BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT

JUNE 30, 2023

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Executive Summary

	June 30, 2023			June 30, 2022		
	Class A	**Class B**	**Total**	**Class A**	**Class B**	**Total**
Number of members						
Active employees	160	763	923	150	726	876
Terminated vested members	31	358	389	36	384	420
Vested in employee contributions only	24	355	379	26	321	347
Retired, disabled and beneficiaries	217	658	875	213	625	838
Total	432	2,134	2,566	425	2,056	2,481
Covered employee payroll	11,685,113	46,967,315	58,652,428	10,181,529	41,180,282	51,361,810
Average plan salary	73,032	61,556	63,545	67,877	56,722	58,632
Actuarial present value of future benefits	193,575,065	209,305,325	402,880,390	181,435,446	194,585,060	376,020,507
Actuarial accrued liability	162,527,797	184,722,081	347,249,878	153,271,248	172,546,768	325,818,016
Plan assets						
Market value of assets	100,055,156	123,599,082	223,654,238	92,241,807	117,182,995	209,424,802
Actuarial value of assets	103,910,050	128,361,068	232,271,118	100,004,390	127,044,496	227,048,886
Unfunded accrued liability	58,617,747	56,361,013	114,978,760	53,266,858	45,502,272	98,769,130
Funded ratio	63.9%	69.5%	66.9%	65.2%	73.6%	69.7%
Actuarially determined employer contribution (ADEC)						
Fiscal year ending	2025	2025	2025	2024	2024	2024
ADEC	7,651,246	6,592,054	14,243,300	7,045,557	6,011,496	13,057,053

Valuation Results and Highlights

Purpose of the Valuation

The purpose of the valuation is to develop the Actuarially Determined Employer Contribution (ADEC).

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

Ultimate cost = Benefits Paid + Expenses Incurred – Investment Return – Employee Contributions

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the actuarially determined employer contribution is developed. The June 30, 2023 valuation produces the contribution for the fiscal year ending 2025.

Information Available in the Valuation Report

The Executive Summary is intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Results of the Valuation, Supporting Exhibits and Description of Actuarial Methods and Assumptions. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Changes Reflected in the Valuation

The assumptions were updated based on the experience study covering the period July 1, 2017 to June 30, 2022, which increased the unfunded accrued liability and ADEC by $3,191,000 and $53,000, respectively. In addition, the change in method for amortizing the unfunded accrued liability decreased the ADEC by $726,000.

Cash Contribution for Fiscal Year Ending 2025

The City cost is:	2025 Fiscal Year
Class A	$7,651,246
Class B	6,592,054
Total	$14,243,300

Liability Experience During Period Under Review

The plan experienced a net actuarial loss on liabilities of approximately $10,407,000 since the prior valuation. The loss was mainly due to salary increases that were higher than expected, as well as losses from actual turnover and retirement patterns.

Asset Experience During Period Under Review

The plan's assets provided the following rates of return during the past fiscal year:

	2023 Fiscal Year
Market Value Basis	10.2%
Actuarial Value Basis	5.4%

The Actuarial Value of assets, rather than the Market Value, is used to determine plan contributions. The Actuarial Value spreads the asset volatility over 5 years, thereby smoothing out fluctuations that are inherent in the Market Value.

Assessment and Measurement of Risks

Financial Significance of Plan

It is important to understand the size of the pension plan compared to the size of the sponsor of that plan. Additional pension contributions may be required at inopportune times for the plan sponsor. In general, a plan sponsor with assets or revenue that are much larger than the liabilities in its pension plans will be better able to withstand increases in required pension contributions.

Plan Maturity Measurements

	June 30, 2023	June 30, 2022
Actuarial accrued liability for members currently in pay status as a percentage of the total actuarial accrued liability	61.4%	62.3%

• A lower percentage results in greater volatility as the investment return assumption changes.

• A higher percentage results in greater demand on cash due to a proportionately higher percentage of benefits being in pay status.

	June 30, 2023
Duration of benefit payments using an investment rate of return of 7.10%	13.2 years

• A higher duration will occur if the plan's percentage of members in pay status decreases. A plan with a higher duration will have a liability that is more sensitive to changes in the investment return assumption.

	June 30, 2023	June 30, 2022
Ratio of market value of assets to covered payroll	3.8	4.1

• A higher ratio is more typical of relatively mature plans with a larger percentage of inactive members and may cause more potential contribution volatility as pension fund assets fluctuate.

Risks to Assess

Estimated Impact of a 5% Reduction in Market Value of Assets

	Fiscal Year Ending 2025
Increase in actuarially determined employer contribution (ADEC)	198,653
• Plans would generally be subject to a larger amortization payment if the market value of assets were 5% smaller. As a result, the ADEC would generally be higher for up to 20 years.	

Due to the asset smoothing method, the ADEC will additionally increase by the same amount in each of the next few years. Each of these additional contributions will continue for up to 20 years.

Estimated Impact of a 1-Year Increase in Life Expectancies

	Fiscal Year Ending 2025
Increase in actuarially determined employer contribution (ADEC)	652,907
• If members live longer than expected, it generally results in larger benefits and/or additional benefit payments made. As a result, the ADEC would generally be higher for up to 20 years.	

Low-Default-Risk Obligation Measure

	July 1, 2022
Low-default-risk obligation measure (LDROM)*	526,239,096
Total actuarial accrued liability (AAL) for all members**	347,249,878
Difference between LDROM and AAL	178,989,218
• This exhibit illustrates the impact on the ongoing funding liability if the plan decided to invest completely in low-default-risk securities.	

** The LDROM discount rate is 3.65%. The discount rate used for this purpose is equal to the published Bond Buyer GO 20-Bond Municipal Index effective as of June 30, 2023. Other than the discount rate, the assumptions and methods are consistent with those used in the actuarial valuation. The disclosure of the LDROM is for illustrative purposes and does not necessarily imply that the associated discount rate should be used for funding purposes.*

*** The discount rate used in the valuation is 7.10%.*

Historical Results

Valuation Year Beginning	Investment Return Assumption	Annual Effective Rate of Return on Market Value of Assets	Market Value of Assets as a % of Actuarial Accrued Liability	Benefit Payments as a % of Market Value of Assets
2023	7.10%	N/A	64.4%	N/A
2022	7.10%	10.2%	64.3%	10.2%
2021	7.20%	-13.3%	80.1%	8.3%
2020	7.30%	31.1%	66.4%	9.5%
2019	7.40%	2.3%	70.0%	8.9%
2018	7.50%	5.1%	71.4%	8.8%
2017	8.00%	9.6%	69.5%	8.9%
2016	8.00%	14.1%	63.8%	9.4%
2015	8.00%	-1.3%	69.3%	8.8%

Implications of Contribution Allocation Procedure or Funding Policy

I have assessed the impact of the funding policy on the anticipated employer contributions and the plan's funded status. The funding policy is described in the Description of Actuarial Methods section of this report.

I have estimated the approximate length of time before the unfunded accrued liability, if any, will become fully amortized. The period is estimated to be 20 years. Subsequent to the end of this period, the future anticipated employer contributions will be the corresponding annual normal costs.

I have assessed whether the funding policy will be sufficient to cover future benefit payments and administrative expenses. The current funding policy is anticipated to cover these costs indefinitely.

Certification

This report presents the results of the June 30, 2023 Actuarial Valuation for Burlington Employees' Retirement System (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal year ending June 30, 2025. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

As required under Part II, Section 24-61 of the Burlington Code of Ordinances, experience studies are performed at least one in every five-year period. The assumptions in this report were based on an experience study covering the period July 1, 2017 to June 30, 2022.

