

ORDINANCE NO. 161

AN ORDINANCE PROVIDING FOR THE REGULATION OF THE  
EAST NORRITON TOWNSHIP EMPLOYEES' PENSION PLAN  
PREVIOUSLY ADOPTED AUGUST 14, 1967

The Board of Supervisors of East Norriton Township,  
Montgomery County, Pennsylvania, does hereby ordain and enact  
as follows:

1. Eligibility.

A. Age and Service. Each full time, permanent,  
non-uniformed employee of the Township of East Norriton who shall  
have 10 years of aggregate service with the Township and who shall  
have attained 65 years of age shall be entitled to retire and to  
receive pension or retirement benefits as hereinafter provided.

An employee as defined above, who shall have  
10 years of aggregate service with the Township, and who shall  
have attained 60 years of age, shall be entitled to early retirement  
and to receive pension or retirement benefits as determined in Section 2.

B. Disability. Each employee as above defined who is  
totally and permanently disabled shall retire and be entitled to  
receive pension or retirement benefits hereinafter provided. Total  
and permanent disability shall be defined to mean that an individual  
is not able to perform the duties required by his position with the  
Township of East Norriton. Disability benefits shall be payable until  
recovery or death. The plan administrator shall have the authority  
to require medical evidence of continuing total and permanent disability  
at his discretion from time to time. Payment of disability benefits  
is contingent upon continuing acceptability of medical evidence which  
is satisfactory to the pension administrator.

2. Retirement Benefits. The amount of pension or retirement  
benefits payable under this program shall be 1% of the first \$9,000.00  
of the final five year average pay plus 1.5% of any excess of such  
average pay over \$9,000.00 which sum shall be multiplied by the total  
credited service defined to be all service from the date of employment  
until the date of actual retirement rounded to years and completed months.  
Pay shall be defined to be gross salary as reported on Form W-2 for federal  
income tax purposes. Such retirement benefits shall be payable monthly  
during the balance of participant's life following actual retirement.

In case of early retirement the annual amount of retirement  
benefit determined by the above formula shall be reduced by the  
appropriate factor of actuarial equivalency for each complete month by  
which such actual retirement date precedes the normal retirement date.

### 3. Optional Retirement Benefits.

(a) Instead of the retirement benefit payable for life, the employee may elect to have the retirement benefit he is entitled to receive, in any of the following forms, whereby the annual amount of retirement benefits so received shall be the actuarial equivalent of the annual amount of the retirement benefit, payable for life, as the employee is entitled to on his retirement date.

(i) Life Annuity with Payments for 10 Years Certain. This form of retirement benefit provides for monthly payments to be made for life, commencing on the retirement date, but in the event of death of the annuitant before 120 payments have been made, such payments shall be continued to the beneficiary named by the annuitant until a total of 120 payments have been made.

(ii) Joint and 50% Contingent Annuity Option. This form of retirement benefit provides for monthly payments to be made commencing on the retirement date, until the later of the death of the annuitant or the death of the contingent annuitant specified by the participant on the direction to purchase such benefit. If the annuitant is not living to receive the monthly payments, the remaining payments will be made to the contingent annuitant, and the amount of each monthly payment to the contingent annuitant shall be 50% of the amount of each monthly payment to the annuitant.

This annuity shall not take effect if the contingent annuitant dies prior to the date on which payments are to commence to the annuitant. However, the death of the contingent annuitant on or after such date shall not affect the amount payable monthly to the annuitant.

(b) The annual retirement benefit, in the case of any eligible employee who was married throughout the year preceding the annuity starting date, shall be in the form of a Joint and 50% Contingent Annuity, unless he has elected otherwise in writing as provided in Paragraph (c) below.

(c) At least 90 days and no more than six months before an employee shall reach the earliest date on which an eligible employee could elect to receive retirement benefits as provided herein, the Plan Administrator shall give each such employee a written statement of his approximate anticipation benefits if he should take early retirement during the next year. If the employee is married, the statement shall clearly explain the difference between the Joint and 50% Contingent Annuity and other available annuities, both in terms of the anticipated annuity amounts in each case, and the effect of each type, and

shall explain to the eligible employee that if he does not elect otherwise prior to his retirement, his benefit will be paid in the form of a Joint and 50% Contingent Annuity if he has been married throughout the year preceding his retirement. The employee shall have 90 days after the receipt of such statement to file with the Plan Administrator, on a form provided by the Plan Administrator, an election to take the single Life Annuity or the Life Annuity with Payments for 10 Years Certain or the Joint and 50% Contingent Annuity.

#### 4. Survivor Benefits.

A. The surviving spouse of any active Township employee as defined above at the time of his death from any cause so long as said spouse does not remarry shall be entitled to receive pension or retirement benefits as provided in this section.

B. Any surviving child or children under the age of 18 years of any active Township employee as defined above at the time of his death from any cause, so long as said employee is not survived by a spouse or, if survived by a spouse, said spouse subsequently dies or remarries shall be entitled to receive pension or retirement benefits as provided in this section.

