



706 N. Clinton Street | Syracuse, NY 13204

Private & Confidential

Jane Doe
123 Main Street
Edgewater, FL 12345

**Important Information Regarding the
Bert Fish Medical Center Pension
Plan**

Bert Fish Medical Center Pension Plan Lump Sum Opportunity

MEMORANDUM

To: Retirees, Beneficiaries and Deferred Vested Participants Who Participate in the Bert Fish Medical Center Pension Plan

From: Southeast Volusia Hospital District

Date: July 8, 2024

Re: Lump Sum Option under the Bert Fish Medical Center Pension Plan

This Memo and its enclosures contain important information about an opportunity that is being offered to participants in the Bert Fish Medical Center Pension Plan (the "Pension Plan" or the "Plan").

Background

The Pension Plan is a defined benefit plan, meaning that it provides a cash benefit that is expressed as monthly payments beginning at the Pension Plan's retirement age (generally age 62) and continuing until death. The amount of the monthly benefit is based on your compensation earned from Bert Fish Medical Center (BFMC) and the number of years of service you had performed for BFMC. Once Pension Plan payments begin, the dollar amount of your monthly pension is increased by 3% each year. This "COLA" ("cost of living") increase begins the July 1 following benefit commencement and continues to be made on each subsequent July 1 over the joint lives of the participant and the participant's beneficiary (if applicable).

Lump Sum Option

At this time, you are being offered the option to receive a one- time lump sum cash payment in exchange for your future monthly benefit from the Pension Plan.

If you elect the lump sum option, you will receive a one-time lump sum payment instead of any Plan payments in the future. The lump sum amount will be the value of your expected future monthly pension payments as of November 30, 2024. For purposes of determining the lump sum value:

- Assumed future monthly pension payments will increase with the 3% COLA each July 1.
- Total expected future monthly pension payments will be based on your age specific future life expectancy using the IRS mortality tables required for determination of lump sum payments from qualified pension plans.
- The total payments will be discounted to reflect a "present value" reduction due to the early payment of the benefits, using the IRS interest rates required for purposes of lump sum payments from qualified pension plans.

Bert Fish Medical Center Pension Plan Lump Sum Opportunity

The enclosed ***“Pension Benefit and Lump Sum Statement”*** shows the Pension Benefit that you are currently receiving, or eligible to receive at a future date if you have not yet commenced.

The form of payment you elected at commencement is also shown, along with the information for your beneficiary, if you elected a Joint & Survivor form of payment. The Lump Sum amount, including the calculation components, is illustrated.

In order to make this election, you must complete the applicable forms provided in the attached ***Lump Sum Election Package***. In this package you will find detailed instructions on completing the forms, as well as the mailing address to return the forms (and other requested information). **Please note that in order to process your lump sum election, there is a deadline of October 15, 2024 for receipt of the forms.**

The lump sum is optional and not a requirement. If you decline the lump sum offer, or **if you fail to submit the election forms by the October 15, 2024**, you will continue to receive your monthly pension payments, or be eligible to receive monthly payments in the future if you have not yet commenced your pension. These monthly pension payments will continue to increase with the 3% COLA, as provided by the Pension Plan.

You are currently also receiving (or eligible to receive once your pension payment commences) a health insurance subsidy payment from Southeast Volusia Hospital District.

The monthly amount of the subsidy and lump sum is shown on the attached Statement. If you elect a lump sum payment of your Pension Benefit, you will also receive a lump sum payment of your health insurance subsidy. If you decline the lump sum offer of your Pension Benefit, your health insurance subsidy benefit will continue to be paid monthly (annually?).