In our opinion, the actuarial assumptions used in this report are reasonably related to the experience of the Plan and to reasonable long-term expectations.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Robert P. Lessard

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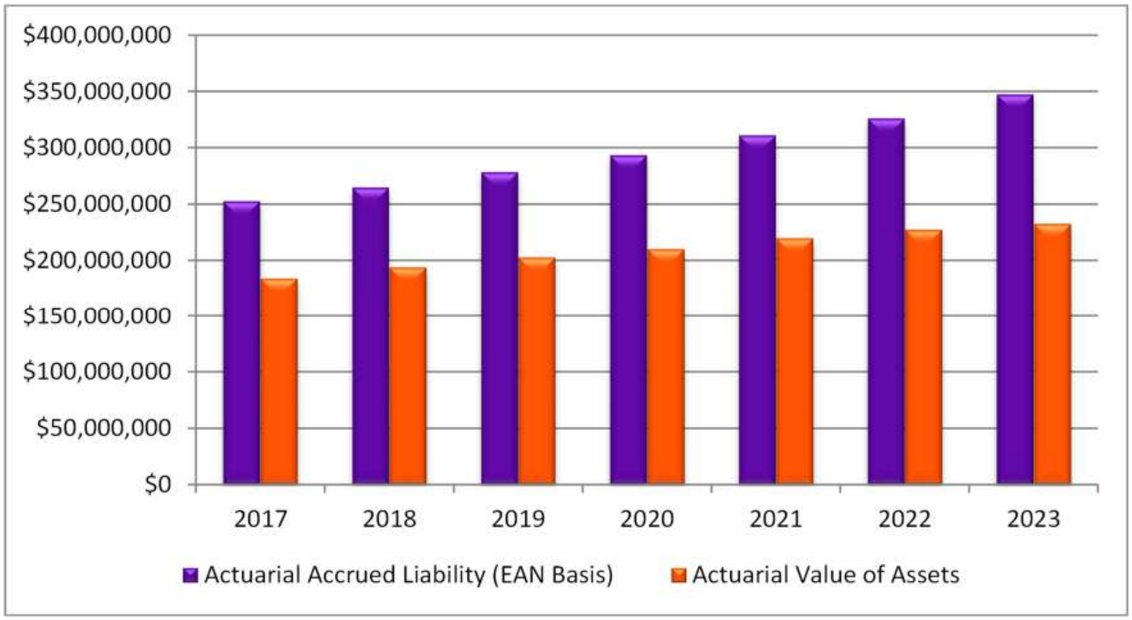
March 5, 2024

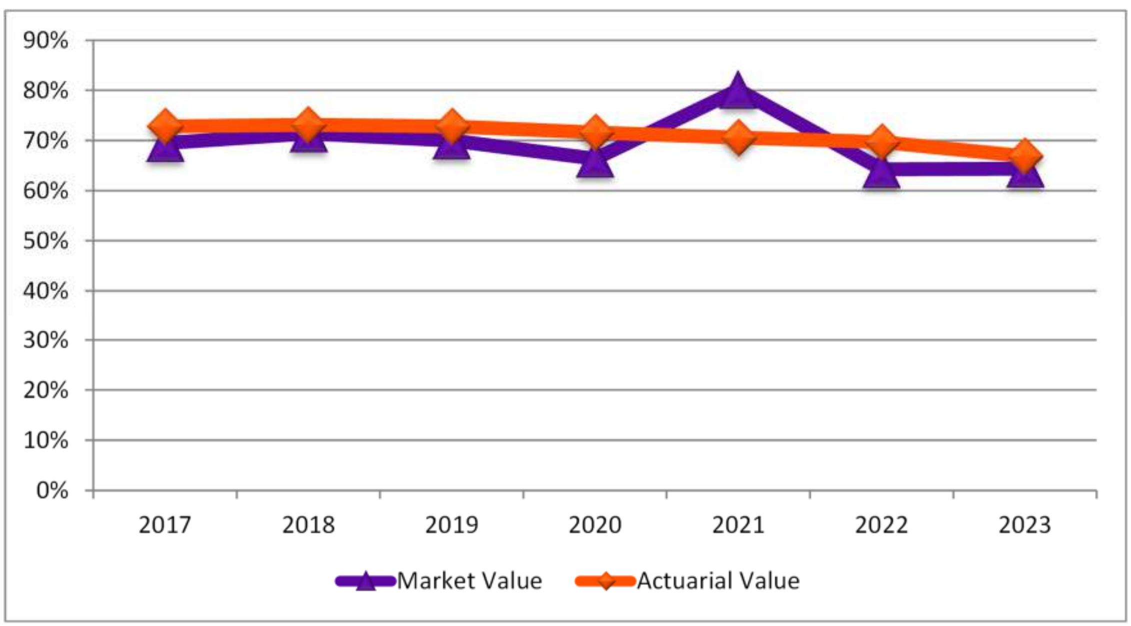
Development of Unfunded Accrued Liability and Funded Ratio

	June 30, 2023			June 30, 2022		
	Class A	**Class B**	**Total**	**Class A**	**Class B**	**Total**
Actuarial accrued liability for inactive members						
Retired, disabled and beneficiaries	$107,454,674	$105,885,423	$213,340,097	$105,400,394	$97,587,155	$202,987,549
Terminated vested members	2,908,661	11,735,265	14,643,926	3,459,222	12,695,920	16,155,142
Due refund of employee contributions only	272,096	1,454,521	1,726,617	310,147	1,167,726	1,477,872
Total	110,635,431	119,075,209	229,710,640	109,169,763	111,450,801	220,620,563
Actuarial accrued liability for active employees	51,892,366	65,646,872	117,539,238	44,101,485	61,095,967	105,197,453
Total actuarial accrued liability	162,527,797	184,722,081	347,249,878	153,271,248	172,546,768	325,818,016
Actuarial value of assets	103,910,050	128,361,068	232,271,118	100,004,390	127,044,496	227,048,886
Unfunded accrued liability	58,617,747	56,361,013	114,978,760	53,266,858	45,502,272	98,769,130
Funded ratio	63.9%	69.5%	66.9%	65.2%	73.6%	69.7%

