

# CITY OF BURLINGTON

ORDINANCE \_\_\_\_\_  
Sponsor: Retirement Bd., \_\_\_\_\_  
Human Resources Department \_\_\_\_\_  
Public Hearing Dates \_\_\_\_\_  
\_\_\_\_\_  
First reading: \_\_\_\_\_  
Referred to: \_\_\_\_\_  
Rules suspended and placed in all  
stages of passage: 01/24/11 \_\_\_\_\_  
Second reading: \_\_\_\_\_  
Action: \_\_\_\_\_  
Date: \_\_\_\_\_  
Signed by Mayor: \_\_\_\_\_  
Published: \_\_\_\_\_  
Effective: \_\_\_\_\_

In the Year Two Thousand \_\_\_\_\_ Eleven \_\_\_\_\_

## An Ordinance in Relation to

PERSONNEL--  
Retirement System

It is hereby Ordained by the City Council of the City of Burlington, as follows:

That Chapter 24, Personnel, of the Code of Ordinances of the City of Burlington be and hereby is amended by amending Sections 24-14, 24-19, 24-21, 24-22, 24-23, 24-29, 24-41 thereof to read as follows:

Sec. 24-14 Definitions.

*Accumulated contributions* shall mean the sum of all the amounts deducted from the compensation of a member and credited to his individual account in the system, plus interest accruing thereon at a rate of five and one-half (5 1/2) per cent per annum; provided, however, that such interest will accrue only on those contributions made after June 30, 1980. ~~No amounts shall be deducted from the compensation of a Class B member.~~

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*Earned compensation* shall mean the full rate of normal compensation paid to an employee for working the full normal time for his position. Normal compensation shall not include extra payments for working on holidays, overtime work, shift differentials, longevity pay, payments for unused disability leave or bonuses. In cases where normal compensation includes shelter and/or board, the retirement board shall determine the value of that part of the normal compensation not paid in money. In no case shall there be a benefit accrual on earned compensation amounts in any year that exceed the compensation limit in effect under section 401(a)(17) of the Internal Revenue Code of 1986, as amended.

Balance of Sec. 24-14 as written.

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Sec. 24-19. When membership required.

Except for those individuals who are permitted by the city council to retain membership in a retirement system other than the city retirement system, any employee who enters into service with the city shall within two (2) weeks after being hired submit to the office of the city treasurer a completed application form for membership in the city retirement system. Such employee shall become a member of the retirement system as a condition of employment. ~~provided his age upon entering employment is less than the normal retirement age for his class. The foregoing maximum entry age limitation shall not be applicable to the office of mayor, nor to appointive officer working fulltime for the city, and any such member shall receive creditable service for all service since the latter of his date of employment or July 1, 1967.~~ Upon acquisition of permanent employee status, membership in the retirement system shall be considered as attained retroactive to the date the individual commenced work for the city as an employee; provided, however, that a Class A employee must, in addition, be approved by the medical examiners as medically qualified for Class A type of employment, and Class A employees and Class B employees must submit sufficient proof of birth in order to obtain membership in the retirement system. The provisions of this section shall not be applicable to persons hired pursuant to funding provided under the so-called Emergency Employment Act, Comprehensive Employment and Training Act, Law Enforcement Assistance Act or other federal or state-financed employment program. The city council, in connection with the recruitment of any particular employee, may, in its sole discretion, waive the requirement for membership in the city retirement system and allow such employee to retain membership in an alternate retirement system under such conditions as may be agreed upon between the city and such employee.

Sec. 24-21. Statement of service, military service; treatment of break in service.

(a) through (f) As written.

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(g) Anything in this article to the contrary notwithstanding, credit for any period of absence from service due to any class of full-time military, naval or air service approved by the retirement board, whether before or after July 1, 1954, shall be allowed as prior service credit and a prior service certificate issued therefor in the case of any employee who left the service of the city to enter such full-time military, naval or air service, and, for the purposes of the retirement system, the earnable compensation of the employee at the time of entering such service shall be the earnable compensation for the period thereof. However, this subsection shall not apply to any employee not returning to the active service of the city within one hundred twenty (120) days of his discharge from such full-time military, naval or air service. Notwithstanding any provision of this article to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Internal Revenue Code of 1986, as amended, and, effective January 1, 2007, section 401(a)(37) of the Internal Revenue Code of 1986, as amended.

(h) through (k) As written.

