

ORDINANCE NO. 191

AN ORDINANCE OF PYMATUNING TOWNSHIP, MERCER COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO CHANGE THE POLICE PENSION BENEFITS IT HAS IN THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM UNDER ARTICLE IV OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW: AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW AS AMENDED AND AS APPLICABLE TO MEMBER MUNICIPALITIES CHANGING BENEFITS UNDER THE PROVISIONS OF THIS ARTICLE: STATING WHICH OF CERTAIN OPTIONS PERMITTED UNDER THE SAID LAW ARE ACCEPTED BY THE TOWNSHIP. IT IS HEREBY ORDAINED BY PYMATUNING TOWNSHIP, MERCER COUNTY, AS FOLLOWS:

SECTION I. Pymatuning Township (the Township), being a member municipality of the Pennsylvania Municipal Retirement System (the System), hereby elects to change its police pension benefits in the System as authorized by the Pennsylvania Municipal Retirement Law, Act 15 of 1974, as amended, and does hereby agree to be bound by all the requirements and provisions of said Law, and to assume all obligations, financial and otherwise, placed upon member municipalities. All references hereafter shall be based on benefits negotiated between the Pennsylvania Municipal Retirement Board (the Board) and the municipality under the provisions of Article IV of the Pennsylvania Municipal Retirement Law.

SECTION II. Membership in the System shall be mandatory for all full-time police officers of the Township. Membership for elected officials, part-time officers, and employees hired on a temporary or seasonal basis is prohibited, as is membership for individuals paid only on a fee basis.

SECTION III. Credit for prior service for original members is granted for each year or partial year thereof that the member was employed by the Township from original date of hire or the expiration of the member's probationary period if one so existed. Benefits provided to members in the Agreement dated December 10, 2009 (the Agreement), shall accrue based on all credited service granted and earned in accordance with this section.

SECTION IV. Payment for any obligation established by the adoption of this Ordinance and the Agreement between the System and the Township shall be made by the Township in accordance with the Pennsylvania Municipal Retirement Law and Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act.



SECTION V. As part of this Ordinance, the Township agrees that the System shall provide the benefits set forth in the Agreement between the Board and the Township. The passage and adoption of this Ordinance by the Township is an official acceptance of said Agreement and the financial obligations resulting from the administration of said benefit package. The Township hereby assumes all liability for any unfundedness created or which may be created due to the acceptance of the benefit structure outlined in the above-referenced Agreement.

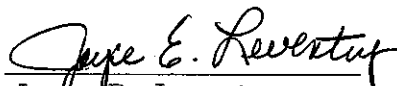
SECTION VI. The Township intends this Ordinance to be the complete authorization of the Township's police pension plan and it shall become effective and specifically repeal Ordinance Number 178 - 2002 either immediately or on January 1, 2010, which is the effective date of the amended Agreement between the Board and the Township, whichever is later.

SECTION VII. A duly certified copy of this Ordinance and the referenced Agreement shall be filed with the System. Membership for the police pension plan of the Township in the System shall be effective the first day of January, 1988 with the revised plan structure reflected in the Agreement, effective the first day of January, 2010.

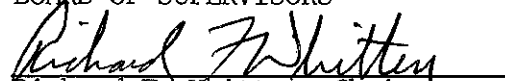
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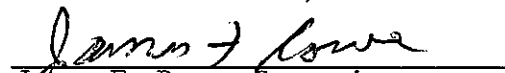
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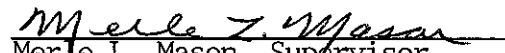
ATTEST:

  
Joyle E. Leventry  
Secretary/Treasurer

PYMATUNING TOWNSHIP  
BOARD OF SUPERVISORS

  
Richard F. Whitten, Chairman

  
James F. Rowe, Supervisor

  
Merle L. Mason, Supervisor



PYMATUNING TOWNSHIP POLICE  
PENSION PLAN AGREEMENT

AN AGREEMENT, dated this 10th day of December, 2009, by and between Pymatuning Township (the Township) and the Pennsylvania Municipal Retirement Board (the Board);

