jason M Bellavance	Class:	A
Date of Birth:		Department:	Police Non-Union
Date of Hire:	04/25/2011	Vesting Percentage:	100.0000%
Date of Termination:	10/30/2020	Normal Retirement Date (NRD):	
Beneficiary Date of Birth:	N/A	Payment Start Date:	11/01/2037
Assumed Annual Earnings Increase*:	N/A	Estimated Employee Contribution	
		Balance w/ Interest as of 11/01/2037**:	\$110,764.74

### Earnings

Average Final Compensation\*: \$71,736.27

### Determination of Benefit Amount

(1) Years of Creditable Service (CS)	9.50000
(2) Years of CS on or prior to June 30, 2006 [(2) + (3) is not to exceed 20 years]	0.00000
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 20 years]	9.50000
(4) Years of CS in excess of 20 years	N/A
COLA Option	Full COLA
(5) Accrual Rate on or prior to June 30, 2006 (not to exceed 20 years)	2.500%
(6) Accrual Rate after June 30, 2006 (not to exceed 20 years)	2.500%
(7) Accrual Rate in excess of 25 years	5.000%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	23.7500%
Monthly Vested Benefit Payable at Payment Start Date	
(9) = (8) x Average Final Compensation/12 x Vesting Percentage	\$1,419.78
(10) Early Retirement Reduction Factor	1.0000
(11) Monthly Vested Benefit Payable at Payment Start Date (9) x (10)	\$1,419.78

### Benefit Options Available

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit <sup>(1)</sup>
Straight Life Annuity	1.0161	\$1,442.64	***
5 Year Certain and Life Annuity	1.0000	\$1,419.78	\$1,419.78
100% Joint & Survivor Annuity	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
Return of Employee Contributions	N/A	\$110,764.74	N/A

(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

\* Average is of the three highest years of base earnings and reflects annual assumed earnings increase, if applicable

\*\*Contribution Balance reflects annual assumed earnings increase, if applicable

\*\*\*Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

# Calculation of Benefit Options

## Burlington Employees' Retirement System

Jason M. Bellavance

- **Life Annuity:** A life annuity form of payment provides you with a monthly payment for your lifetime. Upon your death, monthly benefit payments will cease.
- **Years Certain and Life Annuity:** A years certain and life annuity form of payment provides you with a reduced monthly payment for your lifetime with a 5 years of monthly payments guaranteed.

Under this option, you accept a reduced benefit payable for your lifetime, but guaranteed for a minimum scheduled number of monthly payments, for instance 120 months (or 10 years). This means that if you die after retirement, but before you receive the scheduled number of monthly payments, the balance of the guaranteed payments will be paid to your beneficiary.

- **Joint and Survivor Annuity:** A joint and contingent annuitant form of payment provides you with a reduced monthly payment for your lifetime. Upon your death, monthly payments of 50% or 100% of the original amount will be made to your contingent annuitant. Because your contingent annuitant would receive survivor payments after your death, the relative financial effect of a joint and contingent annuitant form of payment is to reduce the monthly payments you would otherwise have received had payments been made to you as a life annuity. If you elect a joint and contingent annuitant form of payment, the actual payment amount will be determined based upon your contingent annuitant's actual age.
- **Joint and Survivor Option with a "Pop-Up" feature:** Under this option, you receive reduced monthly payments for your life. Upon your death, your surviving spouse then receives lifetime monthly payments equal to 50% or 100% of the monthly payments you were receiving. If your spouse should predecease you, your monthly payment would then increase to the amount you would have received as a Life Annuity. Your benefit under this form is reduced because your spouse receives a continuing income if you die first. The amount of reduction depends on your age and on your spouse's age when you retire.



If you are married at retirement and want to elect any payment form other than a Joint and Survivor Annuity with your spouse as the beneficiary, you must obtain the consent of your spouse to do so. Your spouse's consent to waive the Joint and Survivor Annuity must be in writing and must be witnessed by a Notary Public or authorized Plan Representative.

- **Return of Contributions:** A single payment payable immediately in lieu of all other benefits payable under the plan. This payment will be equal to the total amount you actually contributed to the plan plus interest.

**Death benefits (Class A):** Upon death while employed by the City of Burlington, the plan will pay 30% of compensation during the July preceding death payable to spouse until earlier of death or 2nd anniversary of remarriage. An additional 5% per unmarried child under age 21 (maximum additional 10% is payable until benefits cease or children no longer eligible. If there is no spouse, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21. For Accidental Death Benefits, the plan pays the greater of 55% of Final Compensation or the participant's current accrued benefit to spouse upon death or remarriage or dependent children up to age 21.

# Calculation of Estimated Benefit Options

## Burlington Employees' Retirement System

Jason M. Bellavance

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### Type of Calculation

Vested - Regular Retirement

### Information Used in Benefit Determination

Participant Name:	Jason M Bellavance	Class:	A
Date of Birth:		Department:	Police Non-Union
Date of Hire:	04/25/2011	Vesting Percentage:	100.0000%
Date of Termination:	10/30/2020	Normal Retirement Date (NRD):	
Beneficiary Date of Birth:	N/A	Payment Start Date:	11/01/2037
Assumed Annual Earnings Increase*:	N/A	Estimated Employee Contribution	
		Balance w/ Interest as of 11/01/2037**:	\$161,673.09

### Earnings

Average Final Compensation\*: \$92,369.94

### Determination of Benefit Amount

(1) Years of Creditable Service (CS)	12.50000
(2) Years of CS on or prior to June 30, 2006 [(2) + (3) is not to exceed 20 years]	0.00000
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 20 years]	12.50000
(4) Years of CS in excess of 20 years	N/A
COLA Option	Full COLA
(5) Accrual Rate on or prior to June 30, 2006 (not to exceed 20 years)	2.500%
(6) Accrual Rate after June 30, 2006 (not to exceed 20 years)	2.500%
(7) Accrual Rate in excess of 25 years	5.000%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	31.2500%
Monthly Vested Benefit Payable at Payment Start Date	
(9) = (8) x Average Final Compensation/12 x Vesting Percentage	\$2,405.47
(10) Early Retirement Reduction Factor	1.0000
(11) Monthly Vested Benefit Payable at Payment Start Date (9) x (10)	\$2,405.47

### Benefit Options Available

Form of Payment	Full COLA		
	Option Factor	Initial Benefit	Survivor's Benefit <sup>(1)</sup>
Straight Life Annuity	1.0161	\$2,444.20	***
5 Year Certain and Life Annuity	1.0000	\$2,405.47	\$2,405.47
100% Joint & Survivor Annuity	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
Return of Employee Contributions	N/A	\$161,673.09	N/A

(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

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