(l) A former Class A member who withdrew his accumulated contributions to the retirement system and who again becomes a Class A member may, within the time period prescribed by the retirement board, repay his Class A accumulated contributions which he withdrew from the retirement system as well as such additional amount as prescribed by the retirement board and having as a basis either the compounded amounts that the retirement system would have earned on such accumulated contributions had they not been withdrawn, or the total annual actuarial assumptions for the period such accumulated contributions had been withdrawn, whichever is higher. The amount to be repaid will be increased by an interest amount for the period of repayment as established by the retirement board. Upon such repayment, the member shall be entitled to apply his creditable service earned as a Class A employee prior to his separation from city service along with that earned subsequent to his return to Class A service for the determination of a single Class A

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An Ordinance in Relation to retirement benefit. A former Class A member who withdrew his accumulated contributions to the retirement system and who again becomes a Class A member but does not repay his withdrawn accumulated contributions shall have his prior Class A service for which his accumulated contributions have been withdrawn treated as Class B service. A former Class A member who withdrew his accumulated contributions to the retirement system and who becomes a Class B member shall not be entitled to repay his withdrawn Class A accumulated contributions in order to have his Class A service treated as other than Class B service upon his subsequent retirement. A former member may withdraw his accumulated contributions and the retirement board shall establish procedures governing the distribution of these accumulated contributions, including the terms and conditions under which such amounts may be rolled over to another retirement plan.

Balance of Sec. 24-21 as written.

Sec. 24-22. Retirement; benefits.

(a) through (i) As written.

(j) Plan benefits shall be distributed to an employee no later than April 1 of the calendar year following the calendar year in which he or she attains age seventy and one-half (70½), or in which he or she retires, whichever occurs later. Notwithstanding any provision of this article to the contrary, the retirement system will comply with a good faith interpretation of section 401(a)(9) of the Internal Revenue Code of 1986, as amended.

(k) Plan benefits and contributions shall not exceed the limitations established in section 415 of the Internal Revenue Code of 1986, as amended.

Sec. 24-29. Method of financing; fund established.

All the assets of the retirement system shall be credited, according to the purpose for which they are held, in a fund, namely, the city retirement system fund. Said fund shall be composed as follows:

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- (a) As written.
- (b) The contributions made by the city to the city retirement fund shall be deposited.

The contributions of the city for benefits under the retirement system shall consist of a percentage of the earned compensation of members to be known as the "normal contribution," and an additional dollar amount to be known as the "accrued liability contribution." The contributions shall be fixed on the basis of the liabilities of the system as shown by actuarial valuation.

Immediately after making each valuation during the period over which the accrued liability contribution is payable, the board shall determine the percentage normal contribution rate as a percentage of the earned compensation of members which is the value of the difference between the benefits accrued for service to the valuation date and the benefit based on service to one (1) year after the valuation date, reduced by required Class A and Class B member contributions. The accrued liability contribution, or unfunded past service contribution, is the difference between the total liabilities and the assets.

The total amount payable in city contributions to the fund in each year shall be not less than the rates per cent known as the normal contribution rate of the total compensation earnable by all members, plus the annual accrued liability contribution amount required to fund the remaining accrued liability over a twenty-year period from date of establishment, and provided that the aggregate payment by the city shall be sufficient, when combined with the amount in the fund of city contributions, to provide the benefits payable out of the fund during the year then current.

All interest and dividends earned on the funds of the retirement system shall be credited to the city retirement system fund.

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Any forfeiture of plan benefits shall be used to reduce the city's contribution to the plan otherwise payable. Prior to the satisfaction of all plan liabilities, assets of the retirement fund shall not be used for any purpose other than for the exclusive benefit of members and beneficiaries.

Sec. 24-41. Survivor income benefit.

(a) A survivor income benefit will be payable to the eligible survivors, if any, of a member who dies in service as an employee prior to his retirement in accordance with the provisions of this section. In the event of any conflict between the provisions of this section and any contract between a life insurance company and the retirement board to carry out the provisions of this section, then the provisions of such contract shall be binding and control. Effective January 1, 2007, if a member dies during a period of qualified military service (as defined in section 414(u) of the Internal Revenue Code of 1986, as amended), the eligible survivors of the member shall be entitled to survivor benefits as if the member had resumed and then terminated employment on account of death.

(b) thru (e) As written.

\* Material stricken out deleted.

\*\* Material underlined added.