WHEREAS, Article IV, Section 401 of the Act of February 1, 1974, No. 15, states:

“401. This article shall provide for the enrollment of those municipalities in the Pennsylvania Municipal Retirement System which want to offer retirement benefits to their employees . . .”; and,

WHEREAS, Article IV, Section 413 of the Act also provides:

“413. Procedures for Amending Contracts. Any municipality which has joined the System under this Article IV may, with the approval of the Board, amend the contract to increase any of the benefits enumerated in Article IV to its members . . .”; and,

WHEREAS, The Township has enrolled its police officers in the Pennsylvania Municipal Retirement System (the System) and desires to amend its pension plan for the police officers;

NOW THEREFORE, the Board and the Township hereby agree to the following retirement pension plan for the police officers:

1. Coverage: This plan shall cover all full-time police officers, hereafter referred to as member, of the Township. Membership for elected officials, part-time officers, and employees hired on a temporary or seasonal basis is prohibited as is membership for individuals paid only on a fee basis. Individual membership shall be effective as of the date the Township entered into the System or upon the expiration of the individual’s probationary status, whichever is more recent.

Credited service shall accrue from the original member’s date of hire or the expiration of the member’s probationary period if one so existed. Credited service time earned prior to the enrollment of the Township into the System shall be known as prior service.

No credited service time shall be granted for time employed in a status other than as an active employee of the municipality excluding credit for purchased military service time, reinstatement of previous service time or service earned and credited under Section 12, the portability section of this agreement.

2. Superannuation Retirement: Eligibility for a superannuation retirement shall occur upon the member's attainment of fifty-five (55) years of age or older and the completion of at least twelve (12) years of credited service.

3. Basic Benefit: The basic annual benefit shall be equal to two percent (2%) of the member's final salary multiplied by all years of credited service. Provided however, in no event shall the basic benefit exceed fifty percent (50%) of the member's final salary.

4. Final Salary: The final salary shall be the average annual compensation earned and paid during the member's final three (3) consecutive years of employment, or if not so long employed, then the average annual compensation earned and paid during the whole period of such employment.

5. Early Retirement: A member who has been involuntarily terminated after eight (8) years of credited service or who has separated voluntarily after twenty-five (25) years of credited service may retire early. Benefits will be actuarially reduced for each year or partial year thereof that early retirement takes place prior to age fifty-five (55).

6. Spouse's Pension: In the absence of an election of an option found in Section 13, on the death of an active member of the plan who was eligible at the time of death for either a superannuation retirement allowance because of meeting the superannuation retirement requirements found in Section 2 or a voluntary early retirement allowance because of completing twenty-five (25) years of credited service, the surviving spouse (or in the absence of a spouse, any surviving children under the age of eighteen, or if attending college under or attaining the age of twenty-three) will receive a pension equal to one-half of the pension which such member would have been eligible to receive if the member had been retired at the time of death. An election by a member of an option found in Section 13 other than a Single Life Annuity, prior to retirement shall make void the foregoing provision.

A member who is entitled to either a superannuation retirement allowance because of meeting the superannuation retirement requirements found in Section 2 or a voluntary early retirement allowance because of completing twenty-five (25) years of credited service may file a written application for retirement requesting that such retirement become effective at the time of death. The member may elect one of the options provided in Section 13 and nominate a beneficiary. The application shall be held by the Board (1) until the member files a later application (PMRB-50) for a retirement allowance or (2) until the death of the member while in municipal service.

If such a member dies prior to receiving a retirement allowance, benefits become effective as if the member had retired on the day immediately preceding death. The beneficiary will receive the annuity option elected before the member's death.