Actuarial Accrued Liability vs. Actuarial Value of Assets



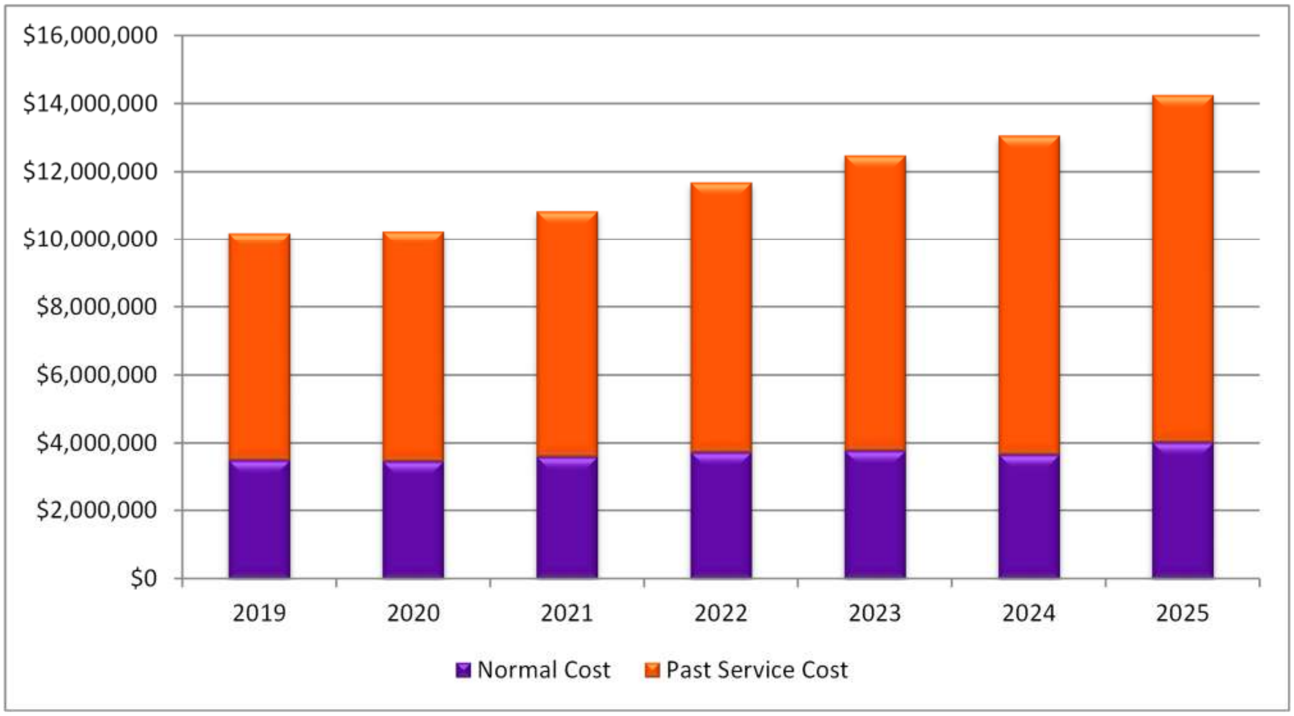
Funded Ratio



Determination of Normal Cost and Actuarially Determined Employer Contribution

	June 30, 2023		June 30, 2022	
	Cost	Percent of payroll	Cost	Percent of payroll
Gross normal cost	$7,402,863	11.3%	$6,545,615	11.8%
Estimated employee contributions	(3,493,344)	-5.3%	(2,980,079)	-5.4%
City's normal cost	3,909,519	5.9%	3,565,536	6.4%
Amortization of unfunded accrued liability	10,212,586	15.6%	9,384,551	17.0%
Contribution before adjustment as of the valuation date	14,122,105	21.5%	12,950,087	23.4%
Estimated valuation year payroll for actives not yet at 100% assumed retirement age	65,752,934		55,392,895	
Fiscal year ending	2025		2024	
Adjustment for interest and inflation	121,195		106,966	
Actuarially determined employer contribution	14,243,300		13,057,053	

Actuarially Determined Employer Contribution



Actuarially Determined Employer Contribution per Group

	Class A	Class B IBEW Local 300	Class B BED Non-Union	Class B School	Class B Other	Class B	Total
Gross normal cost	$3,767,240	$385,540	$339,033	$910,783	$2,000,267	$3,635,623	$7,402,863
Estimated employee contributions	(1,396,018)	(267,780)	(167,083)	(447,992)	(1,214,471)	(2,097,326)	(3,493,344)
City's normal cost	2,371,222	117,760	171,950	462,791	785,796	1,538,297	3,909,519
Actuarial accrued liability	162,527,797	32,107,962	24,905,210	26,585,470	101,123,439	184,722,081	347,249,878
Actuarial value of assets	103,910,050	22,311,422	17,306,319	18,473,911	70,269,416	128,361,068	232,271,118
Unfunded accrued liability	58,617,747	9,796,540	7,598,891	8,111,559	30,854,023	56,361,013	114,978,760
Amortization of unfunded accrued liability	5,206,516	870,143	674,945	720,481	2,740,501	5,006,070	10,212,586
Contribution before adjustment as of the valuation date	7,577,738	987,903	846,895	1,183,272	3,526,297	6,544,367	14,122,105
Estimated valuation year payroll for actives not yet at 100% assumed retirement age	13,238,445	6,852,473	4,310,578	10,783,367	30,568,071	52,514,489	65,752,934
City's normal cost as a percentage of payroll	17.9%	1.7%	4.0%	4.3%	2.6%	2.9%	5.9%
Contribution as a percentage of payroll	57.2%	14.4%	19.6%	11.0%	11.5%	12.5%	21.5%
Fiscal year ending June 30, 2025							
Adjustment for interest and inflation	73,508	3,651	5,330	14,346	24,360	47,687	121,195
Actuarially determined employer contribution	7,651,246	991,554	852,225	1,197,618	3,550,657	6,592,054	14,243,300

Determination of Actuarial Gain/Loss

The Actuarial Gain/Loss is the difference between the expected unfunded accrued liability and the actual unfunded accrued liability, without regard to any changes in actuarial methods, actuarial assumptions or plan provisions. This can also be referred to an Experience Gain/Loss, since it reflects the difference between what was expected and what was actually experienced.

Actuarial Gain / Loss		
Expected unfunded accrued liability June 30, 2023		
Expected unfunded accrued liability June 30, 2023		
Unfunded accrued liability June 30, 2022	$98,769,130	
Gross normal cost June 30, 2022	6,545,615	
City and employee contributions for 2022-2023	(15,330,533)	
Interest at 7.10% to June 30, 2023	6,946,916	
Expected unfunded accrued liability June 30, 2023	96,931,128	
Actuarial (gain) / loss June 30, 2023	14,856,651	
Actual unfunded accrued liability June 30, 2023, prior to plan provision, assumption and method changes		111,787,779
Sources of (gain) / loss		
Assets	4,450,000	
Salary increases	6,670,000	
Retiree mortality	1,184,000	
Turnover, disability and retirements	1,974,000	
New entrants	241,000	
Data adjustments	(56,000)	
COLA increases	453,000	
Other experience	(59,000)	
Total (gain) / loss (rounded to nearest $1,000)	14,857,000	
Assumption and method changes since prior valuation		3,190,981
Actual unfunded accrued liability June 30, 2023, after plan provision, assumption and method changes		114,978,760

Development of Asset Values

Summary of Fund Activity	Market Value	Actuarial Value
1. Beginning value of assets June 30, 2022		
Trust assets	$209,424,802	$227,048,886
2. Contributions		
City contributions during year	11,254,693	11,254,693
Employee contributions during year	4,075,840	4,075,840
Total for plan year	15,330,533	15,330,533
3. Disbursements		
Benefit payments during year	21,384,228	21,384,228
Administrative expenses during year	722,335	722,335
Other disbursements	184,884	184,884
Total for plan year	22,291,447	22,291,447
4. Net investment return		
Interest and dividends	7,335,342	N/A
Realized and unrealized gain / (loss)	14,087,843	N/A
Expected return	N/A	14,634,713
Recognized gain / (loss)	N/A	(2,451,567)
Required adjustment due to corridor	N/A	0
Reversal of prior year required adjustment	N/A	0
Investment-related expenses	(232,835)	N/A
Total for plan year	21,190,350	12,183,146
5. Ending value of assets June 30, 2023		
Trust assets: (1) + (2) - (3) + (4)	223,654,238	232,271,118
6. Approximate rate of return	10.2%	5.4%

