

ORDINANCE NO. 162

AN ORDINANCE PROVIDING FOR THE AMENDMENT AND REGULATION
OF THE POLICE PENSION PROGRAM FOR FULL TIME POLICEMEN
OF THE TOWNSHIP OF EAST NORRITON AND REPEALING ORDINANCE
NO. 113 AND ALL OTHER ORDINANCES AFFECTING THE POLICE
PENSION PROGRAM OF THE TOWNSHIP OF EAST NORRITON

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 policeman who is employed by East Norriton Township on a full time basis who shall have a minimum period of total service in the aggregate of 25 years with the Township and who shall have attained 50 years of age shall be entitled to retire and to receive pension or retirement benefits as hereinafter provided. Alternatively, any policeman who was a member of the police pension fund prior to December 21, 1965 who shall have 20 years of aggregate service with the Township and who shall have attained 60 years of age shall be entitled to retire and to receive pension or retirement benefits as hereinafter provided. Any participant retiring hereunder shall be subject to service, from time to time, as a police reserve, in cases of riot, tumult or preservation of the public peace, until unfitted for such services, when he may finally be discharged by reason of age or disability.

B. Disability. Each policeman who is employed by East Norriton Township on a full time basis who is totally and permanently disabled as a result of a service-connected injury 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 Police Department.

2. Retirement Benefits. The amount of pension or retirement benefits payable under this program shall be a sum equal to one half of the monthly average salary of the participant during the last 36 months of employment. Salary 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 and the benefits for any month shall be computed as the sum of (i) any pension benefits from pension plans heretofore established by a private organization or associations for the members of the police force, but only to the extent that the Commonwealth of East Norriton Township shall have contributed to such pension plan monies raised by taxation, (ii) 75% of the primary benefits under Federal Social Security laws for which the participant may be eligible because of age or disability, and (iii) benefits from the pension fund

established hereunder to the extent necessary to bring the total benefits in any month up to one half of the aforesaid monthly average salary. The 75% primary benefits under Federal Social Security laws shall be calculated in accordance with the provisions of the Federal Social Security Act in effect on the date of the officer's termination of employment, except that such amounts shall be included only upon attainment of the age at which the officer would be eligible to receive full Social Security old age insurance benefits and in determining such eligibility and such amount only compensation for services actually rendered by the officer and covered by the police pension fund shall be included. Any officers retired by reason of age and service or disability as of January 1, 1981 shall continue to receive the pension amount being received as of December 31, 1980.

3. Survivor Benefits.

A. The surviving widow of any policeman employed by this Township on a full time basis at the time of his death as a result of having been killed in service, or of any policeman retired by reason of age and service, or disability, so long as said widow 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 policeman employed by this Township on a full time basis at the time of his death as a result of having been killed in service, or of any policeman retired by reason of age and service, or disability, so long as said policeman is not survived by a widow or, if survived by a widow, said widow subsequently dies or remarries shall be entitled to receive pension or retirement benefits as provided in this section.

C. A widow eligible to receive benefits by reason of survivorship of a policeman shall receive a pension calculated at the rate of 50% of the pension or retirement benefits the policeman was receiving or would have been receiving had he been retired at the time of his death. A child eligible to receive benefits by reason of survivorship of a policeman shall receive a pension calculated at the rate of 50% of the pension or retirement benefits the policeman was receiving or would have been receiving had he been retired at the time of his death, provided, however, that where more than one child of a policeman is eligible to receive benefits, the aggregate pension payable to said children shall not exceed 50% of the pension or retirement benefits the policeman was receiving or would have been receiving at the time of his death. Any survivor benefits to the child or children of a policeman shall cease upon attainment of the age of 18 years.

4. Contributions. Each participant shall contribute monthly into the pension fund established hereunder an amount equal to the sum of (i) the product determined by multiplying the total monthly compensation on which Social Security taxes are payable by

2.75%, plus (ii) the product obtained by multiplying the amount of total monthly compensation in excess of that on which Social Security taxes are payable, if any, by 5%. All such contributions by participant shall be deducted by the Township from the participant's salary. Any balance of needed annual contributions shall become the obligation of the Township and shall be paid to the pension fund by annual appropriations.