If a member is receiving a retirement allowance in accordance with the Single Life Annuity provisions of Section 13, upon the retired member's death the surviving spouse (or in the absence of a spouse, any surviving children under the age of eighteen, or if attending college under or attaining the age of twenty-three) will receive a pension equal to one-half of the pension which such member was receiving. If there is no surviving spouse or children eligible for the benefit, the full amount of the total accumulated deductions standing to the member's credit in the member account on the effective date of retirement minus the total amount of annuity payments received shall be paid to the designated beneficiary.

7. Length of Service Increment: In addition to the basic benefit allowance, those members who have more than twenty-five (25) years of credited service time upon retirement shall receive a yearly service increment to be determined by computing the number of whole years of service beyond twenty-five (25) years and multiplying this number by an amount equal to 1/40<sup>th</sup> of the amount of the retirement allowance. This increment shall not, however, exceed one hundred dollars (\$100) per month.

8. Cost-of-Living Increases: Retired members of the plan shall be entitled to a cost-of-living benefit effective the first January following at least one year from the initial date of retirement. The amount of such increases are subject to all of the following limitations:

- (a) the percent increase in pension shall not exceed the percent increase in the Consumer Price Index since the final year in which the retired police officer last worked;
- (b) the pension benefit after such increase shall not exceed seventy-five percent (75%) of the final average salary which was used as the basis for computing the retired member's benefit; and
- (c) the total cost-of-living increase shall not exceed thirty percent (30%) of the retired member's benefit at the time the member retired.

9. Contributions by Members: Members shall contribute five percent (5%) of their total compensation. If sufficient funds exist, the Township may annually elect to lower or waive the required member contribution rate by adopting a resolution and filing it with the Board.

For federal tax purposes, subject to changes in federal tax law, member contributions will be treated as taxed at the time they are made to the System, will be tracked separately, and will not be treated as taxable when paid out to the member.

If a member terminates prior to becoming eligible for any benefit or the member elects not to receive a benefit, that individual shall be entitled to all accumulated contributions, interest and any excess investment monies allocated to the member's account.

10. Vesting: After twelve (12) years of credited service, a member may vest by filing an application with the Board within ninety (90) days of separation from employment. Upon attainment of the superannuation age requirement found in Section 2 of this agreement, a basic benefit will be calculated in accordance with Section 3 of this agreement.

11. Military Service: Any member employed by the Township who enters the uniformed services as defined by the 1994 Uniformed Services Employment and Re-Employment Rights Act (P.L. 103-353) and returns to the Township to again be a member of the plan within the authorized time period of the law, shall have the authorized time spent in such service credited to the member's employment record for pension or retirement benefits if the individual makes the required employee contributions.

An active member may also purchase credit for other than intervening military service performed for the United States in times of war, armed conflict or national emergency, so proclaimed by the President of the United States, for a period not to exceed five (5) years, provided the member has completed five (5) years of service to the municipality subsequent to such military service. An active member may file an application with the Board for permission to purchase credit for nonintervening military service upon completion of five (5) years of subsequent service to the municipality.

The amount due from the member shall be certified by the Board in accordance with methods approved by the actuary. It may be paid in a lump sum within thirty (30) days or it may be amortized with additional interest through salary deductions in amounts agreed upon by the member and the Board.

The rate of interest to be charged to a member on purchase of credit for nonintervening military service shall be the rate being credited by the System to members' accounts in effect on the date of the member's application, compounded annually.

A member may purchase credit for intervening or nonintervening military service only if discharge or separation from the service was granted under other than dishonorable conditions. A member may not purchase military credit for any service that is covered by another retirement system administered and wholly or partially paid for by any other government agency or private employer.

12. Portability: When a member leaves the employ of the Township and enters within one year of separation into the employ of another municipality that has joined the System, the member's service credits shall remain unimpaired. Should a member from the employ of another municipality that has joined the System separate from service and within one year of separation join the pension plan, the member's service credits will remain unimpaired. In such cases, the municipal liability for past service shall be prorated by the System between the municipalities on an equitable basis.

