

## ORDINANCE #60

AN ORDINANCE PROVIDING FOR THE ESTABLISHMENT AND REGULATION OF A PENSION PLAN FOR THE NON-UNIFORMED FULL-TIME EMPLOYEES OF THE TOWNSHIP OF MILFORD

BE IT ORDAINED AND ENACTED by the Township Board of Supervisors of the Township of Milford, Bucks County, Pennsylvania, and IT IS HEREBY ORDAINED AND ENACTED as follows.

### ARTICLE I

#### DEFINITION OF TERMS

Board means the governing body of the Township of Milford acting in the capacity of administrator of the Non-Uniformed Employees Pension Plan established pursuant to this Ordinance.

EMPLOYER means the Township of Milford.

Participant means every person duly appointed from time to time by the township as a full-time non-uniformed employee working not less than thirty-five (35) regularly scheduled hours per week at a definite salary, subject to reasonable vacation and sick leave, to be included in the plan upon date of hire.

Service means total aggregate service beginning upon date of hire. Years of service in excess of six (6) months shall be credited as an additional year; years of service of less than six (6) months shall be disregarded.

Salary means the amount of compensation received by a Participant in each and every month, including overtime, longevity pay, et cetera, if any.

Plan means the Non-Uniformed Employees Pension Plan established pursuant to this Ordinance.

Contribution means the monies paid by the Township and the Participants to the Pension Plan established pursuant to this Ordinance.

Unfunded Liability means the present value of any Participant's benefits accrued prior to the enactment of this Ordinance by virtue of his/her prior service.

Future Service Liability means the value of any Participant's benefits which shall accrue by virtue of service rendered subsequent to the enactment of this Ordinance.

Actuarial Equivalent means a benefit determined by an actuary to be equivalent in value to the Participant's normal retirement benefit, as defined herein; provided that such equivalent is within the limitations provided herein.

Termination means the cessation of service by the Participant for any reason including disability, resignation, and employer termination. Death shall not be considered a termination within the meaning of this Ordinance. Voluntary leaves of absence without pay shall not be considered a termination for purposes of this Ordinance; but no period of such leave shall be computed in the total Service for pension benefit purposes. Leaves of absence with pay shall not be considered a termination within the meaning of this Ordinance; but such leaves may be computed in the total Service for pension benefit purposes.

Committee means the persons appointed to serve in an advisory capacity to the Board in the administration of the Pension Plan established pursuant to this Ordinance.

## ARTICLE II

### ADMINISTRATION

The Board shall administer the Plan established pursuant to this Ordinance by such regulations as shall from time to time be necessary for the effective maintenance of the Plan; provided that no regulation shall be contrary to the statutes of the Commonwealth of Pennsylvania and/or applicable federal regulations.

The Board may appoint a Committee which shall act as an advisory body to the Board in the administration of the Pension Plan established pursuant to this Ordinance according to the regulations established pursuant to this Article.

The Committee shall consist of three (3) members, which number shall include two (2) chosen from the Board and one (1) chosen from the Participants in the Plan.

All persons so designated shall serve at the pleasure of the Board. Any member may resign upon written notice to the Board and the Committee. Any vacancies in the Committee arising from resignation, death, or removal shall be filled by the Board by the procedure set out herein for the member of the Committee whose resignation, death, or removal has created the vacancy.

The Committee shall meet no less than annually, and shall serve without compensation for their services.

The Committee shall act by such procedure, as the Committee shall establish; provided that all decisions shall be by majority vote. The Committee may authorize one of its members to execute any document or documents on behalf of the Committee, may adopt by-laws and regulations as it deems necessary for the conduct of its affairs, and may appoint such accountants, counsel, specialists or such other persons as it may deem desirable for the proper administration of the Plan; provided that all such execution of documents, adoption of by-laws, and regulations, and appointments shall be approved by the Board.

The Committee shall keep a record of all its proceedings and acts which shall relate to the plan, and shall keep all such books of accounts, records, and other data as shall be necessary for the proper administration of the Plan.

All such reasonable expenses incurred in the administration of the Plan including but not limited to fees for the services of specialists including actuaries, accountants, and legal counsel shall be approved by the Board, and all may be paid from the Plan; provided that no such payment shall be contrary to the statutes of the Commonwealth of Pennsylvania.