Relationship of Actuarial Value to Market Value	
1. Market value 6/30/2023	$223,654,238
2. Gain / (loss) not recognized in actuarial value 6/30/2023	(8,616,880)
3. Preliminary actuarial value 6/30/2023: (1) - (2)	232,271,118
4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1)	103.9%
5. Gain / (loss) recognized for corridor minimum / maximum	N/A
6. Actuarial value 6/30/2023 after corridor minimum / maximum: (3) + (5)	232,271,118
7. Actuarial value as a percentage of market value: (6) ÷ (1)	103.9%

Development of Market Value Gain / Loss for 2022-2023 Plan Year	
1. Market value 6/30/2022	$209,424,802
2. City contributions	11,254,693
3. Employee contributions	4,075,840
4. Benefit payments and other disbursements	21,569,112
5. Administrative expenses	722,335
6. Expected return at 7.10%	14,634,713
7. Expected value 6/30/2023: (1) + (2) + (3) - (4) - (5) + (6)	217,098,601
8. Market value 6/30/2023	223,654,238
9. Market value gain / (loss) for 2022-2023 plan year: (8) - (7)	6,555,637

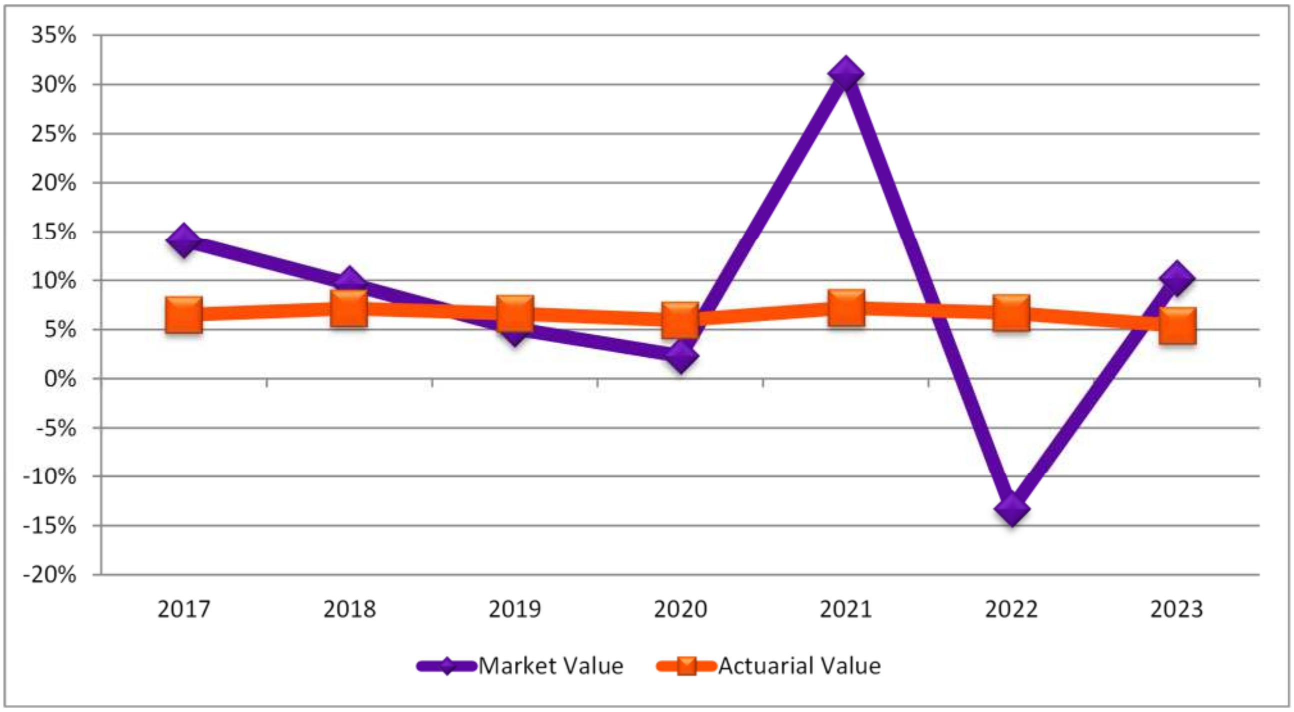
Recognition of Gain / Loss in Actuarial Value

Year	(a) Gain / (loss)	(b) Total recognized as of 6/30/2022	(c) Recognized in current year: 20% of (a)	(d) Total recognized as of 6/30/2023: (b) + (c)	(e) Not recognized as of 6/30/2023: (a) - (d)
2018-2019	($4,474,973)	($3,579,977)	($894,996)	($4,474,973)	$0
2019-2020	(9,744,015)	(5,846,411)	(1,948,803)	(7,795,214)	(1,948,801)
2020-2021	45,779,498	18,311,800	9,155,900	27,467,700	18,311,798
2021-2022	(50,373,977)	(10,074,795)	(10,074,795)	(20,149,590)	(30,224,387)
2022-2023	6,555,637	0	1,311,127	1,311,127	5,244,510
Total			(2,451,567)		(8,616,880)

Rate of Return on Market Value of Assets				
Period Ending June 30	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
2014	15.0%	7.5%	12.3%	6.3%
2015	-1.7%	6.4%	8.2%	5.4%
2016	-1.3%	3.7%	3.8%	4.2%
2017	14.1%	3.4%	6.3%	3.9%
2018	9.6%	7.3%	6.9%	5.7%
2019	5.1%	9.5%	5.0%	8.6%
2020	2.3%	5.6%	5.8%	7.0%
2021	31.1%	12.1%	12.0%	7.8%
2022	-13.3%	5.1%	6.0%	6.1%
2023	10.2%	7.8%	6.1%	6.5%

Rate of Return on Actuarial Value of Assets				
Period Ending June 30	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
2014	11.0%	6.5%	5.0%	4.8%
2015	7.8%	8.3%	6.3%	5.6%
2016	4.4%	7.7%	6.3%	5.6%
2017	6.5%	6.2%	7.2%	5.2%
2018	7.1%	6.0%	7.3%	5.1%
2019	6.6%	6.7%	6.5%	5.7%
2020	5.9%	6.6%	6.1%	6.2%
2021	7.2%	6.6%	6.7%	6.5%
2022	6.7%	6.6%	6.7%	6.9%
2023	5.4%	6.4%	6.4%	6.8%

Actual Rate of Return on Assets



Target Allocation and Expected Rate of Return
June 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Core Fixed Income	17.50%	5.00%	0.88%
U.S. Bonds - Dynamic	7.50%	5.60%	0.42%
U.S. Large Cap Equity	32.00%	6.70%	2.14%
U.S. Small Cap Equity	9.00%	6.50%	0.59%
International Developed Equity	20.50%	8.90%	1.82%
International Emerging Markets Equity	7.00%	10.80%	0.76%
Private Equity	0.50%	9.70%	0.05%
Real Estate	6.00%	7.40%	0.44%
	100.00%		7.10%
Interaction Effect			0.90%
Long-Term Expected Nominal Return			8.00%

**Long-Term Real Returns are provided by Fiducient Advisors. The supporting information is contained in the July 26, 2023 email regarding Fiducient Advisors' Capital Market Assumptions. The returns are geometric means.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 7.10% was used.