Any payments made by the Commonwealth of Pennsylvania to the Township for police pension purposes shall be used as follows:

(i) To reduce the unfunded liability of the Township on account of pensions payable hereunder, and after such liability has been funded,

(ii) To apply against the annual obligation of the Township for future service cost or, to the extent that the payment may be in excess of such obligation,

(iii) To reduce participant's contribution. The Board of Supervisors may, from time to time, by Resolution stipulate whether or not participant's contributions will be required based on findings of an actuarial study.

5. Vesting. Any officer who ceases to be employed as a full time police officer by the Township of East Norriton prior to completing superannuation retirement age and service requirements, but after having completed 12 years of total service shall be entitled to vest his retirement benefits by filing with the manager of the Township of East Norriton within 90 days of the date he ceases to be a full time police officer a written notice of his intention to vest. Upon reaching the date which would have been his superannuation retirement date if he had continued to be employed as a full time police officer he shall be paid a partial superannuation retirement allowance determined by applying the percentage his years of service bears to the years of service he would have rendered had he continued to work until his superannuation retirement date to the gross pension, using, however, the monthly average salary during the 48 month period prior to his termination of employment. Such pension or retirement benefits for any month shall be those benefits determined in accordance with section 2. hereof to the extent necessary to bring the total benefits of any month up to his partial superannuation retirement allowance outlined above.

Any officer who, for any reason whatsoever, shall be ineligible to receive a pension after having contributed any charges to the police pension fund established pursuant to his Ordinance shall be entitled to a refund of all such monies paid by him into the fund plus all interest earned by such monies while in the police pension fund. If such nonvested termination or nonvested discontinuance of employment is due to death, such refund of money shall be paid to the participant's designated beneficiary or, in the absence thereof, to his estate.

6. Administration. The police pension fund shall be under the direction of the Board of Supervisors of East Norriton Township or such committee or persons as the Board of Supervisors may from time to time designate by Resolution, who shall act as Trustees of the pension fund, and such Trustees shall have full responsibility for the administration of the program established hereunder and shall hold, invest, reinvest 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 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.

7. 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.

8. Cost of Living Increase. The Board of Supervisors of East Norriton Township may provide for a cost of living increase for members of the police force receiving retirement benefits; provided, however, that such cost of living increase shall not exceed the percentage increase in the Consumer Price Index from the year in which the policeman last worked; provided, further, that in no case shall the total police pension benefits exceed 75% of the salary for computing retirement benefits; and provided further, that the total cost of living increase shall not exceed 30%. No cost of living increase shall be granted which would impair the actuarial soundness of the pension fund.

9. Expense of Administration. Benefit payments made pursuant to the police pension plan shall not be a charge on any other fund in the treasury of the Township or under its control with the exception of the police pension fund hereby created. 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. Military Service. Any member of the police force employed by the Township of East Norriton on a full time basis for a period of at least six months who thereafter shall enter into the military service of the United States shall have credited to his employment record for pension or retirement benefits all of the time spent by him in such military service if such person returns to his employment within six months after his separation from the service.

11. 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. No benefit hereunder shall be payable if payment of that benefit would constitute a violation of any rule, regulation or policy of the Department of the Auditor General of the Commonwealth of Pennsylvania. Any affected participant may contest with the Department of the Auditor General of the Commonwealth of Pennsylvania any such rule, regulation or policy and East Norriton Township will be bound by any final decision resulting from such contest.

12. Repealer. Ordinance No. 113 and any Ordinance or part of any Ordinance conflicting with the provisions of this Ordinance shall be and the same is hereby repealed, insofar as the same affects this Ordinance.

13. Effective Date. The effective date of this Ordinance shall be January 1, 1981.

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. Jaydah
Chairman

Attest: Helmut J. J. J. J. J.
Secretary