No member of the Board of the Committee established pursuant to this Article shall incur any liability for any action or failure to act, excepting only liability for its own gross negligence or willful misconduct. The employer shall indemnify each member of the Board and the Committee against any and all claims, loss, damages, expense, and liability arising from any action or failure to act, except for such that is the result of gross negligence or willful misconduct of such member.

## ARTICLE III

### RETIREMENT REQUIREMENTS AND BENEFITS

## Eligibility for Normal Retirement

- a. A Participant in the Plan may retire from active employment on the first day of the month following the attainment of age sixty-five (65); provided that he/she has completed ten (10) or more years of Service.
- b. A Participant shall retire on the first day of the month following the attainment of age seventy (70).

## Early Retirement

A Participant may retire on the first day of the month following the attainment of age sixty (60); provided that he/she has completed twenty (20) or more years of Service.

## Normal Retirement Benefit

A Participant who shall complete the age and service requirements as set forth in this Article shall receive a pension for life, payable in equal monthly installments in an amount to be computed by multiplying sixty-four one-hundredths percent (64/100%) credit for each year of Service (to a maximum of twenty/20 years) times the average monthly Salary for the twenty-four (24). Such pension shall be payable from the assets of the Plan.

## Actuarially Equivalent Benefits

In lieu of the retirement benefits contained herein, a Participant may elect in writing an actuarial equivalent as may be provided for by regulation; provided that no such equivalent benefit may work to the effect of providing a lump sum amount of money or provide for a pension for a period less than life or provide for a pension less than the amount herein established, unless such amount is reduced to pay the cost of an additional benefit such as 120-month certain benefits.

## Vesting

A vested deferred monthly benefit shall be provided for any Participant whose termination date occurs prior to his/her normal retirement date, and shall be based on the Participant's completed years of Service as of the termination date in accordance with the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
0 - 10 years	0%
10 years	50%
11 years	60%
12 years	70%
13 years	80%
14 years	90%
15 years	100%

Such vested deferred monthly benefit shall be paid to a Participant upon attainment of his/her normal retirement date as set forth in this Article.

## Designation of Beneficiaries

Each Participant shall have the right to name the beneficiary /beneficiaries for pre-retirement death benefits incidental to policies of insurance purchased primarily to fund the Participant's pension; provided that the ownership of all such policies shall remain with the Plan and shall be endorsed to prevent the assignment of ownership to the insured. If the Participant shall fail to name a beneficiary /beneficiaries, such benefits that would have accrued to his/her beneficiary /beneficiaries shall be paid to the Participant's estate.

Each Participant may from time to time change the beneficiary /beneficiaries in such form and in such manner as shall be prescribed by the Board.

#### Termination

If for any reason a Participant shall terminate service with the Employer prior to becoming vested, that Participant shall be entitled to a refund of his/her contributions plus interest at a rate of six per cent (6%) per annum. Such interest shall be uniform for all Participants.

#### Non-Alienation of Benefits and Vesting

No benefit under the Plan shall be subject in any manner anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Nor shall any benefits be in any manner liable for or subject to garnishment, attachment, execution, levy or other legal process.

Further, all benefits granted herein shall vest in the Participant upon completion of the requirements for eligibility, and his/her benefits shall continue in the amount and in the form in which he/she first became entitled to them.

#### Effective Date

The effective date of this plan shall be January 1st, 1985

### ARTICLE IV

#### CONTRIBUTIONS

- a. It shall be the liability of the Municipality to fund the Past Service Liability as determined by the actuary; provided that such liability may be funded over a period not to exceed twenty (20) years, such period commencing with the passage of this Ordinance.
- b. It shall be the liability of the Municipality to fund for the Future Service cost of the Plan.
- c. It shall be the responsibility of the Municipality to maintain the actuarial soundness of the Plan.
- d. Contributions to the Plan paid by the Municipality shall be at an amount determined by an annual actuarial study which shall be completed on a calendar year basis.

#### Allocation of Assets of Existing Pension Plans

Any assets of any existing pension plans for the Non-Uniformed Employees of the Township are hereby transferred to the Plan established pursuant to this Ordinance, and shall be applied against the Unfunded Liability.

## Gifts, Bequests and Grants

All other monies and property received by the Plan, including gifts, bequests, devises, and grants shall unless otherwise specifically provided, be applied against the Participant and the Municipality portions of the future service cost.