Amortization of Unfunded Liability

Schedule of Amortization Bases - Total				
	Date established	Amortization installment	Years remaining	Present value of remaining installments as of June 30, 2023
2023 base	June 30, 2023	10,212,586	20	114,978,760

Schedule of Amortization Bases - Class A

	Date established	Amortization installment	Years remaining	Present value of remaining installments as of June 30, 2023
2023 base	June 30, 2023	5,206,516	20	58,617,747

Schedule of Amortization Bases - Class B

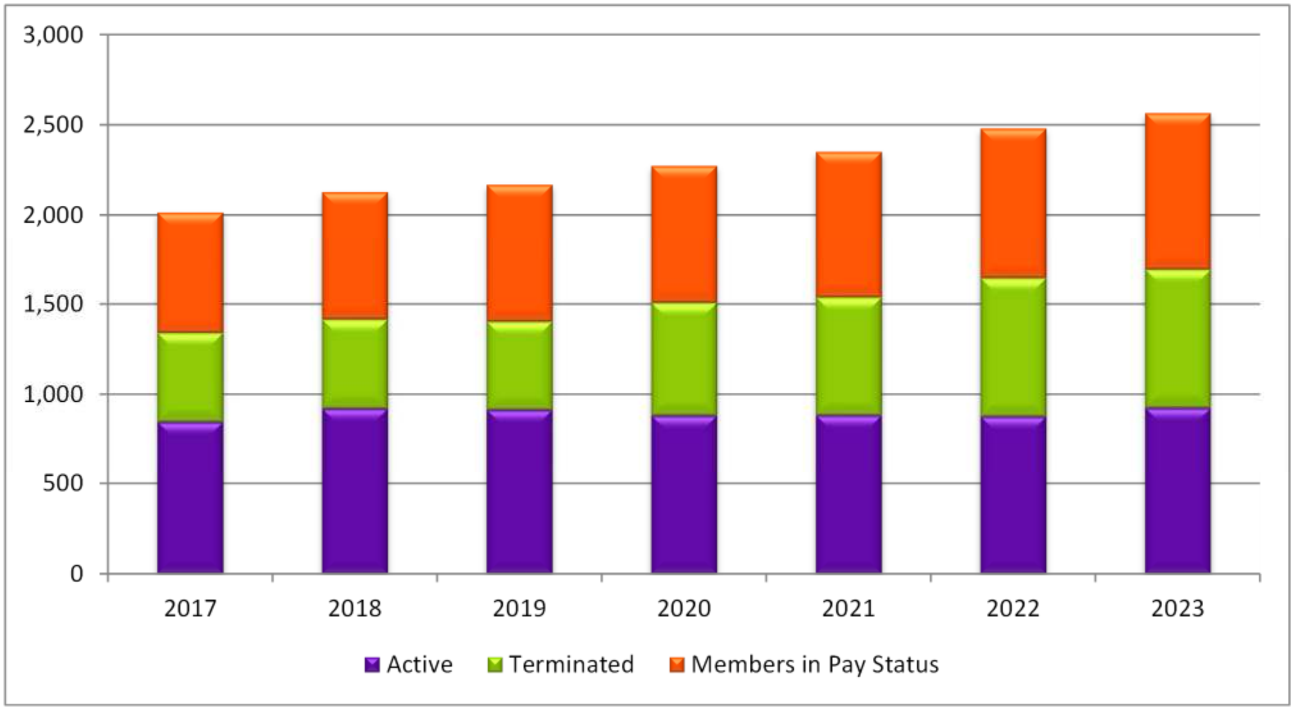
	Date established	Amortization installment	Years remaining	Present value of remaining installments as of June 30, 2023
2023 base	June 30, 2023	5,006,070	20	56,361,013

Member Data

The data reported by the Plan Sponsor for this valuation includes 923 active employees who met the Plan's minimum age and service requirements as of June 30, 2023.

Member Data					
	Active	Terminated vested	Due refund of contributions	Members in pay status	Total
Total members June 30, 2022	876	420	347	838	2,481
Adjustments	0	-6	+5	-1	-2
Retirements	-15	-35	N/A	+50	0
Disabilities	-3	-1	N/A	+4	0
Terminations					
Vested	-26	+26	N/A	N/A	0
Lump sum payments	-34	-14	-43	N/A	-91
Due contributions only	-46	N/A	+46	N/A	0
Deaths					
With death benefit	-1	0	0	-7	-8
Without death benefit	0	-1	0	-17	-18
Transfers	0	0	0	N/A	0
Rehires	+7	-3	-4	N/A	0
New beneficiaries	N/A	N/A	N/A	+8	+8
New entrants	+165	+3	+28	N/A	+196
Total members June 30, 2023	923	389	379	875	2,566

Member Counts by Status



Member Data				
	Active	**Terminated vested**	**Due refund of contributions**	**Members in pay status**
Average age				
June 30, 2022	43.9	53.3	38.4	69.7
June 30, 2023	43.7	53.1	38.3	70.0
Average service				
June 30, 2022	9.9	N/A	N/A	N/A
June 30, 2023	9.4	N/A	N/A	N/A
Covered employee payroll				
June 30, 2022	$51,361,810	N/A	N/A	N/A
June 30, 2023	58,652,428	N/A	N/A	N/A
Total annual benefits				
June 30, 2022	N/A	$2,774,847	N/A	$19,822,002
June 30, 2023	N/A	2,515,746	N/A	21,012,530

Member Data - Class A					
	Active	**Terminated vested**	**Due refund of contributions**	**Members in pay status**	**Total**
Total members June 30, 2022	150	36	26	213	425
Adjustments	+4	0	0	-1	+3
Retirements	-3	-3	N/A	+6	0
Disabilities	0	N/A	N/A	0	0
Terminations					
Vested	-3	+3	N/A	N/A	0
Lump sum payments	-9	-4	-3	N/A	-16
Due contributions only	-1	N/A	+1	N/A	0
Deaths					
With death benefit	0	0	0	0	0
Without death benefit	0	0	0	-2	-2
Transfers	0	0	0	N/A	0
Rehires	+2	-1	-1	N/A	0
New beneficiaries	N/A	N/A	N/A	+1	+1
New entrants	+20	N/A	+1	N/A	+21
Total members June 30, 2023	160	31	24	217	432

Member Data - Class B					
	Active	Terminated vested	Due refund of contributions	Members in pay status	Total
Total members June 30, 2022	726	384	321	625	2,056
Adjustments	-4	-6	+5	0	-5
Retirements	-12	-32	N/A	+44	0
Disabilities	-3	-1	N/A	+4	0
Terminations					
Vested	-23	+23	N/A	N/A	0
Lump sum payments	-25	-10	-40	N/A	-75
Due contributions only	-45	N/A	+45	N/A	0
Deaths					
With death benefit	-1	0	0	-7	-8
Without death benefit	0	-1	0	-15	-16
Transfers	0	0	0	N/A	0
Rehires	+5	-2	-3	N/A	0
New beneficiaries	N/A	N/A	N/A	+7	+7
New entrants	+145	+3	+27	N/A	+175
Total members June 30, 2023	763	358	355	658	2,134

Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year.

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). Unfunded accrued liabilities as of June 30, 2023 were amortized over a closed 20-year period. Future changes in the unfunded accrued liability will be amortized separately, assuming a new 20-year amortization each valuation.

Prior Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). Unfunded accrued liabilities as of June 30, 2004 were amortized over a closed 30-year period. Future changes in the unfunded accrued liability will be amortized separately, assuming a new 30-year amortization each valuation.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.

Description of Actuarial Assumptions

Changes in Actuarial Assumptions

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Rate of compensation increase
- Inflation
- Mortality
- Retirement, termination, and disability rates
- Accrual rate election
- Spouse’s age
- Payroll growth

The assumptions indicated were changed to better reflect the Enrolled Actuary’s current best estimate of anticipated experience of the plan.

Investment rate of return (net of investment-related and administrative expenses)

7.10%.