Please review carefully all of the materials enclosed with this Memo. We understand you may have questions about these materials and your options, and want to make sure you receive all the information you need to plan for the future. We have attached a Questions & Answers document, which hopefully covers common questions you might have. We also strongly encourage you to review these materials with a personal advisor and an attorney, and to consider carefully the retirement planning and tax impact of making a lump sum election under your specific circumstances. To assist you in understanding the lump sum option and the enclosed documents, please contact the BPAS Pension Support Team at (xxx) xxx-xxxx. BPAS provides benefit administration services to the Pension Plan and is here to assist you.

Bert Fish Medical Center Pension Plan Pension Benefit and Lump Sum Statement

For Jane Doe

| | |
|---|------------------|
| Date Of Birth: | 04/16/1951 |
| Benefit Commencement Date (BCD): | 05/01/2013 |
| Monthly Pension: | \$ 1,500.00 |
| Annuity Form: | Joint & Survivor |
| Joint & Survivor Percent: | 100% |
| Guaranteed Period From BCD | N/A |
| Spouse's Date Of Birth: | 7/12/1950 |
| Lump Sum as of 11/30/2024 | |
| (1) Annual Pension Benefit | \$ 18,000 |
| (2) Present Value Factor (based on assumptions below) | 16.583 |
| Lump Sum = (1) times (2) | \$298,494 |

The Present Value Factor is based on the following actuarial assumptions and discounts:

- (1) Life expectancy: the IRS Unisex 2021 Mortality Table For 417(e)
Joint Life Expectancy = 22.5 years
- (2) Interest Rate: x% for , y% for
- (3) Cost Of Living Adjustment: 3% Annually on July 1

Health Insurance Subsidy Benefit
Lump Sum Value

Bert Fish Medical Center Pension Plan Lump Sum Election Package

Instructions

If you do not want the Lump Sum Option, please complete Section II of the “**Lump Sum Election Form**” and sign and date at the bottom of page and return to address below.

OR we can say

If you do not want the Lump Sum Option, you do not need to take any action; we will assume you have chosen to continue to receive your monthly pension payments, or if you have not yet commenced your pension payment, that you are choosing to defer your annuity election until a future early or normal retirement date under the Plan.

If you choose to elect the Lump Sum Option, you must complete all the required information in order for the lump sum to be processed:

- **Lump Sum Election Form:** Please complete Section I and sign and date at the bottom of Section I. Do not complete Section II of “**Lump Sum Election Form**”
- **Waiver and Release of Claims:** Does legal counsel think necessary?
- **Spousal Consent To The Optional Lump Sum (Only need to fill out if it is included in your package):** Your spouse must complete the “Consent” section of the form and sign and date in the presence of a notary. The notary must sign, date and stamp.
- **Lump Sum – Method of Payment Election Form:** You must choose option A, B or C if you are electing the Lump Sum option. If you elect Option C, you must fill out the information for Option B as well. Please complete the Participant Information at the bottom of the form.

IMPORTANT: Please include a copy of a valid driver’s license or other state issued ID with your legal name and current address. **If you do not include this we will be unable to process the lump sum.**

In addition if your legal name does not match what we have in our records – we will request proof of the name change (i.e. marriage certificate, divorce decree, etc.) along with a copy of your Social Security Card with the name change.

You must return your completed forms and ID by **October 15, 2024** for your lump sum to be processed. Please return your complete forms and ID to:

BPAS
Attn: BFMC Pension Support
706. N. Clinton St, Suite 200
Syracuse, NY 13204

Bert Fish Medical Center Pension Plan Lump Sum Election Package

Lump Sum Election Form

Section I - Elect Lump Sum

If you would like to receive a one- time lump sum payment in exchange for future monthly pension payments, initial the line below and complete this section and other required forms as indicated. If you are currently receiving monthly pension payments, your last monthly payment will be on November 1, 2024. Please date and sign at the bottom of the form.

_____ **I hereby elect the lump sum payment of my Pension Plan benefits.**

I understand this means that I will receive, on or soon after November 30, 2024, a lump-sum payment in the amount indicated on the Pension Benefit and Lump Sum Statement with which I was provided, instead of the monthly payments under the form of payment shown on the Statement. I understand that this election is optional, and that I could continue to receive monthly pension payments, or be eligible to receive monthly pension payments if not yet commenced, rather than make this election.

