

Berlin Police Defined Benefit Pension Policy Discussion

(Nothing in this presentation should be considered a proposal or commitment by the Town of Berlin – for discussion only)

Plan Benefit Name	Potential Plan Benefit
Payout Percentage (as % of final avg 3-year earnings, as defined below)	2%
Earnings	Base wages only
Maximum years/payout %	25 years/50% of earnings (as defined above)
Lump sum option	No lump sum option
Cost of living adjustment (COLA)	0% (no automatic COLA)
Vesting	Current, active: 5 years in DB plan New: 10 years in DB plan

Plan Contribution Type	Potential Plan Contribution
Employee contribution (automatic payroll deduction each pay period)	Current, active: 7% (of base pay only) New: 8% (of base pay only)
Initial Buy-In (1) active Berlin PD officer on date plan is signed (2) conversion election required within 60-days of signing the plan (3) officer must exhaust individual 401 plan assets before Town subsidy is paid (4) individual 401 plan assets in excess of required buy-in will remain in individual 401 plan	Equal buy-in, no cap (actual amount per officer will be determined after plan design is finalized)
Future Buy-In (new officers with prior sworn officer experience who join the Berlin PD after the plan is signed)	Equal buy-in, 5-year cap (actual amount per officer will be determined after plan design is finalized)

The defined benefit plan shall be effective for 10-years from the date of signing.