Rate of compensation increase (including inflation)

Class A - Fire

Completed Years of Service	Rate*
<1	11.0%
1	9.0%
2	8.0%
3	7.0%
4	6.5%
5	6.0%
6	5.5%
7	5.0%
8	5.0%
9	5.0%
10	4.8%
11	4.7%
12	4.6%
13	4.5%
14	4.4%
15	4.3%
16	4.2%
17	4.0%
18	3.8%
19	3.7%
20+	3.6%

* Inflation: 2.70%

Class A - Police

Completed Years of Service	Rate*
<1	9.0%
1	8.0%
2	7.2%
3	6.2%
4	6.0%
5	5.7%
6	5.5%
7	5.3%
8	5.2%
9	5.1%
10	4.9%
11	4.7%
12	4.6%
13	4.5%
14	4.4%
15	4.3%
16	4.2%
17	4.0%
18	3.8%
19	3.7%
20+	3.6%

* Inflation: 2.70%

Class B

Completed Years of Service	Rate*
<1	6.5%
1	6.2%
2	6.0%
3	5.1%
4	4.9%
5	4.8%
6	4.7%
7	4.6%
8	4.5%
9	4.4%
10	4.3%
11	4.2%
12	4.1%
13	4.1%
14	4.0%
15	3.9%
16	3.9%
17	3.9%
18	3.8%
19	3.7%
20+	3.6%

* Inflation: 2.70%

Rate of compensation increase (including inflation) (cont.)

Prior:

Class A

Completed Years of Service	Rate
<1	10.0%
1	8.5%
2	7.3%
3	6.3%
4	5.9%
5	5.6%
6	5.4%
7	5.2%
8	5.0%
9	4.8%
10	4.7%
11	4.6%
12	4.5%
13	4.4%
14	4.3%
15	4.2%
16	4.0%
17	3.8%
18	3.7%
19	3.6%
20+	3.5%

Class B

Completed Years of Service	Rate
<1	6.6%
1	6.0%
2	5.5%
3	5.1%
4	4.9%
5	4.7%
6	4.5%
7	4.4%
8	4.3%
9	4.3%
10	4.2%
11	4.2%
12	4.1%
13	4.0%
14	3.9%
15	3.8%
16	3.8%
17	3.8%
18	3.7%
19	3.6%
20+	3.5%

The actuarial assumption in regards to rate of compensation increases shown above are based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

Inflation

2.70%. (Prior: 2.60%)

This assumption is based on long-term historical inflation numbers. While near term averages have been higher, we do not believe this trend will continue indefinitely and expect that there will be a reversion to the long-term average.

Mortality

Class A:

Retirees – Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety Employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021, set forward 2 years.

Disabled – Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety Disabled Retirees, projected to the valuation date with Scale MP-2021.

Survivors – Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Public Safety Contingent Survivors, projected to the valuation date with Scale MP-2021.

Class B:

Retirees – Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021, set forward 2 years.

Disabled – Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Disabled Retirees, projected to the valuation date with Scale MP-2021, set forward 3 years.

Survivors – Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Contingent Survivors, projected to the valuation date with Scale MP-2021, set forward 3 years.

Prior:

Class A:

Retirees – RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2021.

Disabled – RP-2014 Adjusted to 2006 Disabled Mortality Table, projected to the valuation date with Scale MP-2021.

Survivors – RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2021.

Class B:

Retirees – RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2021, set forward 2 years.

Disabled – RP-2014 Adjusted to 2006 Disabled Mortality Table, projected to the valuation date with Scale MP-2021.

Survivors – RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2021, set forward 2 years

Mortality improvement

Projected to date of decrement using Scale MP-2021 (generational).

We have selected this mortality assumption because it is based on the most recently published public retirement mortality study released by the Society of Actuaries.

Retirement age

Class A - Fire

Completed Years of Service	Rate
<15	0%
15-18	2.5%
19	5%
20-23	20%
24	50%
25	85%
26-29	60%
30+	100%

Compulsory retirement is assumed at age 60.

Class A - Police

Completed Years of Service	Rate
<15	0%
15-16	2.5%
17-18	7.5%
19	20%
20-24	40%
25	85%
26-29	60%
30+	100%

Compulsory retirement is assumed at age 60.

Class B

Age	Rate
55-57	3%
58-59	8%
60-61	10%
62	16%
63-64	20%
65-69	30%
70-74	50%
75+	100%

Prior:

Class A

Completed Years of Service	Rate
<15	0%
15-18	5%
19	15%
20-23	25%
24	30%
25	75%
26-29	50%
30-34	75%
35+	100%

Compulsory retirement is assumed at age 60.

Retirement age (cont.)

Class B

Age	Rate
55-59	5.0%
60	7.5%
61	12.5%
62	18.0%
63	22.5%
64-65	25.0%
66-69	30.0%
70-74	50.0%
75+	100.0%

Termination prior to retirement

Class A - Fire

Completed Years of Service	Rate
<3	10.0%
3	9.0%
4	8.0%
5	7.0%
6	6.0%
7	5.0%
8	4.5%
9	4.0%
10+	0.0%

Class A - Police

Completed Years of Service	Rate
<2	12.0%
2	11.0%
3	10.0%
4	9.0%
5	7.0%
6	6.0%
7	5.0%
8	4.0%
9	3.0%
10+	0.0%

Termination prior to retirement (cont.)

Class B – 110% of the Vaughn Select & Ultimate Withdrawal Table for service prior to 3 years, and 140% of the Vaughn Select & Ultimate Withdrawal Table thereafter.

Sample rates

	Completed Years of Service			
Age	0	1	2	3+
20	32.8%	27.5%	23.1%	26.0%
25	30.6%	24.8%	20.4%	19.0%
30	28.4%	22.0%	17.6%	14.1%
35	26.2%	19.6%	15.2%	11.1%
40	24.0%	17.4%	13.0%	9.1%
45	21.8%	15.5%	11.1%	7.7%
50	19.6%	13.9%	9.5%	6.3%
55	0.0%	0.0%	0.0%	0.0%

Prior:

Class A

Completed Years of Service	Rates
<1	8.0%
1	7.0%
2-6	6.0%
7	5.0%
8	4.5%
9	4.0%
10+	0.0%

Class B: 100% of the Vaughn Select & Ultimate Withdrawal Table for service prior to 3 years, and 130% of the Vaughn Select & Ultimate Withdrawal Table thereafter.

Sample rates

	Completed Years of Service			
Age	0	1	2	3+
20	29.8%	25.0%	21.0%	24.18%
25	27.8%	22.5%	18.5%	17.68%
30	25.8%	20.0%	16.0%	13.13%
35	23.8%	17.8%	13.8%	10.27%
40	21.8%	15.8%	11.8%	8.45%
45	19.8%	14.1%	10.1%	7.15%
50	17.8%	12.6%	8.6%	5.85%
55	0.0%	0.0%	0.0%	0.00%

Disability

Class A Fire: 1985 Pension Disability Study Class 3 Table for Males and Females.

Class A Police: 1985 Pension Disability Study Class 2 Table for Males and Females.

Class B: 60% of 1985 Pension Disability Study Class 1 Table for Males and Females.

Prior:

Class A: 1985 Pension Disability Study Class 2 Table for Males and Females.

Class B: 1985 Pension Disability Study Class 1 Table for Males and Females.

The actuarial assumptions in regards to rates of decrement shown above are based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

Administrative expenses

Currently, there is no expense load assumed for administrative expenses.

Cost of living increases

2.60%.

