

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

**M E M O R A N D U M**

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.

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.