13. Options on Superannuation, Early Retirement or Vesting: At the time a member elects to receive a retirement benefit allowance, the benefit may be payable throughout the member's life, in which case the benefit is known as a Single Life Annuity. A member who has elected a Single Life Annuity shall automatically be deemed to have elected the spouse's death benefit provisions found in Section 7. A member may elect to waive any entitlement to the spouse's benefit found in Section 7 of this agreement by choosing at time of retirement an alternative to the Single Life Annuity that would be of an equivalent actuarial value but that would be in a lesser allowance and payable throughout life with provisions that:

- (a) Option 1. If the member dies before receiving in payments the present value of the retirement allowance as it was at the time of retirement, the balance, if less than five thousand dollars (\$5,000), shall be paid in a lump sum to the designated beneficiary if living, or if the named beneficiary predeceased the member or if no beneficiary was named, then to the member's estate. If the balance is five thousand dollars (\$5,000) or more, the beneficiary may elect, by application duly acknowledged and filed with the Board to receive payment of such balance according to any one of the following provisions:
  - (i) in a lump-sum payment, or
  - (ii) in an annuity having a present value equal to the balance payable, or
  - (iii) in a lump-sum payment and an annuity. Such annuity shall be of equivalent actuarial value to the balance payable less the amount of the lump-sum payment specified by the beneficiary.
- (b) Option 2. Upon the annuitant's death, the retirement allowance shall be continued throughout the life of and paid to the survivor annuitant, if then living.
- (c) Option 3. Upon the annuitant's death, one-half of the retirement allowance shall be continued throughout the life of and paid to the survivor annuitant, if then living.

14. Social Security Offset: There shall be no offset for Social Security retirement benefits received by a member.

15. Determination of Municipal Liability: The Board will actuarially determine the normal cost of the plan and any liability associated with the plan's actuarial experience which shall be contributed annually by the municipality for the service credits of the members. If applicable, any additional amount which shall be contributed annually toward a reserve account for the disability allowances which may be payable in accordance with this agreement shall also be determined and charged the municipality.

The amounts so determined shall be computed in accordance with the requirements of Act 205 of 1984, the Municipal Pension Plan Fund Standard and Recovery Act, and Act 15 of 1974, the Pennsylvania Municipal Retirement Law, and subsequent amendments to either Act.

16. Procedure: Matters or procedure not covered in this agreement shall be as set forth in Act 15 of 1974 and as found in Act 205 of 1984, as they shall, from time to time, be amended.

Should any change or mistake in records result in any member, beneficiary or survivor annuitant receiving from the System more or less than the individual would have been entitled to receive had the records been correct, then regardless of the intentional or unintentional nature of the error and upon the discovery of such error, the Board will correct the error and so far as practicable adjust the payments which may be made for and to such person in such a manner that the actuarial equivalent of the benefit to which he was correctly entitled shall be paid.

17. Unfunded Liability: Any unfunded liability incurred by the creation of benefits under this agreement shall be borne by the Township.

18. Effective Date: This agreement shall be effective the first day of January, 2010, with the acceptance of the same by the Township and the Board. Termination of this agreement shall be in accordance with Section 412 of Act 15 of 1974.

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IN WITNESS WHEREOF, we have hereunto set our hands and seal the day, month and year above written.

ATTEST:

PYMATUNING TOWNSHIP, MERCER COUNTY

BY: Joseph E. Lewertus  
Secretary

BY: Richard W. Whitten  
Chairman

ATTEST:

PENNSYLVANIA MUNICIPAL RETIREMENT BOARD

BY: \_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
Chairman

Approved as to form and legality:

BY: \_\_\_\_\_  
Office of Attorney General

BY: \_\_\_\_\_  
Office of General Counsel

BY: \_\_\_\_\_  
Chief Counsel

TAB:TME:tab  
09/10/2009

Reviewed by PMRS Legal Counsel JM