Accrual rate election

Class A: 80% of retiring members are assumed to elect the no COLA accrual rate and 20% of retiring members are assumed to elect the full COLA accrual rate.

Class B: 70% of retiring members are assumed to elect the no COLA accrual rate and 30% of retiring members are assumed to elect the full COLA accrual rate.

Prior:

Class A: 85% of retiring members are assumed to elect the no COLA accrual rate and 15% of retiring members are assumed to elect the full COLA accrual rate.

Class B: 75% of retiring members are assumed to elect the no COLA accrual rate and 25% of retiring members are assumed to elect the full COLA accrual rate.

Payroll growth

3.10% per year. (Prior: 3.00%)

Percent of active employees married

80%.

Spouse's age

Husbands are assumed to be 2 years older than wives.

Prior: Husbands are assumed to be 3 years older than wives.

The assumption changes increased liabilities by about 0.9%.

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Plan identification

Single-employer pension plan.

Effective date

July 1, 1954.

Average Final Compensation (AFC)

For Class A Police non-union employees, Class A Police employees hired after January 10, 2011, Class A Fire employees hired after October 7, 2011 Class B AFSCME Local 1343 employees hired after June 7, 2011, Class B IBEW Local 300 employees hired after October 30, 2012 or any employees hired on or after January 1, 2018, it is the average earnable compensation during the highest 5 non-overlapping 12-month periods. For all others, it is the average earnable compensation during the highest 3 non-overlapping 12-month periods.

Membership eligibility

Regular employees of the City of Burlington excluding elective officers other than the mayor and excluding teachers other than certain teachers employed prior to July 1, 1947.

Membership classification

Class A

Members of the Fire and Police Departments not including clerical employees.

Class B

All other members.

Service retirement

Eligibility

Class A

For Police employees hired before July 1, 2006, age 42 and 5 years of creditable service. For Police employees hired after January 10, 2011, age 40 and 20 years of creditable service. For other Police Union employees, age 45 and 5 years of creditable service. For Fire employees hired after January 10, 2011, age 45 and 20 years of creditable service. For Fire Union employees hired on or before January 10, 2011, age 45 and 5 years of creditable service. For all others, age 42 and 5 years of creditable service. Compulsory at age 60.

Class B

Age 55 and 5 years of creditable service.

Service retirement (continued)

Amount of Benefit

Class A

For Fire employees hired before January 1, 2007 and Police employees hired before July 1, 2006, 2.75% of AFC times creditable service not in excess of 25 years plus 0.50% of AFC times creditable service between 25 and 35 years. For Police employees hired after January 10, 2011, 2.50% of AFC times creditable service not in excess of 20 years plus 5.00% of AFC times creditable service between 20 and 25 years. For Fire employees hired after January 10, 2011, 3.00% of AFC times creditable service not in excess of 25 years plus 0.50% of AFC times creditable service between 25 and 35 years. For all others, 2.65% of AFC times creditable service not in excess of 25 years plus 0.50% of AFC times creditable service between 25 and 35 years. Benefit increased by Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member may choose either (i) an accrual rate of 3.25% for the first 25 years of creditable service, plus an accrual of 0.50% for creditable service between 25 and 35 years, and a Cost of Living Adjustment equal to one half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 3.80% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 3.60% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual rate of 0.50% for creditable service between 25 and 35 years, and no Cost of Living Adjustment.

A Fire employee hired on or after January 1, 2007 or a Police employee hired on or after July 1, 2006 may only select a benefit with a full Cost of Living Adjustment. Any Fire employee hired after October 5, 2015 cannot receive a pension that exceeds 90% of the employee's average final compensation.

For Police employees hired after January 10, 2011, the above benefits based on AFC and creditable service at retirement are reduced actuarially for the period of time by which retirement precedes age 50.

For all other Police employees, prior to age 55, the above benefit based on AFC and creditable service at retirement is reduced actuarially for the period of time by which retirement precedes the earlier of 25 years of creditable service and age 55. For employees who terminate with 20 to 25 years of creditable service the above benefit based on AFC and creditable service at retirement is reduced by 1.82% for each year that creditable service is less than 25 years.

For Fire employees hired on or after January 10, 2011, who are at least age 45 with 20 years of creditable service, the normal retirement benefit is reduced actuarially for the period of time by which retirement precedes age 50. For employees who terminate with 20 to 25 years of creditable service who retire at age 50 or later, the above benefit based on AFC and creditable service at retirement is reduced by 1.82% for each year that creditable service is less than 25 years. Employees that retiree at age 50 with at least 25 years of creditable service receive an unreduced benefit.

For Fire employees hired on or after January 1, 2007 but before January 10, 2011, the normal retirement benefit is reduced actuarially for the period to time by which retirement precedes age 55. For employees who terminate with 20 to 25 years of creditable service and have attained age 48, the above benefit based on AFC and creditable service at retirement is reduced by 1.82% for each year that creditable service is less than 25 years. Employees that retire at age 50 with at least 20 years of creditable service or at age 45 with at least 25 years of creditable service receive an unreduced benefit.

For Fire employees hired before January 1, 2007, the normal retirement benefit is reduced actuarially for the period of time by which retirement precedes the earlier of age 55 or 25 years of creditable service. For employees who terminate with 20 to 25 years of creditable service, the above benefit based on AFC and creditable service at retirement is reduced by 1.82% for each year that creditable service is less than 25 years. Employees that retire at age 45 with at least 25 years of creditable service receive an unreduced benefit.

Service retirement (continued)

Class B

For employees hired prior to July 1, 2006 (on or before May 4, 2008 for IBEW): Age 65 and older, the greater of (i) 1.60% of AFC (at age 65) times creditable service not in excess of 25 years plus 0.50% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, an IBEW member may choose (i) an accrual rate of 1.90% for all years of service prior on or before May 4, 2008 and an accrual rate of 1.80% for all years of service after May 4, 2008, and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 2.20% for all years of service on or before May 4, 2008 and an accrual rate of 2.00% for all years of service after May 4, 2008, and no Cost of Living Adjustment.

In lieu of this benefit, at the time of retirement, a member not in IBEW may choose (i) an accrual rate of 1.90% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 1.80% for all years of service on or after July 1, 2006 for the first 25 years, plus an accrual of 0.50% for creditable service in excess of 25 years, and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 2.20% for all years of service prior to June 30, 2006 (on or before May 4, 2008 for IBEW) for the first 25 years, an accrual rate of 2.00% for all years of service on or after July 1, 2006 for the first 25 years, plus an accrual of 0.50% for creditable service in excess of 25 years, and no Cost of Living Adjustment.

For employees hired on or after July 1, 2006 (after May 4, 2008 for IBEW): Age 65 and older, the greater of (i) 1.40% of AFC (at age 65) times creditable service not in excess of 25 years plus 0.50% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

An employee hired on or after July 1, 2006 (after May 4, 2008 for IBEW) may only select a benefit with a full Cost of Living Adjustment.

Except for employees detailed below, prior to age 65, the above benefit based on AFC and creditable service at retirement reduced by 2% for each year that retirement precedes age 65. For IBEW employees hired before May 4, 2008, who elect a contribution rate of 4% is elected the early reduction factor is 2% for each year the retirement precedes age 65. For IBEW employees hired before May 4, 2008, who elect a contribution rate of 3% the benefit is reduced by a factor which varies with age. The factor equals 1 at 65 and .4 at 50.

For IBEW employees hired after May 4, 2008, the benefit is reduced by a factor which varies by age. The factor equals 1 at 65 but is equal to .356 at age 55.