C. A spouse eligible to receive benefits by reason of survivorship of a Township employee shall receive a pension calculated at the rate of 50% of the pension or retirement benefits the Township employee had accrued at the time of his death. A child eligible to receive benefits by reason of survivorship of a Township employee shall receive a pension calculated at the rate of 50% of the pension or retirement benefits the Township employee had accrued at the time of his death, provided, however, that where more than one child of a Township employee is eligible to receive benefits, the aggregate pension payable to said children shall not exceed 50% of the pension or retirement benefits the Township employee had accrued at the time of his death. Any survivor benefits to the child or children of an employee shall cease upon attainment of the age of 18 years.

5. Contributions. This plan shall be noncontributory on the part of the employee and all costs shall be borne by the Township of East Norriton.

6. Vesting. If a Township employee's employment is terminated, or, if he ceases to be an employee as defined above before his normal retirement date he shall be vested in benefits accrued through his termination date according to the following schedule:

<u>Completed Years of Service</u>	<u>Vesting Percentage</u>
0 - 5	0%
6	20%
7	40%
8	60%
9	80%
10 or more	100%

No payments shall be due to any person no longer a Township employee until such time as the employee reaches early or normal retirement date.

7. Administration. The Township employee's pension fund shall be under the direction of the Board of Supervisors of East Norriton Township or such committee, persons or corporate trustee as the Board of Supervisors from time to time designate by Resolution, who shall be known as the Plan Administrator and who shall act as Trustees of the Township employees' pension fund, and such Trustees shall have full responsibility for the administration of the program established hereunder and shall hold, invest, re-invest and distribute all funds or other property received pursuant hereto in trust for the purposes of this Ordinance. The Trustees may receive at any time and from time to time gifts, grants, devises or bequests to the Township employees' pension fund of any money or property, real, personal, or mixed, to be held by them in trust for the benefit of this fund and in accordance with the provisions hereof. The Trustees shall be subject to such rules and regulations as may from time to time be adopted by the Board of Supervisors by Ordinance or Resolution. The Trustees shall have full power and authority by a majority action of its members either directly or through their designated representatives, to do all acts, execute, acknowledge and deliver all instruments, and to exercise for the sole benefit of the participants hereunder, any and all powers and discretions necessary to implement and effectuate the purposes of this Ordinance, including for purposes of illustration but not limited to any and all of the following:

(i) To hold, invest and reinvest all funds received pursuant to this Ordinance, in such legal investments as may be authorized as legal investments under the laws of the Commonwealth of Pennsylvania;

(ii) To enter into contracts or deposit agreements on behalf of East Norriton Township with one or more insurance companies, in order to provide the pension and other benefits herein set forth, and to pay the premiums and deposits required by the purchase of said contracts;

(iii) To retain or purchase as an investment any form of annuity or contracts of similar nature, and to exercise with respect thereto, any right or incident of ownership;

(iv) To retain any property which may at any time become an asset of the fund, as long as said Trustees may deem it advisable; and

(v) To make distribution of the monies in the fund, in accordance with the terms of this Ordinance.

8. Transfer or Assignment. The pension payments, herein provided for, shall not be subject to attachment, execution, levy, garnishment or other legal process, and shall be payable only to the participant or his designated beneficiary. No participant or his beneficiary shall have any right to alienate, encumber or assign any assets of the fund held by the Trustees on his behalf, or any of the benefits or payments or proceeds of any contract or agreement purchased or acquired by the Township hereunder. Any contract or agreement purchased or acquired pursuant to this Ordinance upon the life of such participant shall contain a provision, in substance, that to the extent permitted by law, none of the benefits or payments or proceeds of such contract or agreement shall be subject to any legal process by any creditor of such participant or beneficiary of such participant.

9. Expense of Administration. The expense of administering this pension fund program, including compensation of an actuary, any custodian of the fund and any other charges or expenses related thereto, exclusive of the payment of pensions, shall be paid by the Township by appropriations made by the Board of Supervisors.

10. Membership. Each full time permanent nonuniformed Township employee shall become a member of the Township's employee pension plan upon employment. Any Township employee may elect not to be covered by the employee pension plan.

11. Former Employees and Effective Date. The effective date of this Ordinance shall be January 1, 1981. Any Township employee whose employment was terminated voluntarily or involuntarily prior to January 1, 1981 shall be entitled to benefits only in accordance with the East Norriton Township employees' pension plan dated August 14, 1967 as set forth in the deposit administration group annuity contract with Provident Indemnity Life Insurance Company dated January 9, 1969.

12. Failure to Designate Beneficiary. In the absence of an effective beneficiary designation, the Plan Administrator shall first pay death benefits to the spouse of the employee, if any, then to his children, if any, then to the employee's estate.

13. Lump Sum Distribution. In the event that for any reason the benefits payable to any employee under this Plan are determined by the Plan Administrator in its sole discretion to be too small to feasibly provide the normal or optional retirement benefits, then a lump sum distribution calculated actuarially shall be made.

14. Validity. Should any section or any provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, such invalidity shall not affect the Ordinance as a whole or any part thereof.

15. Repealer. Any Ordinance or Resolution concerning employee pension funds shall be and the same are hereby repealed.

ORDAINED AND ENACTED by the Board of Supervisors of East Norriton Township this 22nd day of June , 1981.

BOARD OF SUPERVISORS  
EAST NORRITON TOWNSHIP

By: Alan R. Saydah  
Chairman

Attest: Helmut J. Bauwald  
Secretary