I acknowledge that I received a packet of materials dated **August 15, 2024** describing the lump sum option, including a Memo and a Questions & Answers document explaining, among other things, the manner in which the lump amount shown on my Pension Benefit and Lump Sum Statement was calculated. I affirm that (1) my election hereby to receive a one-time lump sum payment is completely voluntary; (2) the consequences of making and of declining the lump sum election have been explained to me, including that there will be no further benefits available to me from the Pension Plan after I receive the lump sum payment, **and that I am required to sign a Waiver and Release of Claims as a condition to receiving the lump sum payment;** and (3) I have been advised to review the lump sum election decision and the materials included in the packet with a personal advisor and an attorney, in particular because the **Waiver and Release of Claims involves waiving certain legal rights.**

I understand that, for my cash-out election to be effective, the following forms must be filled out, signed and returned to BPAS no later than the close of business on **October 15, 2024**; and that, **if I fail to submit the following forms by October 15, 2024, I will not be entitled to the lump sum at this time, but rather will continue to receive monthly pension payments, or be eligible to receive monthly pension payments in the future if not yet commenced.**

1. This **Lump Sum Election Form**, with this Part I completed.
- 2. The Waiver and Release of Claims.**
3. If applicable, the **Spousal Consent to the Optional Lump Sum.**
4. The **Lump Sum- Form of Payment** must be completed with direction on whether you are electing a cash distribution or rollover. (The rollover options are explained in the Special Tax Notice Regarding Plan Payments included in the packet.)

I understand that once I submit the above materials, I have a 7-day period to revoke my election. After that 7-day period has passed, my election will become irrevocable, and all prior elections I have made as to the form and timing of my benefit payments and as to my beneficiaries (including any beneficiaries I have designated under any of the Plan's survivor annuity options) will be cancelled.

Participant Signature

Date

Bert Fish Medical Center Pension Plan Lump Sum Election Package

Lump Sum Election Form

Section II - Do Not Elect Lump Sum

If you would like to decline the offer of a lump sum payment, initial the line below and date and sign at the bottom of the form. Return only this form to the address included on the instructions on page 4.

_____ **I hereby decline the lump sum payment of my Pension Plan benefits.**

I understand this means that I will continue to receive monthly pension payments, or be eligible to receive monthly pension payments in the future, if not yet commenced. I acknowledge that I received a packet of materials dated August 15, 2024 describing the lump sum option including a Memo and a Questions & Answers document explaining, among other things, the manner in which the lump amount shown on my Pension Benefit and Lump Sum Statement was calculated. I affirm that (1) the consequences of making and of declining the lump sum election have been explained to me; and (2) I was given an opportunity to participate in the lump sum election.

Participant Signature

Date

Return completed forms to: BPAS, Attn: BFMC Pension Support
706. N. Clinton St, Suite 200
Syracuse, NY 13204

Bert Fish Medical Center Pension Plan Spousal Consent To The Optional Lump Sum

IMPORTANT FOR RETIREES CURRENTLY RECEIVING PENSION PAYMENTS: For purposes of this form, the retiree's "spouse" is the person to whom the retiree was married at the time pension benefits began to be paid.

WHAT YOUR CONSENT MEANS

The optional lump sum cash-out benefit is described in the packet provided to your spouse. Federal law requires that in order for your spouse to receive this benefit, you must consent. If you do not consent to your spouse's election and your spouse is currently receiving a pension, your spouse's pension will continue to be paid based on the form of payment elected at retirement. If you do not consent to your spouse's election and your spouse is NOT currently receiving a pension, your spouse will still be able to elect any of the annuity options available under the plan at retirement.