For AFSCME Local 1343 employees hired before January 1, 2006 that meet the Rule of 82 by December 7, 2011 but retire later than December 7, 2011, the reduction is 4% per year at ages 55 to 59 for each year under age 65, and the standard 2% per year reduction for ages 60 to 65. For other AFSCME Local 1343 employees retiring after December 7, 2011, there will be full actuarial reduction from ages 55 to 59 and the standard 2% per year reduction for ages 60 to 65.

Cost of Living Adjustment

Benefits increase annually by changes in the Consumer Price Index of more than 1%. For Class A Fire employees retiring after October 5, 2015, Class A Police employees retiring after August 29, 2016, Class B AFSCME employees retiring after October 30, 2015, Class B IBEW employees retiring after March 9, 2016, and all employees retiring after July 1, 2017, the maximum annual increase is 2.75%. For all other members, the maximum annual increase is 5%. Increases are not applicable to deferred vested benefit prior to commencement, survivor income benefit, disability benefit prior to normal retirement age or members who choose to have no cost of living adjustment. For Class B employees that retire after July 1, 2018, the retirement COLA will be determined annually by the BERS Board equal to the CPI-U Northeast Region, with a maximum COLA increase of 2.75%, except that if the funding level of the BERS falls below 81%, the BERS Board may reduce or vote for no COLA for payees prior to age 65 for the upcoming year. For Class A Police employees who retire after February 1, 2019 and Fire employees who retire after March 28, 2019, the retirement COLA will be determined annually by the BERS Board equal to the CPI-U Northeast Region, with a maximum COLA of 2.75%, except that if the Class A funding level of the BERS falls below 73%, the BERS Board may reduce or vote for no COLA for the upcoming year.

Service Adjustment

Class A service for calculation of benefits shall be adjusted such that any Class A employee shall be granted 1.07 years of credit for each year in which the employee worked prior to July 1, 1996, and 1.17 years thereafter, in a position regularly assigned a workweek consisting on average of fifty-three or more hours of work per week.

Disability Retirement

Eligibility

All Members. Permanently disabled. Class B AFSCME Local 1343 employees must have 2 years of creditable service to be eligible for disabilities that are not work-related. Class A Fire employees hired after October 7, 2011 must have 1 year of creditable service to be eligible for disabilities that are not work-related. All other employees are immediately eligible.

Amount of Benefit

A benefit payable until normal service retirement eligibility (Class A - age 55 and 5 years of creditable service, Class B - age 65 and 5 years of creditable service). For Class A Fire employees hired after October 7, 2011, it is equal to 66 2/3% of the member's earnable compensation less workmen's compensation. For Class B IBEW employees hired after October 20, 2012 and Class B AFSCME employees, it is equal to 66 2/3% of the member's earnable compensation less workmen's compensation and Social Security. For all others, it is equal to 75% of the member's earnable compensation less workmen's compensation and, in the case of Class B, less Social Security.

After normal service retirement eligibility, a service retirement benefit based on AFC at retirement and creditable service at normal service retirement eligibility, including the period while permanently disabled and receiving a disability benefit from the System.

Accidental Death

Eligibility

Class A only. Death due to accident while in the performance of duty.

Amount of Benefit

A benefit to the spouse until death or remarriage of the greater of (i) 55% of AFC, and (ii) the participant's current accrued retirement benefit. Upon death or remarriage of the spouse, the benefit will be payable to children until age 21.

Survivor Income

Eligibility

All members. Death in active service.

Amount of Benefit

Class A

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 21 (maximum additional 10%) is payable until benefits cease or children no longer eligible. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

Class B

30% of compensation during the July preceding death payable to spouse until earlier of death, 2nd anniversary of remarriage or age 62. Upon the spouse's attainment of age 62 (if not remarried) a benefit based on the 50% Joint and Survivor form of payment will be paid to the spouse for life. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

Return of Contributions

Accumulated contributions returned upon separation with no vested benefits under the plan or upon death with no accidental death benefit payable. Interest will accrue on these contributions at a rate of 5.5% until December 31, 2017 and 2.0% thereafter, or at a higher rate as may be set by the Retirement Board. Interest will only accrue on contributions made after June 30, 1980.

Upon death of a retired member, the excess of his contribution at retirement over the benefits paid will be paid to his beneficiary or estate.

Vested Retirement

Eligibility

5 years of creditable service.

Vesting percentage.

100% after 5 years. Prior to July 1, 2017, several groups had a graded vesting schedule of 20% after completion of 3 years of creditable service to 100% after completion of 7 years of creditable service.

Amount of Benefit

Class A

Vesting percentage times the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 55. Member may elect early receipt with reduction as for service retirement prior to age 55.

Class B

Vesting percentage times the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 65. Member may elect early receipt with reduction as for service retirement prior to age 65.

Survivor Spouse's Pension

Eligibility

All members. Death of a terminated member entitled to a vested retirement benefit prior to commencement of such benefit.

Amount of Benefit

50% of reduced accrued benefit reflecting the 50% Joint and Survivor form of payment (ages as of date payments commence) payable at member's early retirement date. Spouse may elect to receive payments later than member's early retirement date with no reduction for receipt at member's 65th birthday.

Offsets on Benefits

Disability and accidental death benefits are offset by workmen's compensation paid for the same disability or death.

Employee Contributions

Class A

11.0% of earnable compensation for Class A employees for the first 35 years of creditable service, and none thereafter.

Class A employees shall contribute to the BERS a percentage of their salary. The total contribution required from both the City and employees will be based on the annual system valuation prepared by the City's actuaries. Effective retroactive to July 1, 2018, employees shall contribute a percentage so that all employees are contributing 28% (and the City is contributing 72%) of the total contribution required. For Fiscal Year 2019, this means that each Class A employee contributed 12.69% of the employee's base pay. The individual employee contribution for each subsequent fiscal year will be determined prior to the beginning of the fiscal year.

Effective July 1, 2020, employees shall contribute a percentage so that all employees are contributing 29% (and the City is contributing 71%) of the total contribution required.

Effective July 1, 2021, employees shall contribute a percentage so that all employees are contributing 30% (and the City is contributing 70%) of the total contribution required.

Class B

Member contributions for Class B employees, who elected to continue to be eligible for early retirement benefits at 2% per year deduction between ages 55 and 65, in accordance with the 2006-2009 collective bargaining agreement will be 4.8% in fiscal year 2016-2017, and 5.2% beginning with fiscal year 2017-2018. Member contributions for all other Class B employees will be will be 3.8% in fiscal year 2016-2017, and 4.2% beginning with fiscal year 2017-2018.

Class B employees shall contribute to the BERS a percentage of their annual salary. The total contribution required from both the City and employees will be based on the annual system valuation prepared by the City's actuaries.

Effective retroactive to July 1, 2018, employees shall contribute a percentage so that all employees are contributing 28% (and the City is contributing 72%) of the total contribution required. For Fiscal Year 2019, this shall mean that the contribution rate for a Class B employee was 4.41% of the employee's base pay.

Employee Contributions (continued)

Effective July 1, 2022, employees shall contribute a percentage so that all employees are contributing 30% (and the City is contributing 70%) of the total contribution required.

Notwithstanding the above, an individual Class A Fire employee’s contribution shall not exceed 14% of their eligible wages in Fiscal Years 2023, 2024, and 2025.

Notwithstanding the above, an individual Class B employee’s contribution shall not exceed 7% of their eligible wages in Fiscal Years 2023, 2024, 2025, and 2026.