## ARTICLE V

### CREDIT FOR MILITARY SERVICE

Any Non-Uniformed Employee of the Municipality for at least six (6) months who thereafter shall enter the military service of the United States shall have credited to his/her employment record for pension benefit purposes all of the time spent by him/her in such military service; provided that such person returns to his/her employment with the Municipality within six (6) months after his/her separation from such service.

## ARTICLE VI

### TERMINATION OF THE PLAN

Upon termination of the Plan, the assets shall be distributed as follows:

- a. Sufficient funds shall be maintained to provide the pension benefits prescribed in Article 3.3 for all Participants who have retired prior to the termination of the Plan, or who are eligible to retire at the time of the termination of the Plan.
- b. Sufficient funds shall be maintained to provide the vested pension benefits prescribed in Article 3.5 for all Participants who are eligible for such benefits.
- c. Of the remaining funds, those which can be identified as Municipality Contributions or Contributions other than from Participants shall be distributed as the Board sees fit; provided that such distribution is made on a uniform basis.
- d. All funds in excess of the funds described in paragraphs a, b, and c above shall be returned to the Commonwealth as unused funds.

## ARTICLE VII

### PARTICIPANTS' RIGHTS AND MUNICIPALITY'S RIGHT TO TERMINATE

Neither the establishment of the Plan hereby created, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Municipality, or any officer or employee thereof, or the Board except as herein provided. Under no circumstances shall the Plan hereby created constitute a contract for continuing employment for any Participant or in any manner obligate the Municipality to continue or discontinue the services of an employee.

This Plan has been established and shall be maintained by the Municipality in accordance with the laws of the Commonwealth of Pennsylvania. The Plan shall continue for such period as may be required by such laws; provided that the Municipality may, by its own action, discontinue this Plan should such laws provide,

and the Municipality reserves the right to take such action in its sole and absolute discretion. Upon termination, the Municipality shall have no liability hereunder other than that imposed by law.

## ARTICLE VIII

### INVESTMENTS

All investments by the Board of the assets of this Plan shall comply with such regulations as the Board shall establish for the purpose of investing such funds.

The Board may also purchase annuities or other contracts of insurance which provide a cash value with which to fund pensions: provided that the Board shall determine the value of any policies purchased, the company with which the contracts shall be made, and the time to purchase such policies. The Board shall also have the obligation to insure that the policies purchased provide benefits on a uniform scale and that such policies are endorsed to the ownership of the Plan.

## ARTICLE IX

### AMENDMENTS

The Board reserves the right to amend at any time in whole or in part, any or all of the provisions of the Plan; provided that no such amendment shall authorize or permit any part of the plan to be used or diverted to purposes other than for the exclusive benefit of the Participants, their beneficiaries, or their estates. Nor shall any amendment divest a Participant of benefits vested by Article 3.5.

All such amendments shall comply with the applicable statutes of the Commonwealth of Pennsylvania.

## ARTICLE X

### CONSTRUCTION OF PLAN

This Plan shall be constructed according to the laws of the Commonwealth of Pennsylvania and all provisions hereof shall be administered according to the laws of such Commonwealth.

Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply; and wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Headings of Articles and paragraphs of this instrument are inserted for convenience of reference. They constitute no part of this Plan and are not to be considered in the construction thereof.

## ARTICLE XI

### SEVERABILITY

The provisions of this Ordinance shall be severable, and if any Article, paragraph, sentence or words of this Ordinance hereby adopted be declared for any reason invalid, unlawful, or unconstitutional, it is the intent of the Township that it had passed all other Article, paragraphs, or clauses of this Ordinance independent of the elimination herefrom of any such portion may be declared invalid, unlawful, or unconstitutional.

## ARTICLE XII

### REPEALER

This Ordinance repeals all other Ordinances, Trust Agreements, and/or Group Annuity Contracts prior to the date of its enactment which documents established, maintained, governed, or regulated a Non-Uniformed Employees Pension Plan for the Township of Milford.

ENACTED AND ORDAINED into an Ordinance at a regular meeting of the Board of Supervisors of the Township of Milford this Fourth day of February, A.D., 1986.

BOARD OF SUPERVISORS OF  
MILFORD TOWNSHIP:

Jack M Blough Jr

John A Moyer

Leslie R Manns