An exception to the requirement that you now consent to your spouse's election exists if you previously consented to your spouse's chosen form of distribution, and your consent explicitly allowed for future changes without your subsequent approval.

If you consent to your spouse's election of the lump sum, you give up your right to any future benefits otherwise payable to you. That is because, once your spouse's election goes into effect, all prior elections your spouse has made as to the form and timing of benefit payments and as to beneficiaries (including any beneficiaries designated under any of the Plan's survivor annuity options) will be cancelled.

EXAMPLE 1: Pat Doe, who is married, is now receiving \$1,000 a month under the Joint & 100% Survivor Annuity form of payment. Pat is eligible to receive a lump sum payment of \$117,000 in lieu of all future monthly pensions. If Pat's spouse does not consent to Pat's receiving the lump sum payment, Pat will continue to receive \$1,000 a month (including cost-of-living increases) for life. Under the Joint & 100% Survivor Annuity form of payment, when Pat dies, Pat's spouse will receive \$1,000 a month (including cost-of-living increases) for life.

EXAMPLE 2: Robin Jones, who is also married, is now receiving \$1,500 a month under the Life Annuity form of payment. Robin is eligible to receive a lump sum payment of \$142,000 in lieu of all future monthly pensions. If Robin's spouse does not consent to Robin's receiving the lump sum payment, Robin will continue to receive \$1,500 a month (including cost-of-living increases) for life. Under the Life Annuity form of payment, when Robin dies, Robin's spouse will not receive any further pension from the plan.

EXAMPLE 3: Daryl Smith has not yet begun to receive his vested monthly pension, which is \$750 a month for life payable beginning at age 62. Daryl is eligible to receive a lump sum payment of \$38,000 in lieu of all future monthly pensions. If Daryl's spouse does not consent to Daryl's receiving the lump sum payment, Daryl will still be eligible to receive \$750 a month for life at age 62 (or a reduced pension, if benefits begin before age 62), and will have the opportunity, prior to benefit commencement, to elect another form of annuity payment available under the plan.

Bert Fish Medical Center Pension Plan Spousal Consent To The Optional Lump Sum

This is your personal decision. So before signing, be sure you understand what retirement benefits, if any, you may be giving up.

CONSENT

I, _____, am the spouse of _____, a participant in the Bert Fish Medical Center Pension Plan. I voluntarily consent to my spouse's election to receive the optional lump sum. I understand that by signing this consent form, I may be giving up the right to a future monthly pension. I understand that if I do not sign this consent form, pension payments to my spouse will continue in accordance with the form of payment elected at retirement (or in accordance with a future election, if my spouse has not yet started to receive a pension.)

Signature of Spouse _____ Date _____

Plan Representative or Notary Public _____ Date _____

Return completed forms to: BPAS, Attn: BFMC Pension Support
706. N. Clinton St, Suite 200
Syracuse, NY 13204

Bert Fish Medical Center Pension Plan Lump Sum – Method of Payment Election

If the recipient plan is a qualified retirement plan (not an IRA), I acknowledge that the plan is an eligible retirement plan and that it will accept my rollover.

I have read the attached "Special Tax Notice Regarding Plan Payments" and make the following election (*check one and complete*):

☐ **A.** Make the distribution payable to me, minus the mandatory 20 percent withholding tax.

(You cannot elect to waive this withholding when your distribution is eligible for a Direct Rollover.)

☐ **B.** Make the distribution as a Direct Rollover payable to the following IRA or qualified retirement plan (recipient plan):

Account Number

Fund Name

Address

City

State

Zip

☐ **C.** Split my distribution as follows: (*Please also complete Section B.*)

\$ _____ to me, less 20 percent withholding, and

\$ _____ as a Direct Rollover to the above mentioned party.

Participant's Name (Please Print)

Social Security Number

Address

City

State

Zip

Participant's Signature

Date

Return completed forms to: BPAS, Attn: BFMC Pension Support
706. N. Clinton St, Suite 200
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